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Search by Audit Title Years Local/State
2015 to 2015 None

State Agencies
None

Region
None



Page Size 10 15 20 25 All

Audit	Date Issued	Audit Number
Twenty-Ninth Judicial Circuit City of Joplin Municipal Division	12-2015	2015-135
Pulaski County	12-2015	2015-134
Henry County	12-2015	2015-133
Twenty-First Judicial Circuit City of St. Ann Municipal Division	12-2015	2015-132
Eleventh Judicial Circuit City of Foristell Municipal Division	12-2015	2015-131
Goodman Fire Protection District	12-2015	2015-130
Economic Development Public Service Commission	12-2015	2015-129
City of Gallatin	12-2015	2015-128
Review of 2015 Property Tax Rates	12-2015	2015-127
Twenty-Ninth Judicial Circuit City of Carl Junction Municipal Division	12-2015	2015-126
Public Safety Missouri State Highway Patrol's Use of Highway Funds Year Ended June 30, 2015	12-2015	2015-125
Insurance, Financial Institutions, And Professional Registration Division of Professional Registration State Board of Registration for the Healing Arts	12-2015	2015-124
Butler County	12-2015	2015-123
Hope Academy Charter School	12-2015	2015-122
Agriculture Missouri State Fair	12-2015	2015-121
Pemiscot County	12-2015	2015-120
Revenue Missouri State Lottery Commission	12-2015	2015-119
Insurance, Financial Institutions, And Professional Registration Division of Professional Registration Board of Therapeutic Massage	12-2015	2015-118
Phelps County	11-2015	2015-117
Village of Leasburg	11-2015	2015-116
Harrison County	11-2015	2015-115
Hannibal School District #60	11-2015	2015-114
Summary of 2015 Follow-Up Reports	11-2015	2015-113
Summary of State and Local Audit Findings - Sunshine Law	11-2015	2015-112
Cooper County Collector and Property Tax System	11-2015	2015-111
Insurance, Financial Institutions, and Professional Registration Missouri Dental Board	11-2015	2015-110
Revenue Warrenton Contract License Office	11-2015	2015-109
Revenue St. Charles Contract License Office	11-2015	2015-108
Revenue Monroe City Contract License Office	11-2015	2015-107
Revenue Kirksville Contract License Office	11-2015	2015-106
Revenue Carthage Contract License Office	11-2015	2015-105
Conservation / Department of Conservation	11-2015	2015-104
Follow Up Report On Audit Findings Butler County Collector and Property Tax System	11-2015	2015-103
Village of Luray	11-2015	2015-102
Missouri Veterans Commission Capital Improvement Trust Fund	11-2015	2015-101
Warren County	11-2015	2015-100
Ralls County	11-2015	2015-099
Forty-Third Judicial Circuit Clinton County	10-2015	2015-098
Summary of Local Government and Court Audit Findings - Information Security Controls	10-2015	2015-097
Holt County	10-2015	2015-096
Fenton Crossing Transportation Development District	10-2015	2015-095
Public Safety Gaming Commission	10-2015	2015-094
Elementary and Secondary Education Missouri Student Information System Data Governance	10-2015	2015-093

Economic Development Neighborhood Assistance Program Tax Credit	10-2015	2015-092
Pulaski County Financial Statements	10-2015	2015-091
Follow Up Report on Audit Findings St. Joseph School District	09-2015	2015-090
Follow-Up Report On Audit Findings City of Dixon	09-2015	2015-089
Grundy County Financial Statements	09-2015	2015-088
Marion County Financial Statements	09-2015	2015-087
Madison County Financial Statements	09-2015	2015-086
Harrison County Financial Statements	09-2015	2015-085
Douglas County Financial Statements	09-2015	2015-084
Monroe County	09-2015	2015-083
Monroe County Financial Statements	09-2015	2015-082
DeKalb County Financial Statements	09-2015	2015-081
Revenue Sales and Use Tax	09-2015	2015-080
Grundy County	09-2015	2015-079
Phelps County Financial Statements	09-2015	2015-078
Pemiscot County Financial Statements	09-2015	2015-077
Butler County Financial Statements	09-2015	2015-076
Follow-Up Report On Audit Findings Clinton County Collector and Property Tax System	09-2015	2015-075
Schuyler County Financial Statements	09-2015	2015-074
Ray County Financial Statements	09-2015	2015-073
Carter County Collector and Property Tax System	09-2015	2015-072
Ralls County Financial Statements	09-2015	2015-071
Dunklin County Financial Statements	09-2015	2015-070
Follow Up Report On Audit Findings City of Kimmswick	09-2015	2015-069
DeKalb County	09-2015	2015-068
Warren County Financial Statements	08-2015	2015-067
Ozark County Financial Statements	08-2015	2015-066
Follow Up Report on Audit Findings Seventeenth Judicial Circuit Cass County	08-2015	2015-065
Judiciary Supreme Court of Missouri	08-2015	2015-064
Stone County Financial Statements	08-2015	2015-063
1225 Washington Avenue Transportation Development District	08-2015	2015-062
Economic Development Office of the Public Counsel	08-2015	2015-061
City of Joplin	08-2015	2015-060
Nodaway County Financial Statements	08-2015	2015-059
Missouri Local Government Employees' Retirement System	08-2015	2015-058
Follow-Up Report On Audit Findings Joplin Schools	08-2015	2015-057
Follow-Up Report On Audit Findings Early Childhood Development, Education, and Care Fund	08-2015	2015-056
Henry County Financial Statements	08-2015	2015-055
Thirteenth Judicial Circuit Boone County	07-2015	2015-054
Follow Up Report on Audit Findings Thirty Seventh Judicial Circuit West Plains Municipal Division	07-2015	2015-053
Holt County Financial Statements	07-2015	2015-052
Ray County	07-2015	2015-051
Howard County Financial Statements	07-2015	2015-050
Office of Administration Division of Purchasing and Materials Management State Agency for Surplus Property	07-2015	2015-049
City of Kimberling City	07-2015	2015-048
Nodaway County	07-2015	2015-047
Follow Up Report on Audit Findings Taney County	07-2015	2015-046
Administration Children's Trust Fund Board	07-2015	2015-045
2nd Judicial Circuit- Adair County	06-2015	2015-044
Adair County	06-2015	2015-043
Follow Up Report on Audit Findings Village of Country Club	06-2015	2015-042
Follow Up Report on Audit Findings Webster County	06-2015	2015-041
Follow Up Report on Audit Findings Lewis County Collector	06-2015	2015-040
Follow Up Report on Audit Findings Lewis County	06-2015	2015-039
Howard County	06-2015	2015-038
Schuyler County	06-2015	2015-037
Follow Up Report on Audit Findings City of Leeton	06-2015	2015-036
Follow Up Report on Audit Findings Miller County	06-2015	2015-035

Follow Up Report on Audit Findings Osage County	06-2015	2015-034
Compilation of 2014 Federal Forfeiture Reports	06-2015	2015-033
Follow-Up Report on Audit Findings Grandview C-4 School District	05-2015	2015-032
Follow-Up Report On Audit Findings Thirty-Third Judicial Circuit City of Miner Municipal Division	05-2015	2015-031
City of Bunceton	05-2015	2015-030
Sixteenth Judicial Circuit Jackson County	05-2015	2015-029
Knox County Prosecuting Attorney	05-2015	2015-028
Follow-Up Report on Audit Findings Texas County	05-2015	2015-027
2014 Annual Report Office of The Missouri State Auditor	04-2015	2015-026
Butler County Collector and Property Tax System	04-2015	2015-025
Barry County	04-2015	2015-024
Office of Governor	04-2015	2015-023
Administration Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2014	04-2015	2015-022
Hickory County	04-2015	2015-021
Follow-Up Report on Audit Findings City of Pevely	04-2015	2015-020
Highway Patrol Criminal Justice Information Security Management	04-2015	2015-019
State Distribution of Excess Revenues	04-2015	2015-018
Twenty-Fifth Judicial Circuit City of Dixon Municipal Division	04-2015	2015-017
Office of State Treasurer	04-2015	2015-016
Department of Transportation	04-2015	2015-015
State of Missouri Single Audit Year Ended June 30, 2014	03-2015	2015-014
Office of Attorney General	03-2015	2015-013
Joplin Schools	02-2015	2015-012
Compilation of 2014 Criminal Activity Forfeiture Act Seizures	02-2015	2015-011
Department of Corrections	02-2015	2015-010
Clinton County Collector and Property Tax System	02-2015	2015-009
Washington County	04-2015	2015-008
City of Dixon	02-2015	2015-007
St. Joseph School District	02-2015	2015-006
Early Childhood Development, Education, and Care Fund	02-2015	2015-005
2014 Property Tax Rates	01-2015	2015-004
Statewide State Flight Operations	01-2015	2015-003
Jefferson College	01-2015	2015-002
Comprehensive Annual Financial Report / Year Ended June 30, 2014	01-2015	2015-001



THOMAS A. SCHWEICH

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain entities that comprise the state of Missouri. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Conservation Employees' Insurance Plan; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State

- Highway Patrol Medical and Life Insurance Plan, which represent 79 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which are both major funds and represent 34 percent and 54 percent of the assets and revenues, respectively, of the business-type activities.
 3. The aggregate discretely presented component units.
 4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 99 percent of the assets and additions, respectively, of the fiduciary funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan, and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions on the governmental activities and General Fund opinion units and our unmodified opinions on all remaining opinion units.

Basis for Qualified Opinions on the Governmental Activities and General Fund

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Director of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). Approximately 27 percent of governmental activity revenues and 32

percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Qualified Opinions

In our opinion, based on our audit and the reports of other auditors, and except for the possible effects of the matter described in the "Basis for Qualified Opinions on the Governmental Activities and General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the state of Missouri, as of June 30, 2014, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, for the fiscal year ending June 30, 2014, the state of Missouri implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. In addition, the University of Missouri, a discretely presented component unit, early implemented Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. Statement No. 68 is not required to be implemented until fiscal year 2015. Our opinions are not modified with respect to this matter.

As discussed in Note 17 to the financial statements, the 2013 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1-13 and the Budgetary Comparison Schedule-General Fund, Major Special Revenue Funds on pages 104-105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial

statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, and the other information, which consists of the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, and except for the possible effects on the supplementary information of the matter discussed in the "Basis for Qualified Opinions on the Governmental Activities and General Fund" paragraph, the supplementary information, as listed in the table of contents, is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The information in the introductory and statistical sections has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, our report dated January 12, 2015, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of our report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal

control over financial reporting or on compliance. Our report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state of Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with a large, stylized initial 'T' and a long, sweeping underline.

Thomas A. Schweich
State Auditor

January 12, 2015



Thomas A. Schweich
Missouri State Auditor

HIGHER EDUCATION

Jefferson College



January 2015
Report No. 2015-002

<http://auditor.mo.gov>



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Jefferson College

Accounting Controls and Procedures	The financial reporting capabilities of the college need improvement. Many reports we requested for our audit had to be created by the college's Information Technology Department. Personnel in the Continuing Education Department do not always issue prenumbered receipt slips and do not account for the numerical sequence of receipt slips. The Student Services Department does not issue prenumbered manual receipt slips for transcript copies and application fees. In addition, no one independent of the receipting process compares amounts receipted to the amounts that should have been charged. The cashier's office maintains a change fund of \$2,200, which may be excessive. The cashier's office and the campus police department do not work together to ensure the numerical sequence and ultimate disposition of tickets issued by the police department are accounted for properly. The cashier's office allows students and employees to cash personal checks despite the availability of an on-campus ATM. The office clerk at the college's Imperial campus does not balance the cash drawer at the front desk on a regular basis.
Fuel Reconciliation	The college does not reconcile fuel logs to fuel billings. The college maintains 3 unlocked bulk fuel tanks on campus, and uses fuel logs showing the date, amount of fuel pumped, and the vehicle for which the fuel was used. However, the college does not compare total gallons pumped, gallons purchased, and gallons on hand.
Rental Fees	The college could not provide supporting documentation for the procedures utilized to determine the rental fees charged for renting college facilities. In addition, the college did not document its review of dorm room rates. The college collected \$735,874 in dorm room rent for the year ended June 30, 2014.
Information Security and Computer Controls	The college does not perform periodic background checks for employees with access to sensitive information. Additionally, the college does not have written documentation showing which students and employees have authorized access to information assets. The college does not require periodic changing of the password for the college's password management application.

College Foundation	The foundation does not perform adequate bank reconciliations and does not always issue checks in numerical order. The foundation did not always comply with the Sunshine Law, even though foundation by-laws require compliance. Open meeting minutes did not record a roll call vote of the Foundation Board to enter into or exit closed sessions, and minutes for closed session meetings are not prepared. The college subsidizes a portion of the operating costs of the foundation by paying the salaries of the foundation's Executive Director of Development and the Development Assistant. The college has not entered into a formal agreement with the foundation
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In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Jefferson College

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Accounting Controls and Procedures	4
2. Fuel Reconciliation.....	8
3. Rental Fees	8
4. Information Security and Computer Controls	9
5. College Foundation	10

Organization and Statistical	14
Information	



THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Trustees of the Community College District of Jefferson County
and
Dr. Raymond V. Cummiskey, President
Jefferson College
Hillsboro, Missouri

We have audited certain operations of the Community College District of Jefferson County (Jefferson College) in fulfillment of our duties under Chapter 29, RSMo. The college engaged Daniel Jones and Associates, Certified Public Accountants (CPAs), to audit the college's financial statements for the year ended June 30, 2013, and June 30, 2014. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2013, since the year ended June 30, 2014, audit had not been completed at the time we started our audit. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2014. The objectives of our audit were to:

1. Evaluate the college's internal controls over significant management and financial functions.
2. Evaluate the college's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Evaluate selected records and activities of the college's foundation.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the college, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the college's management and was not subjected to the procedures applied in our audit of the college.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) weaknesses with the procedures of the college's foundation. The accompanying Management Advisory Report presents our findings arising from our audit of Jefferson College.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and a middle initial "A" in between.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	David Olson
Audit Staff:	Tessa Rusatsi
	Devin Jackson
	Margie Freeman

Jefferson College

Management Advisory Report

State Auditor's Findings

1. Accounting Controls and Procedures

Improvements are needed with the college's financial reporting system. Control weaknesses exist related to cash handling procedures at various locations. Various departments and programs collect and transmit receipts to the cashier's office for further processing. During the year ended June 30, 2014, the cashier's office processed approximately \$17.7 million.

1.1 Financial reporting

The financial reporting capabilities of the college need improvement. Many reports we requested during our audit had to be created by the college's Information Technology Department. These reports included detailed lists of expenditures and payroll reports listing the name, hire date, position, pay grade and pay rate of employees. This information had to be manually prepared based on computer screen shots and hard copy documents. In addition, a complete check register could not be immediately provided by the college because of the reporting limitations of the college's computer system.

The Controller indicated the college has been using the same automated accounting system since 1998 but is currently working to expand financial reporting capabilities. This system processes accounting, payroll, human resources, financial aid, student admissions, and registration information for the college. According to the Controller and Vice President of Finance and Administration, some standardized reports are now available, but the college will continue efforts to expand financial reporting capabilities. However, these efforts have been hampered by the lack of dedicated personnel to create the reports needed.

To ensure all levels of management have access to the financial reporting information needed to make appropriate and economical decisions, the college's system must provide management access to complete and accurate financial information.

1.2 Receipting procedures

Receipting procedures in the Continuing Education and Student Services Departments need improvement.

- Personnel in the Continuing Education Department do not always issue prenumbered receipt slips and do not account for the numerical sequence of receipt slips. The department issues 3 different types of receipt slips in addition to the receipt slip that is issued by the college's accounting system. These other types of receipt slips will be issued if a class is not finalized and a refund will need to be given. One type of receipt slip is not prenumbered and no one accounts for the numerical sequences of the receipts that are prenumbered.

Continuing Education personnel stated that they wait until classes are finalized to transmit registration monies and enter the receipts in the college accounting system. If a class is canceled, the cash and/or checks



Jefferson College Management Advisory Report - State Auditor's Finding

received from students are returned. Continuing Education personnel indicated this is done to avoid having to process refund checks through the college accounting system. During the year ended June 30, 2014, the Continuing Education Department collected approximately \$141,000 in receipts.

- The Student Services Department does not issue prenumbered manual receipt slips for transcript copies and application fees. In addition, no one independent of the receipting process compares amounts receipted to the amounts that should have been charged. During the year ended June 30, 2014, the Student Services Department collected approximately \$77,545 in transcript receipts and application fees.

To properly account for monies received and reduce the risk of loss, theft, or misuse of funds, the college should issue prenumbered receipts slips for all monies received, immediately transmit monies received to the cashier's office and enter receipts in the accounting system; account for the numerical sequence of receipts; and reconcile receipt slip amounts to transmittals, amounts entered in the accounting system, and transcript requests and applications received. In addition, all refunds should be made timely and by check.

1.3 Cashier's office change fund

The cashier's office maintains a change fund of \$2,200, which may be excessive. Cashier's office personnel indicated they maintain this amount to ensure cash reserves are adequate for making change and to allow for loaning money to campus organizations for change funds. However, cashier's office personnel stated no more than \$250 is normally loaned out for change funds. Therefore the amount of the change fund could be significantly reduced.

To reduce the potential for fraud or theft occurring, the change fund balance should be kept to a minimum.

1.4 Campus police department tickets

The cashier's office and the campus police department do not work together to ensure the numerical sequence and ultimate disposition of tickets issued by the police department are accounted for properly. As tickets are issued, copies are given to the cashier's office for processing. However, there are no procedures to account for the numerical sequence of tickets issued or to ensure all tickets issued have been provided to the cashier's office. During the year ended June 30, 2014, the college collected approximately \$6,600 in ticket revenue.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the cashier's office and the police department cannot be assured all tickets issued are properly submitted for processing. A record should be maintained, accounting for the ultimate disposition of each ticket issued to decrease the risk of loss, theft, or misuse of funds.



Jefferson College
Management Advisory Report - State Auditor's Finding

1.5 Personal checks

Cashier's office personnel allows students and employees to cash personal checks despite the availability of an on-campus ATM. As a result, monies receipted are not always deposited intact. Cashier's office personnel stated they do not keep a log showing the number or amount of personal checks cashed.

Cashing personal checks from daily cash receipts is a poor practice and reduces the accountability of monies received. To help ensure cash receipts are accounted for properly, daily receipts should be deposited intact. If the college wishes to continue providing check-cashing services for its students and employees, the checks should be cashed from a separate cash drawer maintained on an imprest basis and not from daily cash receipts.

1.6 Imperial campus cash drawer

The office clerk at the college's Imperial campus does not balance the cash drawer at the front desk on a regular basis. At the time of our fieldwork in July 2014, the drawer had not been balanced since July 2011. College personnel indicated that the drawer is only balanced when the change fund has to be replenished.

Regularly balancing the cash drawer is necessary to provide assurance cash is handled properly and to reduce the risk of loss, theft, or misuse of monies.

Recommendations

The Board of Trustees:

- 1.1 Evaluate the adequacy of the college's financial reporting system and continue to address deficiencies in the system's reporting capabilities to provide timely and accurate financial information to management.
- 1.2 Revise the receipting process to require (1) prenumbered receipts be issued when monies are received, (2) the numerical sequence of receipts be accounted for, (3) all monies be deposited timely, and (4) someone independent of the receipting process to compare amounts receipted to amounts that should have been charged and collected for copies of transcripts and applications.
- 1.3 Determine the minimum amount of monies needed for the cashier's office change fund.
- 1.4 Ensure the campus police department and cashier's office work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.
- 1.5 Discontinue the practice of cashing personal checks for students and employees.
- 1.6 Ensure all cash drawers are balanced timely.



Jefferson College
Management Advisory Report - State Auditor's Finding

Auditee's Response

- 1.1 *We agree in principle with the auditors' findings. Current financial reporting is inadequate. We believe, however, that a substantial investment in either report writing software and/or manpower dedicated to financial reporting, will be required to fix this issue. We are constantly working to improve financial reporting given the current resource constraints and will explore opportunities to expand those resources as well over the course of the next two years.*
- 1.2 *Effective immediately, the Continuing Education Department will discontinue using handwritten receipts and will ensure that all registrations and payments are processed immediately into the college accounting system as received each day. This process will ensure the use of sequentially numbered receipts through our accounting system. Personal checks will no longer be returned to students upon receipt when classes have already been canceled. All registrations will be processed and payments deposited daily, whether or not a class is finalized and college issued refund checks will be written if classes are subsequently canceled.*
- Student Services is currently in the process of automating the application and transcript process. Once completed, the majority of payments will be processed on-line. The Business Office will work with Student Services to develop tighter controls for the few remaining cash receipts, which we anticipate can be completed by August 2015.*
- 1.3 *We believe the current change fund of \$2,200 is appropriate. Each of the three cash drawers requires a \$200 balance to conduct daily operations, a total of \$600. The additional amount is needed to fund change required for special events. At times, even the \$2,200 is not sufficient when multiple events are occurring simultaneously. In addition, cash is balanced daily to ensure the integrity of the operation.*
- 1.4 *We agree. The Business Office will work with the Campus Police Department to develop a process whereby the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. We will endeavor to have this process in place by August 2015.*
- 1.5 *We agree. Effective January 2015, the college will no longer cash personal checks. Students and employees will be directed to the on-campus ATM.*



Jefferson College
Management Advisory Report - State Auditor's Finding

1.6 *We agree. Our current policy requires all cash drawers, including the one at Imperial, to be balanced on a daily basis and we will ensure this policy is reinforced effective immediately.*

2. Fuel Reconciliation

The college does not reconcile fuel logs to fuel billings. The college maintains 3 unlocked bulk fuel tanks on campus and uses fuel logs showing the date, amount of fuel pumped, and the vehicle for which the fuel was used. However, no comparison is performed between total gallons pumped, gallons purchased, and gallons on hand. As a result, there is less assurance fuel usage is accounted for, invoices for fuel purchased are correct, and theft would be detected promptly. The college purchased approximately \$30,600 in fuel during the year ended June 30, 2014.

Procedures for reviewing fuel used and reconciling use to fuel purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements. The failure to lock the fuel tanks and account for fuel use could result in theft and misuse going undetected.

Recommendation

The Board of Trustees should ensure the fuel tanks are locked, and a documented periodic reconciliation of fuel purchased to fuel used is performed, with any significant discrepancies investigated.

Auditee's Response

We agree. A documented process to reconcile fuel purchased and consumed will be developed by not later than February 2015 and we will immediately lock the pumps to secure access.

3. Rental Fees

The college's procedures for determining fees charged for facility rent and dorm rooms need improvement.

- The college could not provide supporting documentation for the procedures utilized to determine the rental fees charged for renting college facilities. As a result, there is no assurance fees charged for renting out college facilities are reasonable and cover all costs incurred. College personnel indicated the amount of rent charged is comparable to fair market value in the area. The college collected \$30,184 in rental fees for the year ended June 30, 2014.
- The college did not document its review of dorm room rates. According to college personnel, the college reviews and tries to set rates in line with room rates in the surrounding areas. However, the college does not have any documentation of these reviews. The college collected \$735,874 in dorm room rent for the year ended June 30, 2014.

To ensure property rentals and dorm room rates are set appropriately, the college should establish procedures to periodically determine the amounts to be charged and maintain the related documentation.



Jefferson College
Management Advisory Report - State Auditor's Finding

Recommendation

The Board of Trustees periodically conduct formal cost studies to ensure the amount of the rent charged for the use of college facilities and dorm room rates are reasonable.

Auditee's Response

We agree that college facility rental and residence hall rental fees should be documented with a formal cost study and we will complete this work by the end of the current fiscal year. Thereafter, we will review these rates on a biennial basis.

4. Information Security and Computer Controls

Controls and procedures related to employee background checks, and access to system information need improvement.

4.1 Background checks

The college does not perform periodic background checks for employees with access to sensitive information. According to college personnel background checks are done when an information technology employee is hired, but additional background checks are not periodically performed.

According to accepted standards,¹ background checks should be performed for new employees and periodically for current employees dependent on the sensitivity and/or criticality of the job function. Without performing appropriate background checks, there is an increased risk of exposing sensitive information to an employee with a criminal background.

4.2 Information access

The college does not have written documentation showing which students and employees have authorized access to information assets. College personnel stated a form was previously used to request and approve access for new employees or students and for employees changing positions. However, this form is no longer in use.

The lack of documented approvals of access rights increases the risk of unauthorized access and/or changes to the system. To control access, a standardized form should be used showing documented authorizations of access rights for individual employees and students.

4.3 Password management application

The college requires changing of the password for the college's password management application only when an information technology employee who knows the password changes employment. According to college personnel, at least 5 individuals have access to the application.

¹ COBIT 5 Enabling Processes, AP007 Manage Human Resources. © 2012 ISACA. All rights reserved. Used with permission.



Jefferson College
Management Advisory Report - State Auditor's Finding

Since the password does not have to be periodically changed, there is less assurance the password is effectively limiting access to the password management application to only those individuals who need access. The password should be changed periodically to reduce the risk of unauthorized access to and use of the application.

Recommendations

The Board of Trustees:

- 4.1 Ensure complete background checks are periodically performed on employees who have access to sensitive information.
- 4.2 Ensure a standard form for requesting and authorizing access to information assets is used.
- 4.3 Require periodic changing of the password to access the password management application.

Auditee's Response

- 4.1 *We agree that periodic background checks should be performed on employees who have access to sensitive information. The Business Office will work with Human Resources to identify these positions and develop a procedure to complete these background checks by March 2015.*
- 4.2 *We agree. The Business Office will work with Human Resources and Information Technology to review the existing form, make any necessary adjustments, and finalize the process by not later than March 2015. The current process is done through email and subsequent interviewing of appropriate management personnel to validate access, but no record of that approval is currently maintained.*
- 4.3 *We agree. We will require that the Password Management Application password be changed on a periodic basis similar to the changes that are currently required for individual user ids and passwords.*

5. College Foundation

Accounting controls and procedures for the Jefferson College Foundation need improvement and foundation minutes did not comply with the Sunshine Law. The college subsidizes certain operating expenses of the foundation and has no formal contract or agreement with the foundation to document the duties and responsibilities of both parties.

The Jefferson College Foundation, established in 1991, is a not-for-profit 501(c)(3) tax exempt public benefit corporation. Its mission is to increase resources, to raise funds, and to cultivate friends and partnerships to support Jefferson College and its mission. The business



Jefferson College
Management Advisory Report - State Auditor's Finding

and affairs of the foundation are managed by a board of directors that includes college officials and community and business leaders.

5.1 Accounting controls and procedures

We identified problems with the foundation's accounting controls and procedures.

- The foundation does not perform adequate bank reconciliations. Processing fees charged by one of the foundation's donation acceptance websites are not accounted for when reconciling the foundation's bank account.

Adequate monthly bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected on a timely basis.

- The foundation does not always issue checks in numerical order. During our review of checks issued during the fiscal year ended June 30, 2014, we identified six checks issued out of sequence.

To ensure all disbursements are accounted for properly and to reduce the risk of misuse of monies, checks should be issued in numerical sequence and accounted for properly.

5.2 Sunshine Law violations

The foundation minutes did not always comply with the Sunshine Law. Open meeting minutes did not record a roll call vote of the Foundation Board to enter into or exit closed sessions. In addition, minutes for closed session meetings are not prepared. Article V, Section 6, of the foundation's by-laws state the foundation will comply with Chapter 610, RSMo.

Section 610.020, RSMo, requires governmental bodies to prepare and maintain closed meeting minutes, and specifies details that must be recorded.

5.3 Subsidy

The college subsidizes a portion of the operating costs of the foundation. The foundation's Executive Director of Development and the Development Assistant perform minimal work for the college, but their salaries are fully paid by the college. College officials indicated these individuals do not track the time worked on foundation activities versus college activities. Therefore it is unclear exactly how much of these individual's time was related to foundation activities and should have been reimbursed by the foundation.

The practice of subsidizing the foundation with college funds may constitute the granting or lending of public funds to a private entity, which is prohibited by Article III, Section 38(a) and Article III, Section 39(1), Missouri Constitution.



Jefferson College
Management Advisory Report - State Auditor's Finding

5.4 No formal agreement

The college has not entered into a formal agreement with the foundation.

A formal agreement is necessary to ensure the college and foundation are aware of their duties and responsibilities and to provide protection to both parties. Such an agreement might include, but not necessarily be limited to, the overall goals and objectives of the partnership between the entities; anticipated activities, such as scholarship and other direct support provided to the college by the foundation; accounting system services, and equipment management services provided to the foundation by the college.

Recommendations

The Foundation Board:

- 5.1 Prepare monthly bank reconciliations for the main account and investigate and resolve any errors, ensure checks are issued in numerical sequence, and account for the numerical sequence of check numbers.
- 5.2 Ensure minutes are prepared and retained for all closed meetings.

The Board of Trustees:

- 5.3 Discontinue the practice of subsidizing salaries and benefits for individuals paid by the college who perform activities for the foundation. The individuals should track actual time worked for each activity or perform time studies to determine an allocation basis and request reimbursement for the foundation-related costs.
- 5.4 Enter into a written agreement with the foundation that documents the duties and responsibilities of both parties.

Auditee's Response

- 5.1 *We will review the preparation of bank reconciliations with the Foundation's independent accountants or another independent firm to be selected through a bid process, and develop a plan to complete these on a monthly basis by the end of the fiscal year.*
- 5.2 *We had already implemented a procedure to ensure that minutes are prepared and retained for all closed meetings and that the Foundation will comply with provisions of the Sunshine Law. This was self-discovered prior to the Auditors' arrival in April of this year.*
- 5.3 *We do not believe that subsidizing Foundation salaries is a violation of the Missouri Constitution. The primary objective of the Foundation is entirely public in nature; the Foundation's mission is to raise funds and expend resources for public education, and specifically for Jefferson College, a public institution. Further, the*



Jefferson College
Management Advisory Report - State Auditor's Finding

Foundation By-Laws specify that the Executive Director will serve a dual role, working for the College under the supervision of the College President and the Board of Trustees while regularly consulting with and striving to work cooperatively with the Foundation Board of Directors and its Executive Committee. Because of the public nature of the Foundation's mission and the dual responsibility and payment structure laid out in the Foundation By-Laws, we do not believe that this structure is unconstitutional. The College has made a business decision to incur the cost of these salaries so as to maximize the Foundation's ability to meet its stated goals and objectives.

- 5.4 *We agree that a formal Memorandum of Understanding between the College and the Foundation should be developed and we will endeavor to complete this document by December 2015.*

Jefferson College

Organization and Statistical Information

The Community College District of Jefferson County was established as a result of a public election on April 2, 1963, in accordance with enabling legislation by the Missouri General Assembly (Section 178.770, RSMo). Its main campus is located in Hillsboro. The residents within the district pay a property tax to support the operations of the college.

In 1964, the college began conducting classes at Hillsboro High School. The following year the college moved to its present 400-plus acre campus two miles north of Hillsboro on Highway 21. The Jefferson College Northwest site opened in 2005 to serve the educational needs of residents along the northwest corridor of Jefferson County. The Jefferson College Arnold site opened in 2007. This site is located at Highway 141 and Astra Way near the Arnold Library and Recreation Center. The Jefferson College Imperial site opened in 2010. This site is located on Jeffco Boulevard near Imperial.

The college is a comprehensive 2-year community college with associate degrees and certificate programs in the arts, business, sciences, and career-technical fields. The college provides workforce training and personal and professional development as well as cultural, recreational, and entertainment opportunities. The college also has partnerships with Central Methodist University, Missouri Baptist University, and the University of Missouri - St. Louis to provide additional educational opportunities. In addition, the college offers a variety of courses on-line.

In the spring of 2014, the college's student enrollment totaled 4,807. However, due to numerous part-time students, the full-time equivalent student enrollment totaled 3,173. The college employed approximately 208 full-time and 275 part-time employees as of June 30, 2014.

The college is governed by a 6-member Board of Trustees, with members having staggered terms running for 6 years. Elections occur in odd-numbered years at the April general election. These individuals serve without compensation; however, they receive reimbursement for any expenses incurred in performing their duties. The Board functions as the legislative and policy-making body of the district, charged with the oversight and control of the college. The Board is responsible for defining the purpose of the college, developing and adopting the mission statement, appointing the president of the college, and approving all personnel and financial dealings. Board of Trustees meetings are held on the second Thursday after the first Monday of each month in the Administration Building Conference Room on the Hillsboro campus.



Jefferson College
Organization and Statistical Information

Board of Trustees

The Board of Trustees as of June 30, 2014, consisted of the following members:

Name	Position	Term Ends
Steve Meinberg	President	April 2015
Gary Davis	Vice President	April 2017
George Engelbach	Member	April 2015
Krystal Hargis	Member	April 2019
Ronald J. Scaggs	Member	April 2019
John Winkelmann	Member	April 2017

Executive Officers

The direction of daily operations is the responsibility of the administrative employees who serve under the leadership of the college president. These employees and their annual compensation as of June 30, 2014, were as follows:

Name	Position	Compensation
Dr. Ray Cummiskey	President	\$ 205,773 (1)
Mindy Selsor	Vice President - Instruction	128,912
Daryl Gehbauer	Vice President - Finance & Administration	126,480
Julie Fraser	Associate Vice President - Student Services	110,251

(1) Includes \$195,033 salary, \$7,200 automobile allowance, \$1,200 cell phone allowance, and \$2,340 health insurance reimbursement.

Financial Activity

A summary of the college's financial activity for the year ended June 30, 2013,² follows:

² Audited financial information for the year ended June 30, 2014, was not available at the time we issued this report.

Jefferson College
Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30, 2013
OPERATING REVENUES	
Student tuition and fees (net scholarship allowances)	\$ 7,771,987
Student housing revenues (net scholarship allowances)	642,283
Other operating revenues	1,584,209
Total Operating Revenues	<u>9,998,479</u>
OPERATING EXPENSES	
Salaries	19,060,489
Benefits	7,398,748
Financial aid and scholarships	5,729,430
Utilities	1,179,077
Supplies and other services	5,926,473
Depreciation	1,839,386
Total Operating Expenses	<u>41,133,603</u>
Operating Loss	<u>(31,135,124)</u>
NON-OPERATING REVENUES (EXPENSES)	
State aid	7,165,464
Local taxes	10,061,549
Grants and contracts	14,291,772
Investment income	57,910
Interest expense	(839,643)
Gain (loss) on sale of assets	(176,488)
Other non-operating revenue	2,680,618
Total Non-Operating Revenues (Expenses)	<u>33,241,182</u>
CHANGE IN NET POSITION	2,106,058
NET POSITION, Beginning of Year	<u>42,603,057</u>
NET POSITION, End of Year	<u>\$ 44,709,115</u>

Source: Jefferson College audited financial statements. The financial statements of the foundation are not included.



Thomas A. Schweich
Missouri State Auditor

STATEWIDE

State Flight Operations



January 2015
Report No. 2015-003

<http://auditor.mo.gov>



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the State Flight Operations

Background

The state owns 19 aircraft operated by three state agencies: the Missouri State Highway Patrol (MSHP), Department of Conservation (MDC), and Missouri Department of Transportation (MoDOT). Collectively, the three agencies maintain and operate 6 passenger planes (three with pressurized cabins), 8 utility planes, and 5 utility helicopters. The state spent approximately \$6.6 million on flight operations during the 2 years ended June 30, 2013, and the MSHP expanded the state's passenger aircraft fleet with the purchase of a \$5.6 million pressurized passenger plane during fiscal year 2013.

Fleet Usage

The state airplane fleet is larger than necessary, there is duplication of efforts between agencies, and, despite the low utilization of state aircraft, state agencies incur unnecessary costs for chartered flights. For the 2 years ended December 2013, the state's passenger fleet was used to capacity on only 51 business days (10.3 percent), 3 or more of the 6 passenger planes sat idle on 459 business days (92.7 percent), and no passenger planes flew on 69 business days (14 percent). MoDOT's utility plane flew only 47 days (9.7 percent of available days) and MSHP or MDC non-pressurized planes were available on 35 of those 47 days. The state paid \$183,638 for chartered flights, primarily to provide transportation to MoDOT and MDC commission members; even though state-owned pressurized passenger planes were available on 67 percent of the days charter flights were used, resulting in approximately \$122,000 in unnecessary costs. Multiple agencies providing flight services results in a duplication of effort. The MSHP employs 12 pilots at an annual cost of \$1.2 million, the MDC employs 3 pilots costing \$251,000 per year, and the MoDOT employs 1 pilot costing \$79,170 annually. The state has not performed a formal comprehensive statewide analysis of flight service needs and how to most efficiently administer these services.

Commission Flights

During the 2 years ended June 30, 2013, the MDC and MoDOT spent approximately \$376,000 flying governor-appointed commission members to commission meetings held across the state. Although Missouri has numerous state commissions and boards, the MoDOT and MDC are the only state agencies that regularly fly commissioners to commission meetings and other commission-related business. Commission members of other state boards typically receive motor vehicle mileage for reimbursement of travel costs. We estimate the MoDOT and MDC could have saved \$294,000 during the 2-year audit period by providing commissioners mileage reimbursement instead of plane transportation. In addition, without commission flights the pressurized passenger plane maintained by the MDC and the MoDOT would not be necessary since any passenger flights could be absorbed by non-pressurized planes or other state-owned pressurized planes.

Flight Purpose Conflicts	The MoDOT allowed non-authorized passengers on state passenger flights, including commission members' spouses, family members, and former commissioners, which is against state policy. The MSHP did not always document flights in sufficient detail to determine the flight purpose, as required by state policy, and MSHP personnel did not always document the identity of the passengers or their relationship to MSHP.
Flight Costs	The MSHP billing rate calculation did not include various operating costs in excess of \$675,000 for the 2 years ended December 31, 2013. These costs included mechanic fringe benefits, pilot training, hangar expense, other clerical and administrative expenses, and amortization of the purchase price of the aircraft. Had the MSHP included all applicable costs in its billing calculations, we estimate the MSHP would have received an additional \$191,500 from state agencies, including \$127,000 from the Governor's office, during the 2 years ended December 31, 2013.
Flight Approval and Review	The three agencies operating state aircraft do not consistently prepare and maintain a trip optimizer to verify the most cost effective and efficient method of travel is utilized, and neither the MSHP or the MDC adequately document supervisory reviews of flight reports.

In the areas audited, the overall performance of state flight operations was **Fair**.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

State Flight Operations

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology.....	5

Management Advisory Report - State Auditor's Findings	
1. Fleet Usage	7
2. Commission Flights.....	11
3. Flight Purpose Conflicts	13
4. Flight Costs	14
5. Flight Approval and Review	16

Appendixes	
A Fleet Usage Data	18



THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Conservation Commission
and
Robert L. Ziehmer, Director
Department of Conservation
and
Missouri Highways and Transportation Commission
and
Dave Nichols, Director
Department of Transportation
and
Daniel Isom II, Director
Department of Public Safety
and
Colonel Ronald K. Replogle, Superintendent
Missouri State Highway Patrol
and
Douglas Nelson, Commissioner
Office of Administration
Jefferson City, Missouri

We have audited certain aspects of state flight operations to determine if flights are managed in a cost effective, efficient, and consistent manner. The scope of our audit included, but was not necessarily limited to, flight operations during the 2 years ended December 31, 2013. The objectives of our audit were to:

1. Evaluate the internal controls over significant management and financial functions related to state flight operations.
2. Evaluate the economy and efficiency of certain management practices and operations related to state flight operations.
3. Determine if the state passenger aircraft fleet is efficiently managed
4. Evaluate whether state flight operations comply with existing state policies regarding the use of state aircraft.

Our audit concluded that (1) controls over significant management functions related to state flight operations and controls over financial functions need improvement, (2) the efficiency of management practices and operations over state flight operations could be improved, (3) the state passenger aircraft fleet could be managed more efficiently, and (4) instances of noncompliance with existing state policies regarding the use of state aircraft occurred.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Kenneth Erfurth
Audit Staff:	Colby Dollens, CPA
	Nancy McDowell

State Flight Operations

Introduction

Background

The state of Missouri owns 19 aircraft operated by three state agencies: the Missouri State Highway Patrol (MSHP), Department of Conservation (MDC), and Missouri Department of Transportation (MoDOT). Collectively, the three agencies maintain and operate 6 passenger planes, with 3 of those having pressurized cabins. Pressurized planes are usually faster, have a more comfortable, smoother and quieter ride, and can quickly maneuver around bad weather situations. The pressurized planes are primarily used to transport the Governor, Conservation Commission members, and members of the Missouri Highways and Transportation Commission. The three agencies also maintain and operate 8 utility planes and 5 utility helicopters. Utility aircraft are used for flights specific to each agency's mission; such as airport inspections for the MoDOT, deer telemetry or fire patrol for the MDC, and traffic control for the MSHP. The chart below summarizes the current state-owned aircraft fleet and categorizes aircraft by passenger transport, utility aircraft (mission specific), and helicopters:

Agency	Passenger	Utility	Helicopter
MSHP	3	7	4
MDC ¹	3	0	1
MoDOT ²	0	1	0
Total	6	8	5

¹ The MDC owns two non-pressurized passenger aircraft that are also used for utility purposes.

² The MDC and the MoDOT share a pressurized passenger aircraft for commissioner travel that for purposes of presentation, is displayed under the MDC since that department houses and maintains the aircraft.

Operation of state-owned aircraft is governed by state policy (SP-8), with the purpose to, "ensure aircraft under the control of the state of Missouri are utilized in the most efficient and effective manner in the conduct of state business." In addition, a Memorandum of Understanding was reached in August, 2006, between the Office of Administration (OA) and the MSHP to transfer aircraft ownership from the OA to the MSHP, and for the MSHP to assume the responsibility of state-owned passenger aircraft services for the state.

The majority of state-owned aircraft are located in Jefferson City, with the exception of nine MSHP aircraft which are located in various locations throughout the state. The nine MSHP aircraft, though used occasionally for passenger flights, are primarily utilized for utility purposes: rescue searches, traffic patrols, and other various MSHP flight duties as required to accomplish the MSHP mission.



State Flight Operations Introduction

Costs

The state expended approximately \$6.6 million on flight operations during the 2 years ended June 30, 2013. In addition, the MSHP expanded the state's passenger aircraft fleet with the purchase of a \$5.6 million passenger plane in fiscal year 2013. The following table depicts flight operation costs by agency for the 2 years ended June 30, 2013, including salaries and benefits of pilots and mechanics:

	Fuel, Oil, and Repairs	Salaries/Benefits	Miscellaneous	Total
MSHP	\$ 1,755,269	2,886,318	214,000	4,855,587
MDC	982,664	502,640	124,058	1,609,362
MoDOT	30,297	79,170	21,991	131,458
Total	\$ 2,768,230	3,468,128	360,049	6,596,407

Plane usage

Collectively, the three state agencies operating airplanes and helicopters flew 3,259 flight days during the 2 years ended December 31, 2013. The following table summarizes air fleet usage by agency and function.

Agency and Function	Flight Days
MSHP Passenger	506
MDC/MoDOT Passenger	206
MSHP Utility	2,056
MDC Utility	448
MoDOT Utility	43
Total	3,259

Previous audits

The following audits have included findings related to state flight operations:

- Report No. 2003-028, *State Passenger Aircraft Fleet*, issued in April 2003.
- Report No. 2012-095, *Office of the Governor*, issued in September 2012.
- Report No. 2013-050, *Public Safety - Missouri State Highway Patrol*, issued in June 2013.

Scope and Methodology

Our audit focused on transportation costs and usage statistics of state-owned aircraft operated by the MSHP, MoDOT, and MDC. We reviewed fleet and flight data information, policies and practices related to state plane use, costs, use of charter flights, passengers, and flight purposes. The audit's main analyses cover flight activity from January 2012 through December 2013.

Flight Data and Limitations

We obtained flight data from the three agencies operating state aircraft in various formats. The MDC and the MoDOT had electronic flight data, while the MSHP only had paper records. Agencies with electronic data



State Flight Operations Introduction

documented similar flight details including aircraft tail number, flight time, flight date, destination, pilot, number of stops, and passenger names (if available). To make the data comparable and easier to analyze, we prepared a database with all flights for all three agencies. In addition, the three agencies provided dates when maintenance made aircraft unavailable that we included in the database to more accurately account for aircraft availability when evaluating overall usage.

Data Analysis

Due to inconsistencies regarding the preparation of flight reports, we used "flight days" rather than "flights" to analyze usage. For example, some pilots may create a flight report with several destinations, while other pilots may file a flight report for each individual destination on a trip. Examining flight days provided appropriate data to analyze usage. In addition, our analysis focused on use during business days. While flight activity did occur on weekends, particularly for utility aircraft, including weekend use in the overall usage statistics unfairly reduced the usage percentages of all aircraft.

We identified federal criteria or best-practices guidance to determine an appropriate level of usage for an aircraft fleet. In addition, none of the state agencies owning aircraft had designated an appropriate or acceptable level of usage.

Agencies did not separately calculate actual flight costs for flights of commissioners. To estimate these flight costs, we utilized spreadsheets maintained by the MDC.

To complete audit objectives, we also performed the following procedures:

- Interviewed personnel of the three agencies operating state aircraft.
- Interviewed personnel of state flight operation units in several states about their state plane practices and policies.
- Obtained a listing of all flights requiring a chartered aircraft by state agencies and compared those flights with the flight records of state-owned aircraft.

State Flight Operations Management Advisory Report State Auditor's Findings

1. Fleet Usage

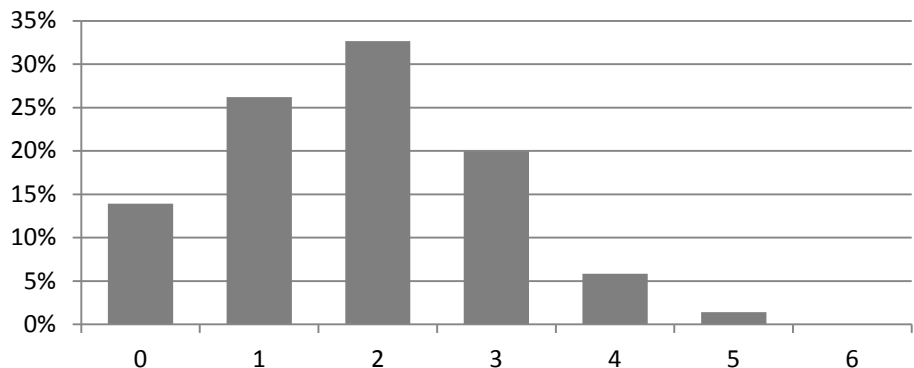
State flight services are currently not delivered efficiently because (1) the state airplane fleet is larger than necessary to meet the state's needs, (2) there is a duplication of effort between the agencies operating state-owned aircraft, and (3) despite the low utilization of state aircraft, state agencies incurred unnecessary costs for chartered flights.

1.1 Fleet usage

Our analysis of flights during 2012 and 2013 indicated the state's airplane fleet has excess capacity because the fleet is larger than necessary to meet the state's needs.

Passenger fleet

Our analysis determined the collective usage of the state's six-plane passenger airplane fleet was low. On average, each of the state's passenger planes was utilized on 33 percent of the business days in which it was available¹ to fly. In addition, the six-plane fleet was utilized to capacity² on only 51 of 496 (10.3 percent) business days for the 2 years ended December 2013. The MSHP owns and operates three passenger planes while the MDC owns two, and the MDC and the MoDOT own one together. The graph below depicts the percentage of days a particular number of passenger planes flew during our audit period.



Source: MSHP and MDC flight records

As depicted above, no passenger planes flew on 14 percent of business days, and three or fewer passenger planes were in use on 92.7 percent of business days.

When analyzed separately, the pressurized planes collectively were used at capacity on 24.2 percent of business days, while the three non-pressurized planes were used at capacity on 27.2 percent of business days. In addition, passenger plane utilization rates decreased after the MSHP purchased and

¹ The plane was not out of service for maintenance.

² Capacity is defined as all planes available to be flown in a particular day were flown, after accounting for planes out of service for maintenance.



State Flight Operations Management Advisory Report - State Auditor's Finding

placed in operation a third pressurized plane in January 2013. Prior to the purchase of the third plane, the two pressurized planes were used to capacity 30.2 percent of business days, while after the purchase the three pressurized planes were used to capacity 18.1 percent of business days. In addition, our analysis of flight records showed there was little coordination between the agencies for passenger flights. While there were 25 MoDOT flights on MSHP passenger planes for the 2 years ended December 31, 2013, there were no MDC flights on MSHP passenger planes, and no other state agency use of the MDC/MoDOT passenger plane during the same timeframe.

Utility and helicopter fleet

The utility airplane fleet consists of eight airplanes, with seven owned and operated by the MSHP. While the usage of several of these planes is low, consolidation or coordination does not appear to be an option since the fleet is stationed throughout the state. However, the MoDOT's utility plane, that flew only MoDOT-related flights, flew only 47 days during the 2 years ended December 31, 2013, or 9.7 percent of days it was available to fly. Our analysis of utility and non-pressurized passenger planes determined the MSHP or the MDC non-pressurized passenger planes were available on 35 of those 47 days.

Coordination and consolidation between state agencies could potentially reduce the size of the utility airplane fleet, and help reduce costs to maintain and store state-owned aircraft.

The helicopter fleet is comprised of five helicopters, with four owned by the MSHP and one owned by the MDC. While the usage of several of the helicopters appears low, helicopters are considered mission-specific, are spread throughout the state to improve response times, and are considered necessary for public safety.

Charter planes

Despite low usage of the state airplane fleet, the state paid \$183,638 for chartered flights during the 2 years ended December 31, 2013. The MoDOT and the MDC chartered 67 flights totaling \$170,755 (45 by the MoDOT and 22 by the MDC); primarily to provide transportation to commission members, former commission members, and employees. An analysis of the flight records of the three pressurized state planes determined planes were available for 45 of the 67 flight days (67 percent), resulting in approximately \$122,000 in unnecessary costs.³

According to interviews with MoDOT and MDC personnel, the primary reasons flights are chartered is due to a lack of coordination with the MSHP and the MSHP's inability to guarantee flight availability. The MDC and

³ Unnecessary cost estimate is considered conservative since our analysis assumed (1) if a state plane flew on one of the charter flight days it was unavailable all day, and (2) unpressurized planes were not an option.



State Flight Operations Management Advisory Report - State Auditor's Finding

MoDOT share one pressurized plane, but occasionally require additional pressurized flights when commission meetings occur.

According to state policy governing state-owned aircraft, SP-8, "Prior to chartering aircraft, each flight agency shall first confirm the inability of the other flight agencies to take the required flight and shall document this fact on the flight manifest." The MoDOT could not provide documentation of the unavailability of MSHP flight services for 39 of 45 chartered flights, and the MDC did not maintain such documentation for any of the 22 chartered flights.

Duplication of effort

Multiple agencies provide flight services resulting in a duplication of effort. In addition to having multiple aircraft, these agencies employ pilots and mechanics, provide hangar space, and utilize administrative staff to coordinate and schedule flights. The MSHP employs 12 pilots at an annual cost of approximately \$1.2 million in salary and benefits, while the MDC employs 3 pilots costing approximately \$251,000 in annual salary and benefits, and the MoDOT employs 1 pilot costing about \$79,170 in annual salary and benefits. MSHP pilots are all trained patrol troopers, while MDC and MoDOT pilots are not.

The consolidation of the state's aircraft fleet would allow for an increase in coordination among the agencies involved. In addition, having a single pool of pilots would help improve the efficiency, and potentially further reduce the number of aircraft necessary to meet the state's needs. MSHP officials stated consolidation would require changes in the makeup of the state's aircraft fleet, since the current fleet is comprised of aircraft of various manufacturers and models, which presents issues for pilot training and would be a safety concern. In addition, the existing pilot pool would require additional training to meet the state's needs.

1.2 Fleet analysis and planning

A formal comprehensive statewide analysis of flight service needs and how to most efficiently administer flight services has not been performed. As a result, the state has little assurance flight services are being administered efficiently. An accurate analysis of statewide fleet demand and need would currently be difficult to complete because the MSHP does not track instances of flight requests denied due to lack of plane or pilot availability. In addition, since the MSHP does not track flight data electronically, performing a usage analysis would require processing of manual information.

According to the Government Accountability Office,⁴ a comprehensive aircraft fleet management planning process can help aircraft programs

⁴ GAO 04-645, *Federal Aircraft; Inaccurate Cost Data and Weaknesses in Fleet Management Planning Hamper Cost Effective Operations*, June 2004.



State Flight Operations Management Advisory Report - State Auditor's Finding

ensure that they acquire, manage, and modernize their aircraft in a cost-effective manner. This process is based on determining a program's long-term fleet requirements, acquiring the most cost-effective fleet of aircraft, and continually assessing the fleet's ability to meet a program's mission requirements. As noted above, the overall usage of the state-operated fleet is low and overall usage is not maximized to support current fleet levels. A comprehensive analysis of flight needs would enable the state to evaluate whether the potential of consolidation of passenger and utility flight services would result in reduced costs to the state.

Recommendations

- 1.1 The Office of Administration, in conjunction with the MSHP, perform a comprehensive statewide analysis of state agency flight service needs and how to most efficiently provide those services to state agencies. This analysis should include determining the need for each aircraft currently owned, the extent that existing aircraft should be consolidated, and which state agency can best provide passenger services.

The MDC and MoDOT comply with state policy requiring state agencies to check the availability of flight services from other state agencies before chartering flights, and maintain documentation of the verification.

- 1.2 The MSHP track instances of flight requests that are denied due to lack of plane or pilot availability, and develop a system to track flights electronically.

Auditee's Response

The Office of Administration provided the following response:

- 1.1 *The Office of Administration agrees to engage the departments utilizing and maintaining the state fleet of aircraft in order to analyze flight service needs and efficiencies.*

The MSHP provided the following response:

- 1.1 *The MSHP has no authority to perform a comprehensive statewide analysis of aircraft owned by the MDC and MoDOT.*
- 1.2 *The MSHP will develop and begin using a flight request log for all personnel flights. The flight request log will include the date of the flight, the requesting agency, whether the flight was completed or denied, and, if denied, the reason for the denial of the flight. The MSHP will develop a method to track flights electronically.*



State Flight Operations
Management Advisory Report - State Auditor's Finding

The MoDOT provided the following response:

- 1.1 *MoDOT does check with the MSHP prior to chartering flights. In the future, we will better document these inquiries.*

The MDC provided the following response:

- 1.1 *In calculating fleet usage, the SAO failed to account for days when flights could not occur due to bad weather, weekend usage, and days when pilots could not fly due to federal restrictions on flight hours. MDC staff work weekends and have situations where pilots cannot fly due to flight hour restrictions. Consequently, the SAO report could be misleading regarding the number of days when the aircraft were not used.*

The Department will check availability of flight services from MSHP before chartering flights and will maintain documentation.

Auditor's Comment

Regarding the MDC's response; during our discussions with MSHP and MDC flight operations staff, they did not mention the issues of bad weather days or federal restrictions on flight hours as significant factors related to fleet usage, therefore, we did not consider these issues in our analysis of fleet usage. As stated in the methodology section of the audit, the audit focused on business day flight since including weekend use in the overall usage statistics unfairly reduced the usage percentages of all aircraft.

2. Commission Flights

The MDC and MoDOT spent approximately \$376,000⁵ during the 2 years ended June 30, 2013 flying commission members to commission meetings held across the state. In contrast, we estimate transportation of commissioners by car would cost the MoDOT \$48,000, and the MDC approximately \$34,000 for the 2-year audit period, resulting in potential cost savings of approximately \$294,000. Commission flights made up approximately 50 percent of the flight hours for MDC/MoDOT's pressurized passenger plane for the 2 years ended December 31, 2013. Without commission flights the pressurized passenger plane would not be necessary since any passenger flights could be absorbed by non-pressurized planes or other state-owned pressurized planes. Approximately \$660,000 was spent to maintain and operate the pressurized passenger plane the two agencies share for the 2 years ended December 31, 2013.

While Missouri has numerous state commissions and boards, the MoDOT and MDC are the only state agencies that regularly fly commissioners to commission meetings and other commission-related business. We did not

⁵ MDC flights cost approximately \$117,000, while MoDOT flights costs approximately \$259,000.



State Flight Operations Management Advisory Report - State Auditor's Finding

identify any other members of state commissions and boards regularly using state planes. Commission members of other state boards typically receive motor vehicle mileage for reimbursement of travel costs to state meeting and the attendance of state business functions.

State statute⁶ dictates that the six MoDOT commissioners receive necessary traveling expenses. In addition, the state constitution⁷ also requires the four MDC commissioners to receive necessary traveling expenses. Neither state statute nor the state constitution requires travel by aircraft.

Transporting commissioners, who are appointed from various cities across the state, requires the use of multiple flights crisscrossing the state to gather all members for commission meetings. For example, current MoDOT commissioners are from Kansas City, Springfield, Clinton, and St. Louis; while MDC commissioners are from Kansas City, Sikeston, St. Louis, and Jefferson City. The MoDOT averaged about 4.3 flights for commissioners for each commission meeting while the MDC averaged 3.5 flights for commissioners for each such meeting.

Recommendation

The MoDOT and the MDC reevaluate the necessity of providing state plane transportation to commissioners.

Auditee's Response

The MoDOT provided the following response:

MoDOT and the commission evaluated the need to provide state plane transportation to commissioners. We will continue to use the plane for commissioner transportation. The monthly commission meetings are held all over the state, and generally require the better part of two days. In addition to that, retirement system meetings and other engagements frequently require additional time from commission members. Commissioners are appointed from various locations around the state to represent the transportation interests of all Missourians. It would simply not be possible for many commissioners to serve on the commission and devote the time required without this transportation option to reduce travel time.

The MDC provided the following response:

Conservation commissioners serve without compensation by providing thousands of hours of volunteer time. They provide direct representation for all areas of the state. In addition to their volunteer duties as commissioners, these dedicated individuals are fully engaged in professions of their own. The efficiency of travel by plane has enabled these commissioners to attend

⁶ Section 226.030, RSMo

⁷ Article IV, Section 40(a)



State Flight Operations Management Advisory Report - State Auditor's Finding

Conservation business meetings. In addition, commissioners attend department events and public meetings throughout the state to engage with citizens. The department utilized the trip optimizer to compare costs associated with flying to costs associated with traveling by vehicle for the commission meetings held during the audit period. The department's calculations of flight costs associated with staff and commissioners attending commission meetings for the two year audit period totaled \$63,374.67. Department staff travels with commissioners to attend meetings and events that are held outside of the Jefferson City area. Thus, the costs noted in the audit report could be misleading as the amount is not exclusively for commission travel.

Auditor's Comment

We calculated our cost estimate for MDC commissioner flights by determining those flights that flew commissioners and multiplying flight hours for those flights by the MDC billing rate.

3. Flight Purpose Conflicts

State planes were utilized for purposes conflicting with state policy. In addition, the purpose of flights were not always sufficiently documented to determine if the flight was for legitimate state business.

3.1 Non-authorized passengers

The MoDOT allowed non-authorized passengers on state passenger flights. Unauthorized passengers included MoDOT commission members' spouses, family members, and former commissioners. State policy (SP-8) states "only authorized passengers shall ride aboard state aircraft. Other individuals such as volunteers, spouses, and/or children should not be passengers in a state aircraft."

3.2 Documenting flight purposes

Flight reports completed for MSHP-related passenger and utility flights were not always documented in sufficient detail to determine the flight purpose as required by state policy. Flight reports contained fields for personnel relays (passenger flights), maintenance flights, and other utility purposes, however, there was often not enough detail to determine if the purpose of the flight was for official state business. In addition, MSHP personnel did not always document the identity of passengers, or their relationship to MSHP.

Per state policy for state-owned aircraft, "All flight agencies shall document the clear business purpose as provided by the state agency for each flight scheduled with the flight agency." Without a clear purpose included on the flight log, there is no documentation to support the flight was for official state business.

Recommendations

- 3.1 The MoDOT comply with state policy and discontinue allowing non-authorized passengers to fly on state aircraft.



State Flight Operations
Management Advisory Report - State Auditor's Finding

- 3.2 The MSHP document the business purpose of all flights as required by state policy.

Auditee's Response

The MoDOT provided the following response:

- 3.1 *MoDOT occasionally has individuals who are not commissioners or MoDOT employees on the plane. We will better document the state business purpose when this occurs.*

The MSHP provided the following response:

3.2 *The statement made in the Auditor's report that MSHP flights were not always documented in sufficient detail to determine the purpose for a flight is not accurate. While the MSHP had a small number of flight reports that could have included a more detailed description of the flight purpose, they did contain sufficient detail for responsible personnel to determine such and provide a verbal explanation to the examining auditor. The MSHP recognizes the importance of including a detailed purpose for each flight and has addressed the matter with affected personnel. The MSHP will continue to ensure all future flight reports include a more detailed description of the purpose for each flight.*

4. Flight Costs

The MSHP did not include some operating costs in hourly billing rate calculations, and therefore the MSHP subsidized the flight costs of state agencies utilizing flight services.

The following table lists agencies billed for flights on MSHP aircraft for the 2 years ended December 31, 2013:

Agency	Number of		Amount Billed
	Flights	Flight Hours	
Governor	208	321	\$419,371
MoDOT	31	69	47,449
Public Safety	30	52	55,394
Attorney General	9	16	15,240
Natural Resources	3	8	2,330
Labor and Industrial Relations	2	8	1,188
University of Missouri	4	6	7,002
Total	287	480	\$547,974

Source: MSHP flight manifests

The MSHP billing rate calculation did not include various operating costs in excess of \$675,000 for the 2 years ended December 31, 2013. These costs included mechanic fringe benefits, pilot training, hangar expense, other clerical and administrative expenses, and amortization of the purchase price



State Flight Operations Management Advisory Report - State Auditor's Finding

of the aircraft. In comparison, the MDC includes these costs in its billing rate calculation. As a result, MDC's hourly rate of \$1,256 per hour is significantly higher than the MSHP hourly rate of \$1,010 per hour for the new King Air (N83MP). The MDC rate is also more comparable to charter flight billing rates that averaged approximately \$1,250 per hour.

As noted in the table above, the most frequent user of MSHP flight services is the Governor's office. Had the MSHP included all applicable indirect costs in its billing calculation, we estimate the Governor's office would have been billed an additional \$127,000 for flight services during the 2 years ended December 31, 2013. In total, the MSHP would have received an additional \$191,500⁸ from state agencies utilizing its flights services over that timeframe.

To ensure the MSHP recoups the total cost of providing flight services to user agencies, the MSHP must include all associated costs when calculating billing rates.

Recommendations

MSHP ensure that hourly rate calculations for passenger flight services include all operating costs.

Auditee's Response

The MSHP provided the following response:

The MSHP uses an hourly rate calculation based specifically on actual costs and manufacturer's data to maintain and operate the aircraft. Our objective is to determine a true operating cost for the aircraft. Pilot training, as suggested in the Auditor's report, is consistent with our objective and will be incorporated into future hourly rate calculations. The other costs listed in the Auditor's report are not included in this calculation as they employ the use of estimates that can vary greatly. Utilizing these estimates could result in inaccuracies and inconsistencies with rates. This, in turn, will have a disparate impact on requesting agencies.

Auditor's Comment

The MSHP response indicating its hourly billing rate is based on actual costs and determines the true cost to operate aircraft is illogical and inaccurate. Because the costs to acquire, store, and maintain aircraft are not fully reflected in billing rates, the costs are borne solely by the MSHP. As a result, the MSHP is subsidizing the cost of flight services it provides state agency users.

⁸ The majority of the \$675,000 would not have been billed to other agencies due to the MSHP's own use. Our estimate of \$191,000 in potential billings is considered conservative since it was calculated using the MDC's amortization cost rate, which would be less than the potential MSHP rate due to the higher value of the new plane.



State Flight Operations
Management Advisory Report - State Auditor's Finding

5. Flight Approval and Review

The OA has not developed a policy adopting required procedures to ensure passenger flight services represent the most efficient method of travel. Agencies operating state aircraft also need to establish procedures and/or better document supervisory reviews of flight reports to ensure required flight information has been properly recorded and flights represent a legitimate use of state resources.

5.1 Cost analysis

The three agencies operating state aircraft do not utilize consistent procedures prior to undertaking a flight. The MSHP has developed a trip optimizer for MSHP employee travel, however, documentation of the optimizer's use is not maintained. In addition, while the MDC has developed a trip optimizer, it is only used for passenger flights outside of the state. The MoDOT does not utilize a trip optimizer for flights of its employees and the use of a trip optimizer is not required by the Office of Administration for travel of other agencies' personnel.

Preparing and maintaining a trip optimizer to verify the most cost effective and efficient method of travel is utilized helps ensure state funds are being expended efficiently. In addition, documentation of decisions for not utilizing the method of travel with the lowest cost should be maintained to justify the use of state-owned aircraft over a lower cost method of travel.

5.2 Review of flight reports

Neither the MSHP or the MDC document supervisory reviews of passenger flight reports. Flight reports document the names of each passenger on the flight, the destination, the number of hours the flight takes, and the reason or purpose for the flight. Though both agencies indicated reviews of flight reports are performed, neither of the agencies documented these reviews.

Thorough documented reviews of flight reports provide assurance flights are for legitimate state business purposes, have been conducted in accordance with state and agency specific policies and procedures, and helps ensure documentation of flights is consistently maintained and recorded.

Recommendations

- 5.1 The OA establish a policy requiring the use of a trip optimizer to ensure flight services represent the most efficient method of travel.
- 5.2 The MSHP and the MDC establish formal procedures to formally monitor flight reports, and ensure the review is documented by the individual performing the oversight.

Auditee's Response

The Office of Administration provided the following response:

- 5.1 *The Office of Administration will consider a policy based on discussion with the departments utilizing and maintaining the state fleet of aircraft.*



State Flight Operations
Management Advisory Report - State Auditor's Finding

The MSHP provided the following response:

- 5.2 *The MSHP reviews and approves all flight requests before a flight occurs. No flights take place without a review of the purpose and prior approval. A documented review of a flight report, which would be completed after a flight has already occurred, can be implemented to supplement our pre-flight review process. This pre-flight review ensures flights are conducted for legitimate state business purposes, in accordance with state policies. It also ensures unnecessary flight requests are rejected prior to incurring any costs.*

The MDC provided the following response:

- 5.1 *The department will continue to use the trip optimizer for both in-state and out-of-state travel and retain documentation of its use or note why driving was not an option for the trip.*
- 5.2 *The chief pilot will continue to review the flight reports and will retain documentation of his review.*

Fleet Usage Data

The usage data below represents business day usage for the 2 years ended December 31, 2013.

Passenger Fleet

Tail Number	N2MP	N83MP ¹	N128T	N92MP	N402MC	N84MC
Location	Jefferson City	Jefferson City	Jefferson City	Jefferson City	Jefferson City	Jefferson City
Age (in years)	15	2	22	33	29	28
Pressurized	Yes	Yes	Yes	No	No	No
Agency	MSHP	MSHP	MDC/MoDOT	MSHP	MDC	MDC
Days in Use	164	116	192	121	171	103
Days Out of Service	55	37	122	120	118	143
Days Idle	277	92	182	255	207	250
Usage Percent	37.2	55.0	51.3	32.2	45.2	29.2

Utility Fleet

Tail Number	N79MP	N81MP	N91MP	N94MP	N95MP	N97MP	N873MC	N422MT
Location	Poplar Bluff	Moberly	St. Joseph	Lee's Summit	Kirkwood	Springfield	Jefferson City	Jefferson City
Age (in years)	13	29	30	16	29	30	28	6
Pressurized	No	No	No	No	No	No	No	No
Agency	MSHP	MSHP	MSHP	MSHP	MSHP	MSHP	MSHP	MoDOT
Days in Use	107	176	111	206	171	170	166	47
Days Out of Service	52	96	117	76	45	62	78	13
Days Idle	337	224	268	214	280	264	252	436
Usage Percent	24.1	44.0	29.3	49.1	37.9	39.2	39.7	9.7

Helicopter Fleet

Tail Number	N93MP	N177MP	N283MP ²	N383F	N90MP	N42MC
Location	Jefferson City	Cape Girardeau	Jefferson City	Bolivar	Moberly	Jefferson City
Age (in years)	8	45	46	24	22	17
Pressurized	No	No	No	No	No	No
Agency	MSHP	MSHP	MSHP	MSHP	MSHP	MDC
Days in Use	167	39	19	53	100	129
Days Out of Service	83	165	174	110	129	71
Days Idle	246	292	303	333	267	296
Usage Percent	40.4	11.8	5.9	13.7	27.2	30.4

¹ Placed in service January 2013.

² Removed from service in October 2013.

Source: MSHP, MDC and MoDOT flight records



Thomas A. Schweich
Missouri State Auditor

2014 Property Tax Rates



January 2015
Report No. 2015-004

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the review of 2014 Property Tax Rates

Background	Section 137.073, RSMo, requires the State Auditor's office to annually review the local property tax rates of all taxing authorities in the state to determine whether taxing authorities levied taxes in accordance with Missouri law and adjusted property tax rates to keep property reassessments from affecting revenue.
Results	We reviewed 4,865 property tax rates for 2,832 taxing authorities. Three taxing authorities (Madison Special Road District in Monroe County, Elmwood Park Street Light District in St. Louis County, and the Village of Velda Village Hills in St. Louis County) levied tax rates greater than the tax rate certified, resulting in excess property taxes levied of \$35,091. The Madison Special Road District tax rate was non-compliant due to an error in ballot language. In accordance with Section 137.073.6(2), RSMo, we referred the three non-compliant taxing authorities to the Missouri Attorney General's office.
Additional Comments	The State Auditor's office has no authority to determine or review individual tax assessments. All individual tax assessment matters are the responsibility of the county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

Because of the limited objective of this review, no overall rating is provided.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

2014 Property Tax Rates

Table of Contents

State Auditor's Report	2
------------------------	---

Results

Summary	3
Methodology	3
Recent Legislation.....	5

Appendixes

Appendix

I. Summary of Changes in Assessed Valuation for Local Governments Levying a Single Tax Rate on All Property	7
II. Summary of Changes in Assessed Valuation for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	8
III. Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Single Tax Rate on All Property	9
IV. Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	10
V. 2013 - 2014 Percentage Change in Total Assessed Valuations by County, Overall County Valuation Changes	11
VI. 2013 - 2014 Percentage Change in Adjusted Assessed Valuations by County	12
VII. Listing of 2014 Tax Rates for Local Governments Levying a Single Tax Rate on All Property.....	13
VIII. Listing of 2014 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	111



THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The State Auditor's office is required by Section 137.073, RSMo, to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

1. Local governing boards levied taxes in accordance with the Missouri Constitution and state law.
2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2014, we received substantiating data and issued a finding on 4,865 property tax rates of 2,832 taxing authorities. Three taxing authorities levied tax rates that exceeded the tax rate certified, resulting in excess property taxes levied of \$35,091. The number of taxing authorities levying a non-compliant tax rate is 0.11 percent of all taxing authorities.

Property taxes are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices is often eroded.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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2014 Property Tax Rates Results

Summary

The State Auditor received substantiating data and reviewed 4,865 property tax rates for 2,832 taxing authorities. Of the rates reviewed, 496 are debt service tax rates, 117 are new property tax rates approved by voters, and 40 are existing property tax rates that were increased by voter approval. We reviewed the remaining 4,212 tax rates for revenue neutrality. Three taxing authorities (0.11 percent of all taxing authorities) levied tax rates that exceeded the tax rate certified, resulting in excess property taxes levied of \$35,091.

In compliance with Section 137.073.6(2), RSMo, we referred the 3 non-compliant taxing authorities to the Missouri Attorney General's office. The table below lists these taxing authorities and information about the improper tax rates.

County	Political Subdivision	Levy Purpose	Assessed Valuation	(1) Certified Rate	Actual Rate Levied	(2) Excess Property Tax Revenue	(3)
Monroe	Madison Special Road District	Special Road and Bridge	9,573,860	0.0000	0.3500	\$33,509	
St. Louis	Elmwood Park Street Light District	General Revenue					
	Residential		951,680	0.0000	0.1000	952	
	Commercial		156,140	0.0000	0.1000	156	
	Personal Property		392,040	0.0000	0.1000	392	
St. Louis	Village of Velda Village Hills	General Revenue					
	Commercial		157,050	0.4480	0.5000	82	
Total						\$35,091	

- (1) The Certified Rate column represents the rates determined to be legally permissible based on the information submitted by the taxing authority.
- (2) The excess property tax revenue is computed by multiplying the excess tax rate (actual rate levied minus the certified rate) by the assessed valuation and dividing by 100.
- (3) Madison Special Road District levied a non-compliant rate due to an error in ballot language. The April 2014 ballot issue approved a rate of 0.0035 cents (\$0.000035) instead of the intended 35 cents (\$0.3500). A subsequent ballot issue approved by voters in November 2014 authorized the 35 cents rate; however, in accordance with Section 67.110.3, RSMo, the November ballot is valid for 2015 since approved after the deadline to be effective for 2014.

Methodology

The State Auditor's office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rate(s) and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the substantiating data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

The 2014 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Article X, Section 22, Missouri Constitution (commonly referred to as the Hancock Amendment). Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.



2014 Property Tax Rates Results

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. Current year tax rate ceilings must be set to yield the same gross revenue as allowed in the prior year. In addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. Counties and the City of St. Louis use the tax rates set by each taxing authority to assess taxes on all property including new construction and improvements.

Voters may authorize increases beyond the annual revenue neutral tax rate ceiling. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. In addition to reviewing new and existing property tax levies for revenue neutrality, the State Auditor's office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is compliant if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.

A taxing authority's total assessed valuation submitted by the County Clerk or a representative of the taxing authority is used in the State Auditor's office review of property taxes. The State Auditor's office does not review the assessed valuation of individual pieces of property. Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the County Assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase, tax rate ceilings generally decrease, depending on the amount of the increase, to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease, tax rate ceilings may increase to produce substantially the same revenue as allowed in the prior year from existing property, limited by voter authorization. See Appendixes I and II for a summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a summary of changes in tax rate ceilings by type of taxing authority. In addition, Appendix V is a map that provides a statewide geographical perspective of total county valuation changes prior to adjustments for new construction and reassessment. The total assessed valuation is the value used to bill the property tax rates. Appendix VI is a map of the adjusted assessed valuation by county. The adjusted assessed valuation is the value of last year's property in the current year. This map reflects the inflationary change



2014 Property Tax Rates Results

in each county's valuation from the previous year. A significant inflationary change generally indicates a major reassessment occurred. However, 2014 assessed valuations indicate the majority of county adjusted assessed valuation changes were less than the Consumer Price Index, which does not indicate a major reassessment. The comparison of assessed valuations and tax rate ceilings from 2013 to 2014 for Appendixes I through VI give consideration to revisions submitted by taxing authorities to the State Auditor's office for changes to assessments occurring after setting the 2013 property tax rate.

Taxing authorities are listed by primary county (as designated by the taxing authority when established) in Appendixes VII and VIII and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright, followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only. The assessed valuations presented for taxing authorities in Appendixes VII and VIII, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that are not taxable under various economic development programs are omitted from the taxable assessed valuations used to compute the annual tax rate ceiling. Prior years' tax rate reports are available on the State Auditor's website at <http://www.auditor.mo.gov>.

We did not review sales tax rollbacks required by law for some county levies as part of this report. Any concerns in that area would be addressed in audit reports we issue for individual counties. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review to ensure the district did not waive all or part of the rollback without voter approval in order to generate additional local revenues. A majority of the 518 school districts have obtained voter approved waivers of the required sales tax rollback of their property tax, including 443 with a full waiver and 41 with a partial waiver. Appendixes VII and VIII indicate the 484 school districts that have either full or partial waivers of Proposition C reductions.

Recent Legislation

Sections 137.073.5(3) and 137.073.5(4), RSMo, were revised in 2008, which provides a voluntary reduction taken in a non-reassessment year (even numbered year) results in a reduced tax rate ceiling during the following reassessment year (odd numbered year). These provisions also allow taxing authorities that voluntarily reduce a tax rate in a previous even numbered year to undo that voluntary reduction in the following even numbered year. To increase the tax rate in the following even numbered year, the taxing authority must conduct a public hearing, and adopt an ordinance, a resolution, or a policy statement justifying its action prior to setting and certifying its tax rate.



2014 Property Tax Rates Results

Sections 137.180.3 and 137.180.4, RSMo, were revised in 2010 to reschedule the date new estimated tax rates had to be calculated and mailed for taxing authorities not partially in first class charter counties or the City of St. Louis. Effective dates were changed from January 1, 2011, to January 1, of the year following receipt of software necessary for implementation provided by the State Tax Commission. As of December 31, 2014, such software has not been provided.

Section 137.073.2, RSMo, was revised in 2011 to change the maximum authorized levy definition for some taxing authorities. The revision affects taxing authorities that had elections impacting tax rate year 2009 or after that experienced a decrease in assessed valuation in the election year.

Section 137.073.6(3), RSMo, was added in 2013 and allows a taxing authority to submit amended tax rate forms to the State Auditor's office in the event the taxing authority incorrectly completed the forms or made clerical errors.

APPENDIX I
2014 PROPERTY TAX RATES
SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	105	111	94	15	1	1
Hospitals	13	13	13	0	0	0
Nursing Home Districts	30	32	25	5	0	2
Public Water Supply District	1	1	1	0	0	0
Soil and Water Conservation Subdistricts	27	27	20	4	3	0
Drainage and Levee Districts	2	2	1	0	1	0
Special Road Districts	215	281	191	51	0	39
Municipalities	755	1,299	670	530	0	99
Tax Supported Public Libraries	83	89	75	10	0	4
Townships	312	832	612	188	0	32
Fire Protection Districts	363	454	335	73	0	46
Sewer Districts	9	10	8	1	0	1
Miscellaneous	25	29	19	9	1	0
Regional Recreational District	1	1	0	1	0	0
Community Improvement Districts	7	7	3	0	3	1
Health Centers	90	90	76	14	0	0
Special Road District Subdistrict	1	1	0	0	0	1
Transportation Development District	1	1	1	0	0	0
Junior Colleges	12	16	9	4	0	3
School Districts	497	838	398	128	0	312
Special School Districts	2	3	2	0	0	1
Counties	114	414	341	61	0	12
Totals	2,665	4,551	2,894	1,094	9	554

(1) This column includes debt service levies, newly voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

APPENDIX II
2014 PROPERTY TAX RATES
SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass												Other (1)
			With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	81	128	41	5	62	66	63	7	45	32	3	95	0	9	21
Tax Supported Public Libraries	5	6	2	1	5	4	3	1	0	1	0	3	0	0	1
Fire Protection Districts	22	96	39	19	37	65	41	15	45	17	2	48	0	0	14
Sewer Districts	18	18	7	2	7	15	11	3	11	3	0	13	0	0	0
Street Light Maintenance Districts	5	5	1	0	3	3	4	0	2	2	0	5	0	0	0
Miscellaneous	10	10	3	1	4	1	0	0	6	0	7	9	0	9	0
Community Improvement Districts	4	4	0	0	2	0	1	0	0	0	1	2	0	2	2
School Districts	21	42	10	6	12	17	12	2	10	5	0	14	0	0	20
County	1	5	4	4	4	4	0	0	0	0	0	0	0	0	1
Totals	167	314	107	38	136	175	135	28	119	60	13	189	0	20	59

(1) This column includes debt service levies, newly voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations. Debt service levies are not subject to the multi-rate system; the same rate applies to each subclass of property.

Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

APPENDIX III

2014 PROPERTY TAX RATES

SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates					Debt Service Levies
			Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	
Ambulance Districts	105	111	56	28	24	2	0	1
Hospitals	13	13	8	1	4	0	0	0
Nursing Home Districts	30	32	18	8	3	1	0	2
Public Water Supply District	1	1	0	1	0	0	0	0
Soil and Water Conservation Subdistricts	27	27	12	6	9	0	0	0
Drainage and Levee Districts	2	2	1	0	1	0	0	0
Special Road Districts	215	281	110	67	65	0	39	0
Municipalities	755	1,299	411	527	258	4	31	68
Tax Supported Public Libraries	83	89	46	28	7	4	0	4
Townships	312	832	434	186	179	1	19	13
Fire Protection Districts	363	454	216	111	74	7	11	35
Sewer Districts	9	10	2	5	2	0	0	1
Miscellaneous	25	29	9	16	4	0	0	0
Regional Recreational District	1	1	1	0	0	0	0	0
Community Improvement Districts	7	7	3	1	2	0	1	0
Health Centers	90	90	48	30	12	0	0	0
Special Road District Subdistrict	1	1	0	0	0	0	1	0
Transportation Development District	1	1	0	0	1	0	0	0
Junior Colleges	12	16	5	7	1	0	0	3
School Districts	497	838	61	285	102	78	5	307
Special School Districts	2	3	1	1	0	0	0	1
Counties	114	414	187	118	96	1	9	3
Totals	2,665	4,551	1,629	1,426	844	98	116	438

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of \$2.7500 by school board action alone.

(2) This column includes new voter approved levies, newly formed districts, or a levy voted to replace an expired levy.

APPENDIX IV
2014 PROPERTY TAX RATES
SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Number of Tax Rates by Subclass																Other (2)	Debt Service Levies
			Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)					
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.		
Municipalities	81	128	49	96	43	86	25	4	20	1	33	7	44	20	0	0	0	0	0	21
Tax Supported Public Libraries	5	6	3	4	2	5	2	1	1	0	0	0	2	0	0	0	0	0	0	1
Fire Protection Districts	22	96	60	60	57	71	4	10	13	0	13	7	7	6	5	5	5	5	1	13
Sewer Districts	18	18	11	14	7	12	0	1	3	0	7	3	8	6	0	0	0	0	0	0
Street Light Maintenance Districts	5	5	3	5	3	3	0	0	1	0	2	0	1	2	0	0	0	0	0	0
Miscellaneous	10	10	4	10	5	10	2	0	1	0	4	0	4	0	0	0	0	0	0	0
Community Improvement Districts	4	4	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	2
School Districts	21	42	9	12	7	17	5	2	10	0	6	6	3	3	2	2	2	2	0	20
County	1	5	2	4	2	4	2	0	2	0	0	0	0	0	0	0	0	0	0	1
Totals	167	314	143	207	128	210	40	18	51	1	65	23	69	37	7	7	7	7	1	58

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of \$2.7500 by school board action alone.

(2) This column includes a new voter approved tax rate.

Res. Residential real estate

Ag. Agricultural real estate

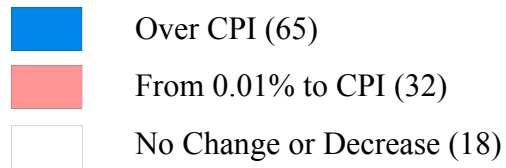
Com. Commercial real estate

PP. Personal property

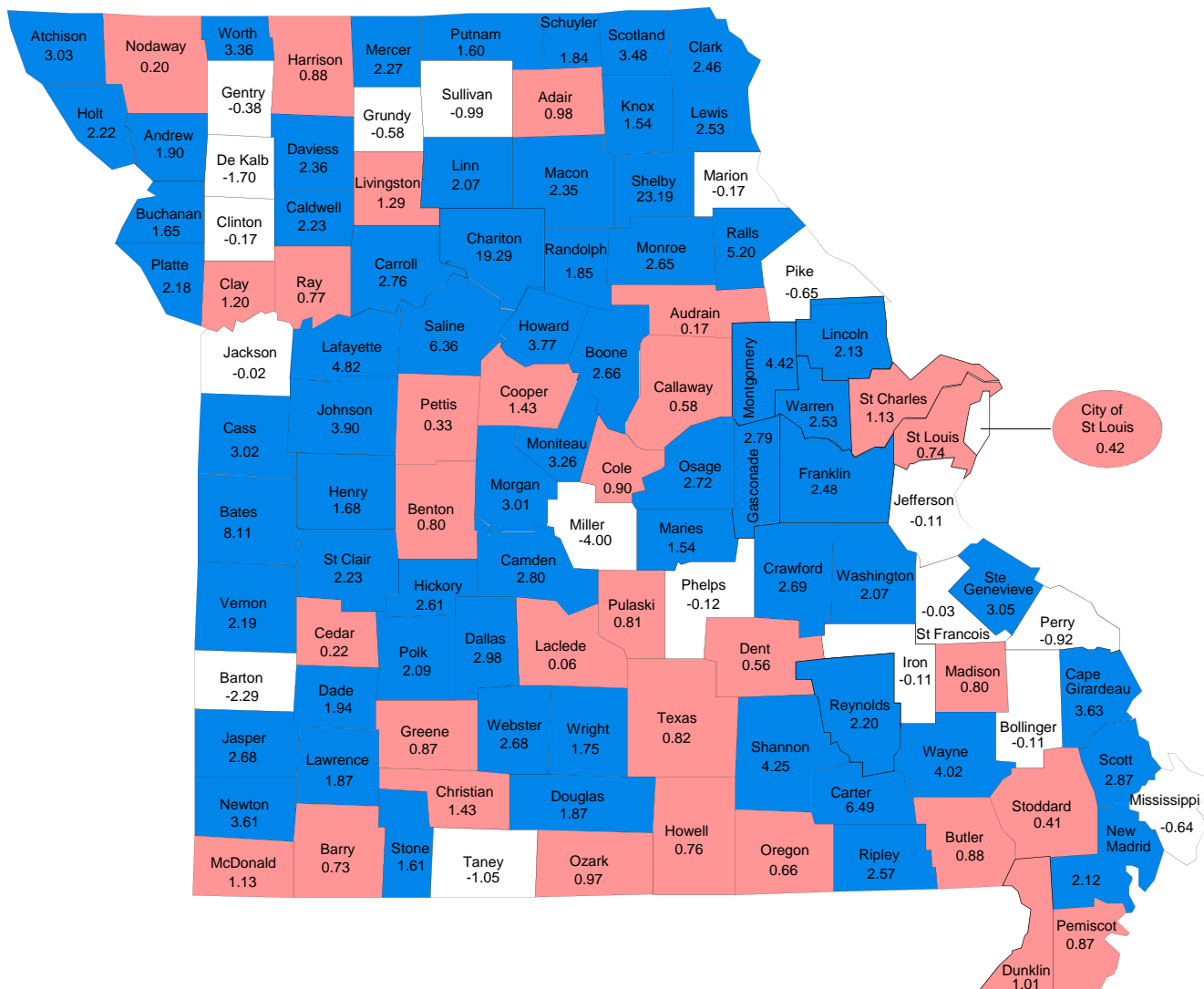
APPENDIX V

2014 PROPERTY TAX RATES

2013 – 2014 PERCENTAGE CHANGE IN TOTAL ASSESSED VALUATIONS BY COUNTY, OVERALL COUNTY VALUATION CHANGES



The 2014 consumer price index (CPI) of 1.50% was certified by the State Tax Commission.



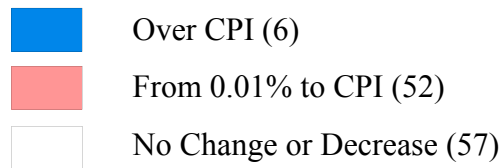
High: Shelby County 23.19

Low: Miller County -4.00

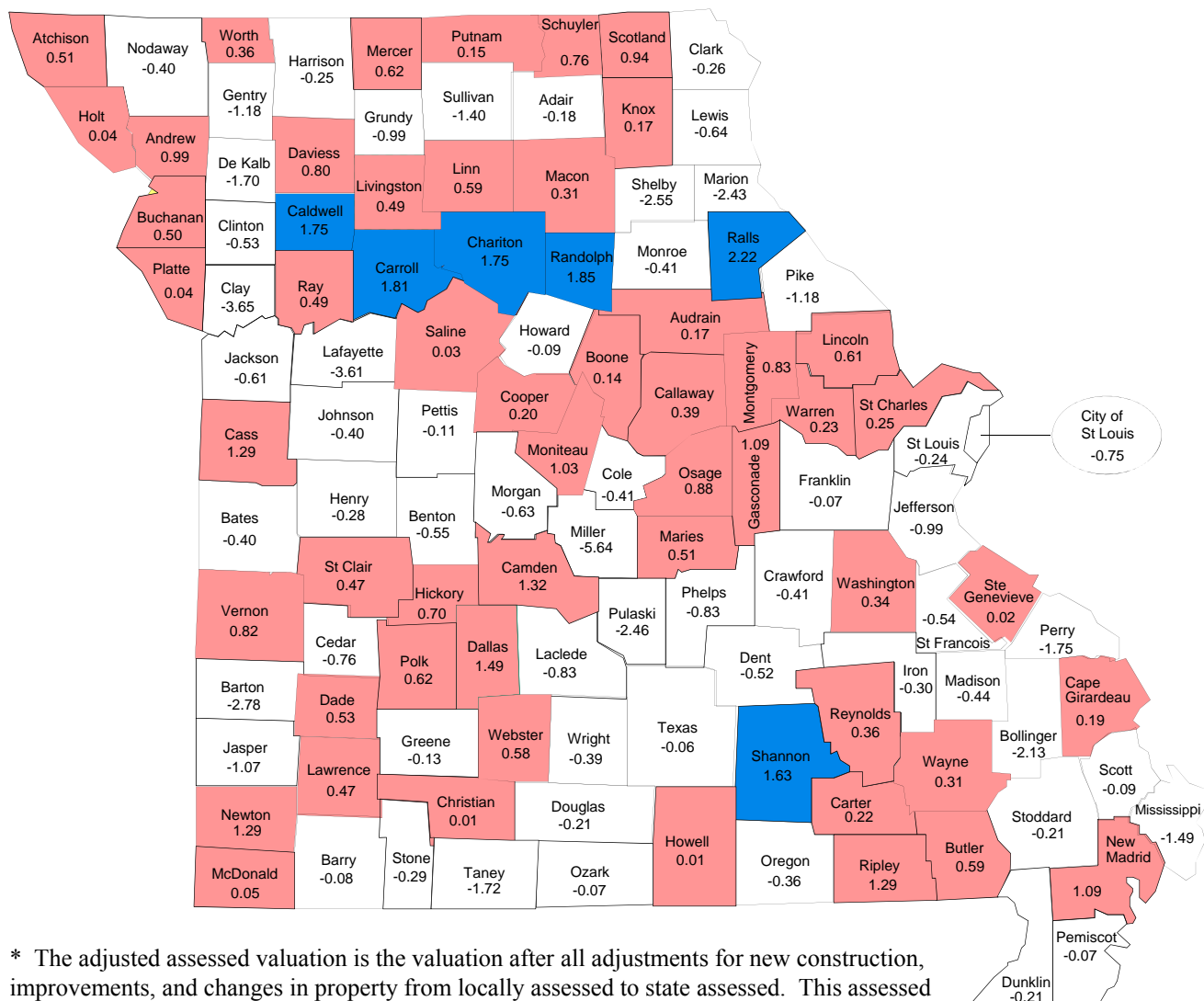
APPENDIX VI

2014 PROPERTY TAX RATES

2013 – 2014 PERCENTAGE CHANGE IN ADJUSTED ASSESSED VALUATIONS BY COUNTY*



The 2014 consumer price index (CPI) of 1.50% was certified by the State Tax Commission.



* The adjusted assessed valuation is the valuation after all adjustments for new construction, improvements, and changes in property from locally assessed to state assessed. This assessed valuation is compared to the total prior assessed valuation in the calculation for compliance with the Hancock Amendment.

High: Ralls County 2.22

Low: Miller County -5.64

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Adair</u>						
Adair County Ambulance District	General Revenue	267,190,756	0.0000	0.0000	0	
Twin Pines Adult Care Center	General Revenue	260,922,256	0.1500	0.1500	391,383	
City of Brashear	Fire	1,322,033	0.3248	0.3248	4,294	2016
	General Revenue-Temp	1,322,033	1.4572	1.4572	19,265	2015
City of Kirksville	General Revenue	164,449,327	0.6872	0.6872	1,130,096	
City of Novinger	General Revenue	2,059,979	0.4737	0.4737	9,758	
	General Revenue-Temp	2,059,979	0.3561	0.3561	7,336 ^A	2017
Village of Gibbs Village	General Revenue	571,805	0.7552	0.7552	4,318	
Adair County Public Library	General Revenue	267,190,756	0.1500	0.1500	400,786	
Adair County Health Department	General Revenue	267,190,756	0.2000	0.2000	534,382	
Adair County R-I School District	Operating Funds-Schools	15,015,580	3.7181	3.7181	558,294 ^E	
	Debt Service	15,015,580	0.6324	0.5830	87,541	
Kirksville R-III School District	Operating Funds-Schools	208,662,608	3.4110	3.4110	7,117,482 ^E	
	Debt Service	208,662,608	1.8370	0.8190	1,708,947	
Adair County R-II School District	Operating Funds-Schools	13,933,455	3.6513	3.6289	505,631 ^E	
	Debt Service	13,933,455	0.7901	0.6511	90,721	
Adair County	General Revenue	267,190,756	0.0000	0.0000	0	
	Road & Bridge	267,190,756	0.2757	0.2757	736,645	
	Developmentally Disabled	267,190,756	0.1500	0.1500	400,786	
<u>Andrew</u>						
Andrew County Ambulance District	General Revenue	229,225,648	0.2672	0.1722	394,727	
Andrew County Nursing Home District	General Revenue	239,037,879	0.0286	0.0286	68,365	
City of Bolckow	General Revenue	941,970	0.8377	0.8377	7,891	
Village of Cosby	General Revenue	714,436	0.4826	0.4826	3,448	
Village of Country Club	General Revenue	34,721,456	0.3938	0.3938	136,733	
City of Fillmore	General Revenue	965,888	0.6303	0.6303	6,088	
	Debt Service	965,888	0.4613	0.4613	4,456	
Village of Rea	General Revenue	414,351	0.3061	0.3061	1,268	
Village of Rosendale	General Revenue	529,980	0.9787	0.9787	5,187	
City of Savannah	General Revenue	40,341,702	0.5590	0.5590	225,510	
	Parks & Recreation	40,341,702	0.3567	0.3567	143,899	
	Debt Service	40,341,702	0.0806	0.0806	32,515	
City of Amazonia	General Revenue	1,760,661	0.6606	0.6606	11,631	
Bolckow Fire District	General Revenue	8,520,930	0.2747	0.2747	23,407	
Rosendale Fire District	General Revenue	14,042,206	0.3138	0.3138	44,064	
Fillmore Fire Protection District	General Revenue	8,789,182	0.4153	0.4153	36,501	
Savannah Fire Protection District	General Revenue	112,294,847	0.5493	0.5493	616,836	
Village of Country Club FPD	General Revenue	20,377,277	0.6569	0.6569	133,858	
Cosby-Helena Fire Protection Dist	General Revenue	21,131,318	0.2809	0.2809	59,358	
Andrew County Health Department	General Revenue	239,037,879	0.0878	0.0878	209,875	
North Andrew Co R-VI School Dist	Operating Funds-Schools	20,747,536	4.4978	4.4978	933,183 ^E	
Avenue City R-IX School District	Operating Funds-Schools	20,800,755	3.4540	3.4540	718,458 ^E	
	Debt Service	20,800,755	1.4181	0.9800	203,847	
Savannah R-III School District	Operating Funds-Schools	165,265,398	3.8090	3.8090	6,294,959 ^E	
Andrew County	General Revenue	239,037,879	0.3169	0.2439	583,013	
	Johnson Grass	239,037,879	0.0264	0.0150	35,856	
	Road & Bridge	239,037,879	0.2465	0.2465	589,228	
	Special Road and Bridge	239,037,879	0.2500	0.2500	597,595	2016

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Andrew</u>						
Andrew County	Developmentally Disabled	239,037,879	0.0791	0.0791	189,079	
	Senior Services	239,037,879	0.0279	0.0279	66,692	
<u>Atchison</u>						
Atchison-Holt Ambulance District	General Revenue	248,313,442	0.2959	0.2959	734,759	
Langdon Spec Road Dist Atchison Co	Special Road and Bridge	3,849,860	0.3500	0.3500	13,475	2016
Phelps Cy Spec Rd Dist Atchison Co	Special Road and Bridge	7,136,636	0.3500	0.3500	24,978 ^A	2017
Tarkio Spec Road Dist Atchison Co	Special Road and Bridge	22,734,022	0.3548	0.3548	80,660	2014
Watson Spec Road Dist Atchison Co	Special Road and Bridge	5,214,951	0.3500	0.3500	18,252	2016
General Road District	Special Road and Bridge	87,903,929	0.3670	0.3670	322,607	2014
City of Fairfax	General Revenue	4,002,209	0.8296	0.8296	33,202	
	Parks & Recreation	4,002,209	0.2000	0.2000	8,004	
	General Revenue-Temp	4,002,209	0.3023	0.3023	12,099	2016
	Street Lights	4,002,209	0.2480	0.2480	9,925	
City of Rock Port	General Revenue	11,392,836	0.9061	0.9061	103,230	
	Parks & Recreation	11,392,836	0.3624	0.3624	41,288	
City of Tarkio	General Revenue	12,671,698	0.8190	0.8190	103,781	
	Parks & Recreation	12,671,698	0.3100	0.3100	39,282	
	Lights	12,671,698	0.6756	0.6756	85,610	
Village of Watson	General Revenue	484,630	0.4815	0.4815	2,333	
	General Revenue-Temp	484,630	0.3000	0.3000	1,454	2016
City of Westboro	General Revenue	903,748	0.9850	0.9850	8,902	
	Lights	903,748	0.2463	0.2463	2,226	
	Streets	903,748	0.8865	0.8865	8,012	
Atchison County Library	General Revenue	126,839,398	0.2990	0.2990	379,250	
Fairfax Rural Fire District	General Revenue	15,744,941	0.3843	0.3843	60,508	
Tarkio Rural Fire District	General Revenue	18,226,204	0.3931	0.3931	71,647	
West Atchison Rural Fire Prot Dist	General Revenue	36,778,252	0.2412	0.2412	88,709	
Westboro Fire Protection District	General Revenue	17,880,483	0.3500	0.3500	62,582	
Atchison County Health Department	General Revenue	126,839,398	0.0997	0.0997	126,459	
Tarkio R-I School District	Operating Funds-Schools	42,978,771	3.7204	3.6900	1,585,917 ^E	
	Debt Service	42,978,771	0.0958	0.0900	38,681	
Rock Port R-II School District	Operating Funds-Schools	46,217,634	4.1565	4.1565	1,921,036 ^{BE}	
	Debt Service	46,217,634	1.1697	0.7118	328,977	
Fairfax R-III School District	Operating Funds-Schools	18,105,683	4.1654	4.1654	754,174 ^E	
Atchison County	General Revenue	126,839,398	0.4984	0.4984	632,168	
	Solid Waste Landfill	126,839,398	0.0000	0.0000	0	
	Road & Bridge	126,839,398	0.4984	0.4984	632,168	
	Senate Bill 40	126,839,398	0.0997	0.0997	126,459	
	Senior Services	126,839,398	0.0498	0.0498	63,166	
<u>Audrain</u>						
Van-Far Ambulance District	General Revenue	51,116,902	0.2948	0.1346	68,803	
Audrain Ambulance District	General Revenue	250,958,838	0.3000	0.0980	245,940	
Tri County Nursing Home District	General Revenue	54,439,700	0.2500	0.2500	136,099	
Laddonia Farber Spec Rd Audrain Co	Special Road and Bridge	20,925,390	0.3610	0.3500	73,239 ^A	2017
Saling Spec Rd Dist #2 Audrain Co	Special Road and Bridge	14,851,411	0.3245	0.3245	48,193	2014
Vandalia Special Rd Dist Audrain Co	Special Road and Bridge	37,729,564	0.3609	0.3500	132,053	2015
Village of Benton City	General Revenue	772,595	0.4085	0.4085	3,156	
City of Farber	General Revenue	2,068,000	0.6292	0.6292	13,012	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Audrain</u>						
City of Farber	Lights	2,068,000	0.3196	0.3196	6,609	
City of Laddonia	General Revenue	4,707,716	0.8043	0.8043	37,864	
	Lights	4,707,716	0.2845	0.2845	13,393	
City of Martinsburg	General Revenue	3,671,135	0.5553	0.5553	20,386	
City of Mexico	General Revenue	136,226,973	0.4325	0.4325	589,182	
	Parks & Recreation	136,226,973	0.1042	0.1000	136,227	
	Health	136,226,973	0.2000	0.2000	272,454	
Village of Rush Hill	General Revenue	554,280	0.4617	0.4617	2,559	
City of Vandalia	General Revenue	18,903,709	0.7398	0.7398	139,850	
	Parks & Recreation	18,903,709	0.1681	0.1681	31,777	
Village of Vandiver	General Revenue	3,437,034	0.3267	0.3124	10,737	
Mexico Audrain County Library Dist	General Revenue	362,957,656	0.2225	0.2225	807,581	
Little Dixie Fire District	General Revenue	110,118,910	0.3950	0.3950	434,970	
Martinsburg Area Fire Prot District	Fire	20,639,085	0.1833	0.1833	37,831	
Laddonia Rural Fire Protection Dist	General Revenue	6,914,550	0.3000	0.3000	20,744	A
Audrain County Health Center	General Revenue	362,957,656	0.2512	0.2512	911,750	
Community R-VI School District	Operating Funds-Schools	30,489,427	4.0000	4.0000	1,219,577	E
	Debt Service	30,489,427	0.8812	0.5500	167,692	
Van-Far R-I School District	Operating Funds-Schools	42,088,101	3.3984	3.3984	1,430,322	E
	Debt Service	42,088,101	0.6778	0.6099	256,695	
Mexico 59 School District	Operating Funds-Schools	184,120,867	3.4101	3.4101	6,278,706	E
	Debt Service	184,120,867	0.7042	0.5877	1,082,078	
Audrain County	General Revenue	362,957,656	0.4029	0.2335	847,506	
	Road & Bridge	362,957,656	0.3021	0.3021	1,096,495	
	Common Road District	362,957,656	0.3500	0.3500	1,270,352	2016
	Hospital	362,957,656	0.1902	0.1902	690,345	
	Senate Bill 40	362,957,656	0.2100	0.2100	762,211	
<u>Barry</u>						
Barry-Lawrence Co Ambulance Dist	General Revenue	233,284,551	0.1260	0.1260	293,939	
South Barry County Ambulance Dist	General Revenue	272,837,111	0.0829	0.0829	226,182	
South Barry Co Memorial Hospital	General Revenue	265,327,513	0.0915	0.0915	242,775	
Ash Special Road District Barry Co	Road & Bridge	4,628,219	0.1756	0.1756	8,127	
	Special Road and Bridge	4,628,219	0.1324	0.1324	6,128	2015
Butterfield Spec Road Dist Barry Co	Road & Bridge	17,027,873	0.1850	0.1850	31,502	
	Special Road and Bridge	17,027,873	0.1315	0.1315	22,392	2015
Capps Creek Spec Road Dist Barry Co	Road & Bridge	7,712,790	0.2700	0.2700	20,825	
Corsicana Spec Road Dist Barry Co	Road & Bridge	4,402,994	0.2023	0.2023	8,907	
	Special Road and Bridge	4,402,994	0.1330	0.1330	5,856	2015
Crane Creek Spec Road Dist Barry Co	Road & Bridge	8,517,423	0.1939	0.1939	16,515	
Exeter Special Rd Dist Barry Co	Road & Bridge	16,009,691	0.1990	0.1990	31,859	
	Special Road and Bridge	16,009,691	0.1347	0.1347	21,565	2016
Flat Creek Spec Road Dist Barry Co	Road & Bridge	71,159,358	0.1561	0.1561	111,080	
	Special Road and Bridge	71,159,358	0.1383	0.1383	98,413	2015
Greasy Creek Sp Rd Dist 35 Barry Co	Road & Bridge	2,200,600	0.1891	0.1891	4,161	
	Special Road and Bridge	2,200,600	0.3636	0.3636	8,001	2015
Jenkins Spec Road Dist 20 Barry Co	Road & Bridge	4,112,614	0.1490	0.1490	6,128	
Kings Prairie Spec Rd Dist Barry Co	Road & Bridge	10,158,992	0.2040	0.2040	20,724	
	Special Road and Bridge	10,158,992	0.1344	0.1344	13,654	2015

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Barry						
Liberty Common Rd Dist 34 Barry Co	Road & Bridge	620,688	0.1413	0.1243	772	
McDonald Spec Road Dist 19 Barry Co	Road & Bridge	3,864,761	0.1649	0.1649	6,373	
Mineral Spgs Sp Rd Dist 10 Barry Co	Road & Bridge	7,854,518	0.1837	0.1837	14,429	
	Special Road and Bridge	7,854,518	0.1340	0.1340	10,525	2015
Mountain Special Road District #22	Road & Bridge	3,147,974	0.1886	0.1886	5,937	
Ozark Special Road Dist Barry Co	Road & Bridge	8,456,080	0.1504	0.1504	12,718	
	Special Road and Bridge	8,456,080	0.1344	0.1344	11,365	2015
Pioneer Spec Road Dist 31 Barry Co	Road & Bridge	1,721,827	0.2060	0.2060	3,547	
	Special Road and Bridge	1,721,827	0.1350	0.1350	2,324	2015
Pleasant Ridge Spec Rd 25 Barry Co	Road & Bridge	5,094,548	0.1619	0.1619	8,248	
	Special Road and Bridge	5,094,548	0.1350	0.1350	6,878	2015
Purdy Special Road Dist 28 Barry Co	Road & Bridge	18,692,976	0.2030	0.2030	37,947	
	Special Road and Bridge	18,692,976	0.1365	0.1365	25,516	2015
Roaring River Sp Rd Dist 2 Barry Co	Road & Bridge	23,825,493	0.1384	0.1384	32,974	
Shell Knob Spec Rd Dist 9 Barry Co	Road & Bridge	29,740,888	0.1612	0.1612	47,942	
Sugar Creek Spec Rd Dist 3 Barry Co	Road & Bridge	12,718,407	0.1543	0.1543	19,625	
Viola Special Road Dist 21 Barry Co	Road & Bridge	31,549,767	0.1261	0.1261	39,784	
Washburn Spec Road Dist 4 Barry Co	Road & Bridge	10,465,969	0.2055	0.2055	21,508	
	Special Road and Bridge	10,465,969	0.1321	0.1321	13,826 ^A	2017
Wheaton Spec Road Dist 29 Barry Co	Road & Bridge	13,405,736	0.1881	0.1881	25,216	
	Special Road and Bridge	13,405,736	0.1315	0.1315	17,629	2015
White River Spec Rd Dist 7 Barry Co	Road & Bridge	26,454,970	0.1316	0.1316	34,815	
Monett Special Road District	Road & Bridge	106,949,585	0.1807	0.1807	193,258	
City of Butterfield	General Revenue	1,888,168	0.4603	0.4603	8,691	
	Debt Service	1,888,168	1.4954	1.4954	28,236	
City of Cassville	General Revenue	39,336,399	0.0000	0.0000	0	
City of Exeter	General Revenue	3,913,188	0.4554	0.4554	17,821	
City of Purdy	General Revenue	4,944,342	0.3947	0.3947	19,515	
City of Seligman	General Revenue	4,109,698	0.2750	0.2727	11,207	
	Streets	4,109,698	0.1691	0.1677	6,892	
City of Washburn	General Revenue	2,635,428	0.4015	0.4015	10,581	
City of Wheaton	General Revenue	3,334,502	0.4829	0.4829	16,102	
Barry Lawrence Con Library District	General Revenue	878,299,063	0.1500	0.1500	1,317,449	
Eagle Rock, Golden & Mano Fire Dist	General Revenue	50,980,050	0.3989	0.3989	203,359	
Central Crossing Fire Prot District	General Revenue	92,618,661	0.3749	0.3749	347,227	
Cassville Fire Protection District	General Revenue	70,395,144	0.3000	0.3000	211,185	
Butterfield Fire Protection Dist	General Revenue	19,657,943	0.3000	0.3000	58,974	
Exeter Fire Protection District	General Revenue	16,918,901	0.3000	0.3000	50,757	
Seligman Fire Protection District	General Revenue	14,541,442	0.3000	0.3000	43,624	
Purdy Fire Protection District	General Revenue	25,127,104	0.2928	0.2928	73,572	
Jenkins Fire Protection District	General Revenue	14,077,863	0.3000	0.2953	41,572	
Wheaton Fire Protection District	General Revenue	20,840,474	0.3196	0.3000	62,521 ^A	
Monett Rural Fire Protection Dist	General Revenue	40,315,832	0.3000	0.3000	120,947 ^A	
Barry County Health Department	General Revenue	450,659,510	0.0716	0.0716	322,672	
Wheaton R-III School District	Operating Funds-Schools	19,023,108	2.8241	2.7500	523,135 ^E	
	Debt Service	19,023,108	0.8429	0.8300	157,892	
Southwest Barry Co R-V School Dist	Operating Funds-Schools	34,525,804	2.7500	2.7500	949,460 ^F	
	Debt Service	34,525,804	1.1204	0.8500	293,469	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Barry</u>						
Exeter R-VI School District	Operating Funds-Schools	13,375,715	3.4823	3.4823	465,783	E
	Debt Service	13,375,715	0.9413	0.6490	86,808	
Cassville R-IV School District	Operating Funds-Schools	162,924,116	2.9488	2.9488	4,804,306	E
	Debt Service	162,924,116	0.8206	0.4012	653,652	
Purdy R-II School District	Operating Funds-Schools	26,140,172	2.8105	2.8105	734,670	E
	Debt Service	26,140,172	0.8057	0.7300	190,823	
Shell Knob 78 School District	Operating Funds-Schools	62,895,083	3.4630	3.4630	2,178,057	E
Monett R-I School District	Operating Funds-Schools	155,330,828	3.1881	3.1881	4,952,102	E
	Debt Service	155,330,828	0.6481	0.5600	869,853	
Barry County	General Revenue	450,659,510	0.0000	0.0000	0	
	Developmentally Disabled	450,659,510	0.0706	0.0700	315,462	
	Senior Services	450,659,510	0.0500	0.0500	225,330	
<u>Barton</u>						
Barton County Ambulance District	General Revenue	172,136,485	0.0000	0.0000	0	
City of Golden City	General Revenue	5,782,474	0.6036	0.6036	34,903	
	Parks & Recreation	5,782,474	0.1367	0.1367	7,905	
	Public Health	5,782,474	0.1710	0.1710	9,888	
City of Lamar	General Revenue	54,851,578	0.6152	0.6152	337,447	
	Parks & Recreation	54,851,578	0.1800	0.1800	98,733	
	Memorial Fund	54,851,578	0.1800	0.1800	98,733	
City of Liberal	General Revenue	4,159,478	0.5943	0.5943	24,720	
Barton County Library	General Revenue	172,136,485	0.0774	0.0774	133,234	
	Library	172,136,485	0.0800	0.0800	137,709	
Barton City Township Barton County	General Revenue	3,791,612	0.1000	0.1000	3,792	
	Road & Bridge	3,791,612	0.2547	0.2545	9,650	
	Special Road and Bridge	3,791,612	0.2542	0.2500	9,479	A 2017
Central Township Barton County	General Revenue	11,405,467	0.0870	0.0870	9,923	
	Road & Bridge	11,405,467	0.3378	0.3378	38,528	
	Special Road and Bridge	11,405,467	0.4700	0.4700	53,606	2016
City Township Barton County	General Revenue	51,830,448	0.0515	0.0500	25,915	
	Road & Bridge	51,830,448	0.1750	0.1700	88,112	
Doylesport Township Barton County	General Revenue	4,375,366	0.1000	0.1000	4,375	
	Road & Bridge	4,375,366	0.2965	0.2965	12,973	
	Special Road and Bridge	4,375,366	0.2500	0.2500	10,938	2016
Golden City Township Barton County	General Revenue	12,687,727	0.0900	0.0900	11,419	
	Road & Bridge	12,687,727	0.2363	0.2363	29,981	
Lamar Township Barton County	General Revenue	30,430,797	0.0742	0.0600	18,258	
	Road & Bridge	30,430,797	0.2971	0.2400	73,034	
Leroy Township Barton County	General Revenue	6,685,783	0.0920	0.0920	6,151	
	Road & Bridge	6,685,783	0.3388	0.3388	22,651	
Milford Township Barton County	General Revenue	3,129,258	0.1000	0.1000	3,129	
	Road & Bridge	3,129,258	0.3044	0.3044	9,525	
Nashville Township Barton County	General Revenue	7,539,968	0.0960	0.0960	7,238	
	Road & Bridge	7,539,968	0.3476	0.3476	26,209	
	Special Road and Bridge	7,539,968	0.3736	0.3736	28,169	2016
Newport Township Barton County	General Revenue	3,994,210	0.1000	0.1000	3,994	
	Road & Bridge	3,994,210	0.2538	0.2516	10,049	
	Special Road and Bridge	3,994,210	0.1025	0.1025	4,094	2014

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Barton</u>						
North Fork Township Barton County	General Revenue	3,931,315	0.0973	0.0973	3,825	2016
	Road & Bridge	3,931,315	0.3041	0.3041	11,955	
	Special Road and Bridge	3,931,315	0.2969	0.2969	11,672	
Ozark Township Barton County	General Revenue	9,132,864	0.0958	0.0936	8,548	
	Road & Bridge	9,132,864	0.2450	0.2393	21,855	
Richland Township Barton County	General Revenue	9,664,741	0.0979	0.0979	9,462	2017
	Road & Bridge	9,664,741	0.4014	0.4014	38,794	
	Special Road and Bridge	9,664,741	0.3752	0.3752	36,262 ^A	
South West Township Barton County	General Revenue	7,669,291	0.0975	0.0975	7,478	
	Road & Bridge	7,669,291	0.3410	0.3410	26,152	
Union Township Barton County	General Revenue	5,867,638	0.0963	0.0963	5,651	
	Road & Bridge	5,867,638	0.4161	0.4161	24,415	
Golden City Fire Protection Dist	General Revenue	22,166,111	0.0961	0.0961	21,302	
Barton County Health Department	General Revenue	172,136,485	0.1500	0.1500	258,205	
Liberal R-II School District	Operating Funds-Schools	31,694,262	3.1752	3.1752	1,006,356 ^E	
Golden City R-III School District	Operating Funds-Schools	17,592,640	3.9000	3.4300	603,428 ^E	
Lamar R-I School District	Operating Funds-Schools	96,893,823	3.7500	3.7500	3,633,518 ^E	
	Debt Service	96,893,823	1.7249	0.5100	494,158	
Barton County	General Revenue	172,136,485	0.2450	0.0500	86,068	
	Hospital	172,136,485	0.1083	0.1083	186,424	
<u>Bates</u>						
Cornland Special Road Dist Bates Co	Road & Bridge	768,560	0.3498	0.3498	2,688	2015
	Special Road and Bridge	768,560	0.1807	0.1807	1,389	
South Hudson Spec Rd Dist Bates Co	Road & Bridge	1,103,186	0.3145	0.3145	3,470	2014
	Special Road and Bridge	1,103,186	0.2972	0.2972	3,279	
City of Adrian	General Revenue	12,887,171	0.5774	0.5774	74,411	
	Parks & Recreation	12,887,171	0.0500	0.0500	6,444	
City of Amoret	General Revenue	716,250	0.5198	0.5198	3,723	
City of Amsterdam	General Revenue	1,931,198	0.9877	0.9877	19,074	
City of Butler	General Revenue	42,772,727	0.6366	0.6000	256,636	
	Parks & Recreation	42,772,727	0.0323	0.0280	11,976	
	Lake	42,772,727	0.0141	0.0122	5,218	
City of Hume	General Revenue	1,785,633	1.0000	1.0000	17,856	
	Lights	1,785,633	0.3545	0.3545	6,330	
	Water	1,785,633	0.4490	0.4490	8,017	
Village of Merwin	General Revenue	259,968	0.5284	0.5284	1,374	
Village of Passaic	General Revenue	146,214	1.0000	1.0000	1,462	
City of Rich Hill	General Revenue	6,868,600	0.6672	0.6672	45,827	
	Parks & Recreation	6,868,600	0.2691	0.2691	18,483	
	Library	6,868,600	0.2400	0.2400	16,485	
	Health	6,868,600	0.1399	0.1399	9,609	
City of Rockville	General Revenue	1,211,485	0.8782	0.8782	10,639	
	Streets	1,211,485	0.3903	0.3903	4,728	
Village of Foster	General Revenue	599,556	0.6717	0.6717	4,027	
Charlotte Township Bates County	General Revenue	5,151,695	0.1000	0.1000	5,152	
	Road & Bridge	5,151,695	0.2991	0.2991	15,409	
	Special Road and Bridge	5,151,695	0.2944	0.2944	15,167 ^A	
Deepwater Township Bates County	General Revenue	4,086,744	0.0972	0.0972	3,972	2017

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Bates						
Deepwater Township Bates County	Road & Bridge	4,086,744	0.2371	0.2371	9,690	2014
	Special Road and Bridge	4,086,744	0.3508	0.3508	14,336	
Deer Creek Township Bates County	General Revenue	22,686,302	0.0711	0.0711	16,130	
	Road & Bridge	22,686,302	0.2341	0.2341	53,109	
East Boone Township Bates County	General Revenue	12,091,329	0.0899	0.0899	10,870	
	Road & Bridge	12,091,329	0.2473	0.2473	29,902	
	Special Road and Bridge	12,091,329	0.3494	0.3494	42,247	
Elkhart Township Bates County	General Revenue	4,215,743	0.0892	0.0892	3,760	
	Road & Bridge	4,215,743	0.2454	0.2454	10,345	
	Special Road and Bridge	4,215,743	0.2800	0.2800	11,804	
Grand River Township Bates County	General Revenue	3,517,293	0.1000	0.1000	3,517	
	Road & Bridge	3,517,293	0.2724	0.2724	9,581	
	Special Road and Bridge	3,517,293	0.2533	0.2533	8,909	
Homer Township Bates County	General Revenue	6,484,478	0.0937	0.0937	6,076	
	Road & Bridge	6,484,478	0.3161	0.3161	20,497	
	Special Road and Bridge	6,484,478	0.1880	0.1880	12,191	
Howard Township Bates County	General Revenue	5,845,249	0.1000	0.1000	5,845	
	Road & Bridge	5,845,249	0.3388	0.3388	19,804	
	Special Road and Bridge	5,845,249	0.3538	0.3538	20,680	
Hudson Township Bates County	General Revenue	4,801,992	0.1000	0.1000	4,802	
	Road & Bridge	4,801,992	0.3030	0.3030	14,550	
	Special Road and Bridge	4,801,992	0.3528	0.3528	16,941	
Lone Oak Township Bates County	General Revenue	4,896,374	0.0917	0.0917	4,490	
	Road & Bridge	4,896,374	0.2638	0.2638	12,917	
	Special Road and Bridge	4,896,374	0.3043	0.3043	14,900 ^A	
Mingo Township Bates County	General Revenue	3,894,235	0.0883	0.0883	3,439	
	Road & Bridge	3,894,235	0.2448	0.2448	9,533	
	Special Road and Bridge	3,894,235	0.1904	0.1904	7,415	
Mound Township Bates County	General Revenue	11,063,785	0.0864	0.0864	9,559	
	Road & Bridge	11,063,785	0.2375	0.2375	26,276	
	Special Road and Bridge	11,063,785	0.1937	0.1937	21,431	
Mount Pleasant Township Bates Co	General Revenue	55,927,846	0.0991	0.0991	55,424	
	Road & Bridge	55,927,846	0.2200	0.2200	123,041	
New Home Township Bates County	General Revenue	3,541,918	0.1000	0.1000	3,542	
	Road & Bridge	3,541,918	0.2797	0.2797	9,907	
	Special Road and Bridge	3,541,918	0.2540	0.2540	8,996 ^A	
Osage Township Bates County	General Revenue	11,827,925	0.1000	0.1000	11,828	
	Road & Bridge	11,827,925	0.2665	0.2665	31,521	
	Special Road and Bridge	11,827,925	0.2031	0.2031	24,023 ^A	
Pleasant Gap Township Bates County	General Revenue	4,489,294	0.1000	0.1000	4,489	
	Road & Bridge	4,489,294	0.2917	0.2917	13,095	
	Special Road and Bridge	4,489,294	0.3522	0.3522	15,811	
Rockville Township Bates County	General Revenue	3,788,399	0.0985	0.0985	3,732	
	Road & Bridge	3,788,399	0.2784	0.2784	10,547	
Spruce Township Bates County	General Revenue	4,104,267	0.0789	0.0789	3,238	
	Road & Bridge	4,104,267	0.2366	0.2366	9,711	
	Special Road and Bridge	4,104,267	0.3660	0.3660	15,022	
Summit Township Bates County	General Revenue	4,041,178	0.0748	0.0748	3,023	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Bates</u>						
Summit Township Bates County	Road & Bridge	4,041,178	0.2567	0.2567	10,374	2014
	Special Road and Bridge	4,041,178	0.3528	0.3528	14,257	
Walnut Township Bates County	General Revenue	6,320,820	0.0942	0.0942	5,954	2015
	Road & Bridge	6,320,820	0.2958	0.2958	18,697	
	Special Road and Bridge	6,320,820	0.1786	0.1786	11,289	
West Boone Township Bates County	General Revenue	8,760,664	0.0779	0.0779	6,825	2014
	Road & Bridge	8,760,664	0.2450	0.2450	21,464	
	Special Road and Bridge	8,760,664	0.3452	0.3452	30,242	
West Point Township Bates County	General Revenue	14,257,065	0.0896	0.0896	12,774	2015
	Road & Bridge	14,257,065	0.2780	0.2780	39,635	
	Special Road and Bridge	14,257,065	0.2041	0.2041	29,099	
Prairie Township Bates County	General Revenue	1,994,018	0.1000	0.1000	1,994	2015
	Road & Bridge	1,994,018	0.2871	0.2871	5,725	
	Special Road and Bridge	1,994,018	0.2373	0.2373	4,732	
Shawnee Township Bates County	General Revenue	3,768,681	0.1000	0.1000	3,769	2014
	Road & Bridge	3,768,681	0.2993	0.2993	11,280	
	Special Road and Bridge	3,768,681	0.3609	0.3609	13,601	
Bates County Health Center	General Revenue	211,557,294	0.0837	0.0837	177,073	
Miami R-I School District	Operating Funds-Schools	21,303,695	3.8772	3.8772	825,987 ^E	
Ballard R-II School District	Operating Funds-Schools	9,579,613	4.3541	4.3541	417,106 ^E	
	Debt Service	9,579,613	0.7970	0.7500	71,847	
Adrian R-III School District	Operating Funds-Schools	44,724,387	3.4277	3.4277	1,533,018 ^E	
	Debt Service	44,724,387	1.1839	0.9623	430,383	
Rich Hill R-IV School District	Operating Funds-Schools	22,628,177	3.5482	3.4500	780,672 ^E	
	Debt Service	22,628,177	1.1492	1.0086	228,228	
Hume R-VIII School District	Operating Funds-Schools	13,559,011	5.2592	5.0000	677,951 ^E	
Hudson R-IX School District	Operating Funds-Schools	7,122,373	3.9494	3.7800	269,226 ^E	
Butler R-V School District	Operating Funds-Schools	72,390,646	3.8183	3.8183	2,764,092 ^E	2025
	Operating Funds-Temp	72,390,646	0.2100	0.2100	152,020	
	Debt Service	72,390,646	1.1441	0.7800	564,647	
Bates County	General Revenue	211,557,294	0.2727	0.2727	576,917	
	Developmentally Disabled	211,557,294	0.0700	0.0700	148,090	
<u>Benton</u>						
Warsaw-Lincoln Ambulance District	General Revenue	193,172,261	0.1832	0.0000	0	
Cole Camp Ambulance District	General Revenue	58,135,214	0.2899	0.2154	125,223	
Lincoln Community Nursing Home Dist	Maintenance	58,542,704	0.1940	0.1940	113,573	
Good Samaritan Nursing Home Dist	General Revenue	71,021,476	0.1100	0.1100	78,124	
Brandon Special Road Dist Benton Co	Road & Bridge	1,515,020	0.3500	0.3500	5,303	
Cole Camp Spec Road Dist Benton Co	Road & Bridge	14,414,242	0.3348	0.3348	48,259	
Ionia Special Road Dist Benton Co	Road & Bridge	4,187,568	0.2799	0.2799	11,721	
City of Cole Camp	General Revenue	9,832,769	0.4385	0.4385	43,117	
Village of Ionia	General Revenue	632,453	0.6526	0.6526	4,127	
City of Lincoln	General Revenue	9,093,027	0.7620	0.7620	69,289	
	Parks & Recreation	9,093,027	0.1467	0.1467	13,339	
City of Warsaw	General Revenue	25,885,035	0.4425	0.4425	114,541	
	Parks & Recreation	25,885,035	0.0000	0.0000	0	
Lincoln Community Fire Prot Dist	General Revenue	44,622,412	0.2447	0.2447	109,191	
Deer Creek Fire Protection District	General Revenue	18,609,858	0.2948	0.2948	54,862	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Benton</u>						
Warsaw Fire Protection District	General Revenue	116,067,019	0.2858	0.2858	331,720	
Lakeview Heights Fire Prot District	General Revenue	13,787,163	0.2878	0.2878	39,679	
Osage Valley Fire Protection Dist	General Revenue	11,583,941	0.2870	0.2870	33,246	
Cole Camp & Rural Fire Prot Dist	General Revenue	34,021,818	0.2976	0.2976	101,249	
Benton County Health Department	General Revenue	244,309,017	0.3885	0.3885	949,141	
Lincoln R-II School District	Operating Funds-Schools	42,212,851	2.7500	2.7500	1,160,853	E
	Debt Service	42,212,851	0.8005	0.5000	211,064	
Warsaw R-IX School District	Operating Funds-Schools	143,774,981	2.7500	2.7500	3,953,812	E
	Debt Service	143,774,981	0.8033	0.4500	646,987	
Cole Camp R-I School District	Operating Funds-Schools	54,683,710	2.7500	2.7500	1,503,802	F
	Debt Service	54,683,710	0.9099	0.5173	282,879	
Benton County	General Revenue	244,309,017	0.3249	0.1400	342,033	
	Common Road District	224,192,182	0.2075	0.2075	465,199	
	Senior Services	244,309,017	0.0500	0.0500	122,155	
<u>Bollinger</u>						
Village of Glen Allen	General Revenue	850,227	0.4389	0.4389	3,732	
Village of Sedgwickville	General Revenue	1,136,276	0.4700	0.4700	5,340	
Village of Zalma	General Revenue	430,921	1.0000	1.0000	4,309	
Glen Allen Fire Protection District	General Revenue	15,592,658	0.3000	0.3000	46,778	
Sedgwickville Fire Protection Dist	General Revenue	17,857,394	0.2100	0.2100	37,501	
North County Fire Protection Dist	General Revenue	33,236,271	0.2782	0.2782	92,463	
Zalma Fire Protection District	Fire	15,550,985	0.2800	0.2800	43,543	
Bollinger County Health Center	General Revenue	121,900,307	0.2500	0.2500	304,751	
Meadow Heights R-II School District	Operating Funds-Schools	36,204,972	2.7500	2.7500	995,637	E
	Debt Service	36,204,972	0.4168	0.3500	126,717	
Leopold R-III School District	Operating Funds-Schools	8,820,015	3.0565	2.9500	260,190	E
Zalma R-V School District	Operating Funds-Schools	13,049,712	2.7808	2.7500	358,867	F
Woodland R-IV School District	Operating Funds-Schools	53,082,070	2.7500	2.7500	1,459,757	E
Bollinger County	General Revenue	121,900,307	0.3663	0.2200	268,181	
	Library	121,900,307	0.2000	0.2000	243,801	
	Road & Bridge	121,900,307	0.2617	0.2617	319,013	
	Ambulance	121,900,307	0.2000	0.2000	243,801	
	Senate Bill 40	121,900,307	0.1000	0.1000	121,900	
<u>Boone</u>						
Callahan Creek Watershed Subdist	General Revenue	18,943,298	0.2508	0.0900	17,049	
City of Ashland	General Revenue	51,426,852	0.2635	0.2635	135,510	
City of Centralia	General Revenue	48,864,401	0.6674	0.6674	326,121	
	Parks & Recreation	48,864,401	0.2988	0.2988	146,007	
City of Columbia	General Revenue	1,802,525,394	0.4108	0.4100	7,390,354	
City of Hallsville	General Revenue	16,025,883	0.5861	0.5861	93,928	
	Debt Service	16,025,883	0.7769	0.2775	44,472	
Town of Harrisburg	General Revenue	2,480,043	0.3483	0.3483	8,638	
Village of Hartsburg	General Revenue	924,667	0.5798	0.5798	5,361	
City of Rocheport	General Revenue	2,842,380	0.2710	0.2710	7,703	
City of Sturgeon	General Revenue	7,109,615	0.5547	0.5547	39,437	
Centralia Public Library	General Revenue	43,287,608	0.5584	0.5500	238,082	B
	Debt Service	43,287,608	0.1045	0.0785	33,981	
Boone County Library	General Revenue	1,737,398,334	0.3091	0.3091	5,370,298	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Boone</u>						
Columbia Public Library	General Revenue	750,741,121	0.3112	0.3112	2,336,306	
	Debt Service	750,741,121	0.2276	0.2270	1,704,182	
Boone County Fire Protection Dist	General Revenue	547,215,547	0.6342	0.6342	3,470,441	
	Dispatch	547,215,547	0.0300	0.0000	0	
	Debt Service	547,215,547	0.2451	0.2451	1,341,225	
Southern Boone Co Fire Prot Dist	General Revenue	132,173,414	0.2147	0.2147	283,776	
	Dispatch	132,173,414	0.0283	0.0000	0	
	Debt Service	132,173,414	0.1757	0.1757	232,229	
Columbia Special Business District	General Revenue	36,031,764	0.0000	0.0000	0	
Southern Boone Co R-I School Dist	Operating Funds-Schools	114,557,337	3.7463	3.7463	4,291,662	E
	Debt Service	114,557,337	2.3535	1.2800	1,466,334	
Boone Co R-IV School District	Operating Funds-Schools	74,615,908	3.1618	3.1618	2,359,206	E
	Debt Service	74,615,908	1.3702	1.1100	828,237	
Sturgeon R-V School District	Operating Funds-Schools	34,248,564	3.8232	3.8232	1,309,391	F
	Debt Service	34,248,564	1.3372	1.2700	434,957	
Centralia R-VI School District	Operating Funds-Schools	92,631,857	3.4695	3.4695	3,213,862	E
	Debt Service	92,631,857	1.3069	0.8900	824,424	
Harrisburg R-VIII School District	Operating Funds-Schools	37,046,475	3.3917	3.3917	1,256,505	F
	Debt Service	37,046,475	1.4369	1.1500	426,034	
Columbia 93 School District	Operating Funds-Schools	2,182,407,596	4.7970	4.5149	98,533,521	
	Debt Service	2,182,407,596	1.2102	0.9719	21,210,819	
Boone County	General Revenue	2,531,439,704	0.3155	0.1200	3,037,728	
	Road & Bridge	2,531,439,704	0.2677	0.0500	1,265,720	
	Hospital	2,531,439,704	0.0000	0.0000	0	
	Sheltered Workshop	2,531,439,704	0.1146	0.1146	2,901,030	
<u>Buchanan</u>						
Village of Agency	General Revenue	6,772,920	0.5964	0.5964	40,394	
Village of DeKalb	General Revenue	1,376,296	0.8903	0.8903	12,253	
City of Easton	General Revenue	1,301,008	0.4722	0.4722	6,143	
Village of Lewis & Clark	General Revenue	991,446	0.2157	0.2157	2,139	
	General Revenue-Temp	991,446	0.2077	0.2077	2,059	2015
Village of Rushville	General Revenue	1,295,939	0.5000	0.5000	6,480	
City of St. Joseph	General Revenue	977,249,761	0.6700	0.6700	6,547,573	
	Parks & Recreation	977,249,761	0.2000	0.2000	1,954,500	
	Museum	977,249,761	0.0500	0.0500	488,625	
	Health	977,249,761	0.2195	0.2195	2,145,063	
St. Joseph Public Library	Library	662,125,745	0.4131	0.4131	2,735,241	
Rolling Hills Consolidated Library	General Revenue	777,460,098	0.3080	0.3080	2,394,577	
Colony Hills Fire Protection Dist	General Revenue	8,889,251	1.1286	1.1286	100,324	
	Fire	8,889,251	0.2559	0.2559	22,748	
Lake Contrary Fire Protection Dist	General Revenue	5,287,360	0.8400	0.8400	44,414	
	Fire	5,287,360	0.4193	0.3800	20,092	
Maxwell Heights Fire Prot District	General Revenue	19,024,474	1.1700	1.1700	222,586	
S Central Buchanan Fire Prot Dist	General Revenue	82,307,757	0.2812	0.2812	231,449	
San Antonio Fire Protection Dist	General Revenue	16,873,228	0.2975	0.2975	50,198	
DeKalb Fire Protection District	General Revenue	27,512,236	0.2816	0.2816	77,474	
Easton Fire Protection District	General Revenue	11,678,795	0.2530	0.2530	29,547	
Southwest Buchanan Co Fire Prot Dis	General Revenue	18,480,257	0.4151	0.4151	76,712	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Buchanan</u>						
St. Joseph Downtown Comm Impr Dist	General Revenue	7,876,600	0.4814	0.4814	37,918	2041
East Buchanan Co C-1 School Dist	Operating Funds-Schools	52,362,273	5.3000	5.3000	2,775,200 ^E	
Mid-Buchanan Co R-V School District	Operating Funds-Schools	58,773,770	4.7014	4.7014	2,763,190 ^{BE}	
	Debt Service	58,773,770	0.6700	0.6700	393,784	
Buchanan County R-IV School Dist	Operating Funds-Schools	20,058,450	4.2699	4.2699	856,476 ^E	
	Debt Service	20,058,450	0.8510	0.8486	170,216	
St. Joseph School District	Operating Funds-Schools	1,015,151,151	3.6455	3.1441	31,917,367	
	Operating Funds-Temp	1,015,151,151	0.6300	0.6300	6,395,452	2014
	Debt Service	1,015,151,151	0.4317	0.3145	3,192,650	
Buchanan County	General Revenue	1,200,580,854	0.3500	0.0751	901,636	
	Road & Bridge	1,200,580,854	0.2895	0.2895	3,475,682	
	Senate Bill 40	1,200,580,854	0.1000	0.1000	1,200,581	
<u>Butler</u>						
Naylor-Neelyville Ambulance Dist	General Revenue	41,444,049	0.3000	0.3000	124,332	
City of Fisk	General Revenue	2,070,343	0.7876	0.7876	16,306	
City of Neelyville	General Revenue	2,032,983	0.6763	0.6763	13,749	
City of Poplar Bluff	General Revenue	226,028,177	0.5307	0.5300	1,197,949	
	Pension	226,028,177	0.1000	0.1000	226,028	
City of Qulin	General Revenue	3,097,725	0.5654	0.5654	17,515	
Poplar Bluff Municipal Library	Library	224,128,666	0.1580	0.0000	0	
Butler County Fire Protection Dist	General Revenue	294,702,094	0.2521	0.2521	742,944	
Qulin Community Fire Prot District	General Revenue	18,165,541	0.1592	0.1592	28,920	
Butler County Health Department	General Revenue	537,826,477	0.0998	0.0998	536,751	
Three Rivers Community College	General Revenue	823,240,070	0.2413	0.2413	1,986,478	
Neelyville R-IV School District	Operating Funds-Schools	34,375,421	3.0282	3.0282	1,040,956 ^E	
Poplar Bluff R-I School District	Operating Funds-Schools	411,230,564	3.5841	3.5500	14,598,685 ^{BE}	
	Debt Service	411,230,564	0.3587	0.1800	740,215	
Twin Rivers R-X School District	Operating Funds-Schools	61,079,677	3.1340	3.1340	1,914,237 ^E	
Butler County	General Revenue	537,826,477	0.2424	0.0995	535,137	
	Road & Bridge	537,826,477	0.1771	0.0342	183,937	
	Senate Bill 40	537,826,477	0.0998	0.0998	536,751	
	Senior Services	537,826,477	0.0496	0.0496	266,762	
<u>Caldwell</u>						
Caldwell County Ambulance	General Revenue	140,827,158	0.1807	0.0570	80,271	
Golden Age Nursing Home District	General Revenue	48,775,151	0.1080	0.1080	52,677	
City of Braymer	General Revenue	5,213,139	0.8162	0.8162	42,550	
City of Breckenridge	General Revenue	2,062,167	1.0000	1.0000	20,622	
	Lights	2,062,167	0.1000	0.1000	2,062	
	Library	2,062,167	0.0500	0.0500	1,031	
	Police	2,062,167	0.1000	0.1000	2,062	
	Fire	2,062,167	0.1500	0.1500	3,093	
City of Cowgill	General Revenue	950,844	0.9282	0.9282	8,826	
City of Hamilton	General Revenue	14,067,787	0.9370	0.9370	131,815	
	Parks & Recreation	14,067,787	0.2529	0.2529	35,577	
	Library	14,067,787	0.3056	0.3056	42,991	
	Debt Service	14,067,787	0.8908	0.8386	117,972	
City of Kidder	General Revenue	2,007,144	1.0000	1.0000	20,071	
City of Kingston	General Revenue	1,539,435	1.0000	1.0000	15,394	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Caldwell</u>						
City of Polo	General Revenue	4,540,179	0.7284	0.7284	33,071	
	Debt Service	4,540,179	0.4328	0.2513	11,409	
Caldwell County Library	General Revenue	124,697,204	0.1200	0.1200	149,637	
Breckenridge Township Caldwell Co	General Revenue	7,553,319	0.0949	0.0949	7,168	
	Road & Bridge	7,553,319	0.4751	0.4751	35,886	
	Special Road and Bridge	7,553,319	0.3236	0.3236	24,443	2015
Davis Township Caldwell County	General Revenue	16,880,210	0.0763	0.0763	12,880	
	Road & Bridge	16,880,210	0.3644	0.3644	61,511	
	Special Road and Bridge	16,880,210	0.1677	0.1677	28,308	2015
Fairview Township Caldwell County	General Revenue	3,507,269	0.0980	0.0980	3,437	
	Road & Bridge	3,507,269	0.4897	0.4897	17,175	
	Special Road and Bridge	3,507,269	0.3200	0.3200	11,223	2016
Gomer Township Caldwell County	General Revenue	6,390,774	0.0967	0.0967	6,180	
	Road & Bridge	6,390,774	0.4811	0.4811	30,746	
	Special Road and Bridge	6,390,774	0.3493	0.3493	22,323	2016
Grant Township Caldwell County	General Revenue	25,653,243	0.0872	0.0872	22,370	
	Road & Bridge	25,653,243	0.3558	0.3558	91,274	
	Special Road and Bridge	25,653,243	0.2373	0.2373	60,875	2015
Hamilton Township Caldwell County	General Revenue	22,123,394	0.0713	0.0713	15,774	
	Road & Bridge	22,123,394	0.3156	0.3156	69,821	
Kidder Township Caldwell County	General Revenue	11,912,410	0.0928	0.0928	11,055	
	Road & Bridge	11,912,410	0.3809	0.3809	45,374	
	Special Road and Bridge	11,912,410	0.3316	0.3316	39,502	2015
Kingston Township Caldwell County	General Revenue	6,327,237	0.1000	0.1000	6,327	
	Road & Bridge	6,327,237	0.5000	0.5000	31,636	
	Special Road and Bridge	6,327,237	0.3715	0.3715	23,506	2015
Lincoln Township Caldwell County	General Revenue	13,380,962	0.0723	0.0723	9,674	
	Road & Bridge	13,380,962	0.3182	0.3182	42,578	
	Special Road and Bridge	13,380,962	0.3191	0.3191	42,699	2015
Mirabile Township Caldwell County	General Revenue	5,310,562	0.1000	0.1000	5,311	
	Road & Bridge	5,310,562	0.4701	0.4701	24,965	
	Special Road and Bridge	5,310,562	0.3551	0.3551	18,858	2016
New York Township Caldwell County	General Revenue	6,207,400	0.0770	0.0770	4,780	
	Road & Bridge	6,207,400	0.3681	0.3681	22,849	
	Special Road and Bridge	6,207,400	0.2854	0.2854	17,716	2015
Rockford Township Caldwell County	General Revenue	15,494,511	0.0757	0.0757	11,729	
	Road & Bridge	15,494,511	0.3328	0.3328	51,566	
	Special Road and Bridge	15,494,511	0.3452	0.3452	53,487	2016
Hamilton Rural Fire Protection Dist	General Revenue	35,192,715	0.1811	0.1811	63,734	
Caldwell County Health Department	General Revenue	140,827,158	0.2341	0.2341	329,676	
Breckenridge R-I School District	Operating Funds-Schools	6,359,653	4.6990	4.6990	298,840 ^E	
Hamilton R-II School District	Operating Funds-Schools	36,035,126	2.9136	2.9136	1,049,919 ^E	
	Operating Funds-Temp	36,035,126	1.7639	1.7639	635,624	2026
New York R-IV School District	Operating Funds-Schools	3,687,370	5.2931	4.5900	169,250	
Cowgill R-VI School District	Operating Funds-Schools	3,951,360	4.2437	4.2437	167,684 ^E	
Polo R-VII School District	Operating Funds-Schools	23,894,136	3.8875	3.8875	928,885 ^E	
	Debt Service	23,894,136	0.8959	0.7196	171,942	
Mirabile C-1 School District	Operating Funds-Schools	4,623,160	3.7150	3.7150	171,750 ^E	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Caldwell</u>						
Mirabile C-1 School District	Debt Service	4,623,160	1.0146	0.5500	25,427	
Braymer C-4 School District	Operating Funds-Schools	18,114,985	2.7500	2.7500	498,162	E
	Debt Service	18,114,985	0.2775	0.2775	50,269	
Kingston 42 School District	Operating Funds-Schools	3,984,990	4.7500	4.7500	189,287	E
Caldwell County	General Revenue	140,827,158	0.3515	0.2229	313,904	
<u>Callaway</u>						
Callaway County Ambulance District	General Revenue	778,239,188	0.1169	0.0089	69,263	
City of Auxvasse	General Revenue	8,705,805	0.7195	0.7195	62,638	
City of Fulton	General Revenue	101,801,104	0.5291	0.5291	538,630	
Village of Kingdom City	General Revenue	9,546,245	0.2173	0.2157	20,591	
City of Mokane	General Revenue	1,057,057	0.8561	0.8561	9,049	
City of New Bloomfield	General Revenue	5,630,538	0.3177	0.3177	17,888	
	Debt Service	5,630,538	0.8966	0.8966	50,483	
Town of Lake Mykee	General Revenue	4,163,607	0.5081	0.5081	21,155	
Callaway County Library	General Revenue	778,239,188	0.1949	0.1949	1,516,788	
Millersburg Fire Protection Dist	General Revenue	31,726,985	0.4687	0.4623	146,674	
Central Callaway Fire Prot District	General Revenue	63,384,890	0.4362	0.4362	276,485	
Holts Summit Fire Protection Dist	General Revenue	106,589,106	0.2503	0.2503	266,793	
	Debt Service	106,589,106	0.3814	0.3814	406,531	
South Callaway Fire Protection Dist	General Revenue	331,074,039	0.1995	0.1995	660,493	
North Callaway Fire Protection Dist	General Revenue	79,840,272	0.2844	0.2844	227,066	
New Bloomfield Fire Protection Dist	General Revenue	36,815,379	0.2718	0.2718	100,064	
North Callaway Co R-I School Dist	Operating Funds-Schools	87,984,711	3.1714	3.1714	2,790,347	E
	Debt Service	87,984,711	0.6662	0.6662	586,154	
New Bloomfield R-III School Dist	Operating Funds-Schools	44,288,786	3.0451	3.0451	1,348,638	E
	Debt Service	44,288,786	1.4332	1.3452	595,773	
Fulton 58 School District	Operating Funds-Schools	170,222,933	3.4894	3.4894	5,939,759	E
	Debt Service	170,222,933	0.7860	0.7412	1,261,692	
South Callaway Co R-II School Dist	Operating Funds-Schools	332,929,521	2.7500	2.7500	9,155,562	
Callaway County	General Revenue	778,239,188	0.3185	0.3185	2,478,692	
	Road & Bridge	778,239,188	0.2466	0.2466	1,919,138	
	Senate Bill 40	778,239,188	0.0979	0.0979	761,896	
<u>Camden</u>						
CAM-MO Ambulance District	General Revenue	619,419,382	0.1044	0.0534	330,770	
Camden County Ambulance District	General Revenue	563,433,519	0.2846	0.2796	1,575,360	
Horseshoe Bend Spec Rd 1 Camden Co	Special Road and Bridge	302,913,345	0.3588	0.3500	1,060,197	2016
Village of Climax Springs	General Revenue	350,073	0.6933	0.6933	2,427	
City of Linn Creek	General Revenue	5,153,027	0.0000	0.0000	0	
City of Stoutland	General Revenue	1,174,544	0.7342	0.7161	8,411	
Camden County Library	General Revenue	1,605,064,846	0.0933	0.0933	1,497,526	
Osage Beach Fire Protection Dist	General Revenue	482,358,789	0.5912	0.5912	2,851,705	
Sunrise Beach Fire Protection Dist	General Revenue	330,073,497	0.5038	0.5038	1,662,910	
	Debt Service	330,073,497	0.2240	0.1540	508,313	
Mid County Fire Protection District	General Revenue	292,381,313	0.3910	0.3882	1,135,024	B
	Debt Service	292,381,313	0.2513	0.2500	730,953	
Northwest Fire Protection District	General Revenue	61,928,033	0.2624	0.2624	162,499	
Southwest Camden Co Fire Prot Dist	General Revenue	24,462,740	0.3000	0.3000	73,388	
Tri-County Fire Protection District	General Revenue	18,206,665	0.3000	0.3000	54,620	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Camden</u>						
Camelot Sewer District	Debt Service	20,682,445	0.0000	0.0000	0	
Stoutland R-II School District	Operating Funds-Schools	24,349,134	3.4326	2.7500	669,601	F
Camdenton R-III School District	Operating Funds-Schools	1,116,728,837	2.5600	2.5600	28,588,258	E
	Debt Service	1,116,728,837	0.4536	0.3100	3,461,859	
Climax Springs R-IV School District	Operating Funds-Schools	88,453,529	2.7500	2.7500	2,432,472	
Macks Creek R-V School District	Operating Funds-Schools	30,803,840	3.3667	3.3667	1,037,073	E
	Debt Service	30,803,840	0.5038	0.4733	145,795	
Camden County	General Revenue	1,605,064,846	0.2054	0.1100	1,765,571	
	Road & Bridge	1,605,064,846	0.1401	0.1100	1,765,571	
	Senate Bill 40	1,605,064,846	0.0559	0.0559	897,231	
	Senior Services	1,605,064,846	0.0446	0.0446	715,859	
<u>Cape Girardeau</u>						
Cape Special Road District	Road & Bridge	735,737,403	0.0000	0.0000	0	
City of Cape Girardeau	General Revenue	602,291,831	0.3027	0.3027	1,823,137	
	Health	602,291,831	0.0567	0.0567	341,499	
City of Delta	General Revenue	2,923,446	0.6662	0.6662	19,476	
Village of Gordonville	General Revenue	6,145,812	0.4443	0.4443	27,306	
City of Jackson	General Revenue	208,472,518	0.5842	0.5842	1,217,896	
	Parks & Recreation	208,472,518	0.1226	0.1226	255,587	
	Band	208,472,518	0.0754	0.0754	157,188	
	Cemetery	208,472,518	0.0754	0.0754	157,188	
Village of Oak Ridge	General Revenue	1,383,676	0.3509	0.3509	4,855	
Village of Pochahontas	General Revenue	651,886	0.5426	0.5426	3,537	
Village of Whitewater	General Revenue	593,119	0.7751	0.7751	4,597	
Village of Old Appleton	General Revenue	802,770	0.3792	0.3792	3,044	
Town of Allenville	General Revenue	288,521	0.4861	0.4861	1,403	
Town of Dutchtown	General Revenue	630,335	0.3200	0.3184	2,007	
Cape Girardeau Public Library	General Revenue	517,400,892	0.1632	0.1632	844,398	
	General Revenue-Temp	517,400,892	0.1500	0.1500	776,101	2026
Cape Girardeau County Library	General Revenue	690,160,268	0.0732	0.0732	505,197	
East County Area Fire Prot District	General Revenue	87,594,310	0.3000	0.3000	262,783	
Delta Fire Protection District	General Revenue	16,311,590	0.2857	0.2857	46,602	
Fruitland Area Fire Protection Dist	General Revenue	93,738,101	0.2710	0.2710	254,030	
North Cape Co Rural Fire Prot Dist	General Revenue	27,119,245	0.2554	0.2554	69,263	
Gordonville Fire Protection Dist	General Revenue	80,739,143	0.2728	0.2728	220,256	
Millersville Fire Protection Dist	General Revenue	45,919,541	0.2923	0.2923	134,223	
Whitewater Fire Protection District	General Revenue	13,249,743	0.3890	0.3890	51,542	
Cape Girardeau Spec Business Dist	General Revenue	3,639,630	0.6869	0.6869	25,001	
Cape Girardeau County Public Health	General Revenue	1,207,561,101	0.0960	0.0960	1,159,259	
Jackson R-II School District	Operating Funds-Schools	441,891,774	3.4620	3.4620	15,298,293	E
	Debt Service	441,891,774	0.6212	0.3380	1,493,594	
Delta R-V School District	Operating Funds-Schools	21,689,563	3.5000	3.5000	759,135	E
	Debt Service	21,689,563	0.8215	0.6900	149,658	
Oak Ridge R-VI School District	Operating Funds-Schools	24,821,969	3.4503	2.9148	723,511	E
	Debt Service	24,821,969	0.8203	0.7352	182,491	
Cape Girardeau 63 School District	Operating Funds-Schools	619,519,598	3.4893	3.4893	21,616,897	E
	Debt Service	619,519,598	1.3341	0.6674	4,134,674	
Nell Holcomb R-IV School District	Operating Funds-Schools	47,957,493	3.6000	3.2581	1,562,503	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cape Girardeau</u>						
Cape Girardeau County	General Revenue	1,207,561,101	0.3360	0.0609	735,405	
	Road & Bridge	471,823,697	0.0000	0.0000	0	
	Mental Health	1,207,561,101	0.0772	0.0772	932,237	
	Senate Bill 40	1,207,561,101	0.0772	0.0772	932,237	
	Senior Services	1,207,561,101	0.0478	0.0478	577,214	
<u>Carroll</u>						
Carroll County Ambulance District	General Revenue	208,979,652	0.2715	0.2715	567,380	
Big Creek Watershed Subdistrict	General Revenue	17,482,610	0.2595	0.2595	45,367	
City of Bogard	General Revenue	1,010,000	0.9989	0.9989	10,089	
City of Bosworth	General Revenue	1,629,110	0.9344	0.9344	15,222	
Town of Carrollton	General Revenue	32,310,758	0.7802	0.7802	252,089	
	Parks & Recreation	32,310,758	0.2954	0.2954	95,446	
	Library	32,310,758	0.3074	0.3074	99,323	
City of De Witt	General Revenue	530,400	0.9881	0.9881	5,241	
City of Hale	General Revenue	2,695,849	0.3644	0.3644	9,824	
	Lights	2,695,849	0.2870	0.2870	7,737	
	Streets	2,695,849	0.1656	0.1656	4,464	
City of Norborne	General Revenue	6,466,033	0.7569	0.7569	48,941	
	Parks & Recreation	6,466,033	0.1839	0.1839	11,891	
	Library	6,466,033	0.1405	0.1405	9,085	
Village of Tina	General Revenue	963,625	1.0000	1.0000	9,636	
Carrollton Township Carroll County	General Revenue	49,923,802	0.0971	0.0971	48,476	
	Road & Bridge	49,923,802	0.4099	0.4099	204,638	
Cherry Valley Township Carroll Co	General Revenue	1,185,089	0.1000	0.1000	1,185	
	Road & Bridge	1,185,089	0.5000	0.5000	5,925	
	Special Road and Bridge	1,185,089	0.3617	0.3617	4,286	2016
De Witt Township Carroll County	General Revenue	10,401,017	0.0844	0.0844	8,778	
	Road & Bridge	10,401,017	0.3836	0.3836	39,898	
	Special Road and Bridge	10,401,017	0.3500	0.3500	36,404 ^A	2017
Egypt Township Carroll County	General Revenue	13,675,540	0.0935	0.0935	12,787	
	Road & Bridge	13,675,540	0.3427	0.3427	46,866	
	Special Road and Bridge	13,675,540	0.3500	0.3500	47,864	2016
Eugene Township Carroll County	General Revenue	8,579,123	0.0977	0.0977	8,382	
	Road & Bridge	8,579,123	0.4882	0.4882	41,883	
	Special Road and Bridge	8,579,123	0.3423	0.3423	29,366	2016
Fairfield Township Carroll County	General Revenue	3,429,449	0.0819	0.0819	2,809	
	Road & Bridge	3,429,449	0.3994	0.3994	13,697	
	Special Road and Bridge	3,429,449	0.3500	0.3500	12,003 ^A	2017
Hill Township Carroll County	General Revenue	10,889,862	0.0620	0.0620	6,752	
	Road & Bridge	10,889,862	0.3102	0.3102	33,780	
	Special Road and Bridge	10,889,862	0.3431	0.3431	37,363	2016
Hurricane Township Carroll County	General Revenue	9,391,976	0.0909	0.0909	8,537	
	Road & Bridge	9,391,976	0.4042	0.4042	37,962	
	Special Road and Bridge	9,391,976	0.3525	0.3525	33,107	2016
Leslie Township Carroll County	General Revenue	8,624,750	0.0722	0.0722	6,227	
	Road & Bridge	8,624,750	0.3452	0.3452	29,773	
	Special Road and Bridge	8,624,750	0.3452	0.3452	29,773	2016
Moss Creek Township Carroll County	General Revenue	8,503,520	0.0893	0.0893	7,594	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Carroll</u>						
Moss Creek Township Carroll County	Road & Bridge	8,503,520	0.4467	0.4467	37,985	
	Special Road and Bridge	8,503,520	0.3500	0.3500	29,762 ^A	2017
Prairie Township Carroll County	General Revenue	5,286,269	0.0780	0.0780	4,123	
	Road & Bridge	5,286,269	0.3706	0.3706	19,591	
	Special Road and Bridge	5,286,269	0.3500	0.3500	18,502	2016
Ridge Township Carroll County	General Revenue	14,415,293	0.0690	0.0690	9,947	
	Road & Bridge	14,415,293	0.3280	0.3280	47,282	
	Special Road and Bridge	14,415,293	0.3465	0.3465	49,949	2016
Rockford Township Carroll County	General Revenue	5,699,615	0.0656	0.0656	3,739	
	Road & Bridge	5,699,615	0.2771	0.2771	15,794	
	Special Road and Bridge	5,699,615	0.3439	0.3439	19,601	2016
Stokes Mound Township Carroll Co	General Revenue	5,941,984	0.0975	0.0975	5,793	
	Road & Bridge	5,941,984	0.4872	0.4872	28,949	
	Special Road and Bridge	5,941,984	0.3532	0.3532	20,987	2016
Sugartree Township Carroll County	General Revenue	2,037,386	0.0842	0.0842	1,715	
	Road & Bridge	2,037,386	0.4208	0.4208	8,573	
	Special Road and Bridge	2,037,386	0.3411	0.3411	6,950	2016
Trotter Township Carroll County	General Revenue	5,245,832	0.0907	0.0907	4,758	
	Road & Bridge	5,245,832	0.4544	0.4544	23,837	
	Special Road and Bridge	5,245,832	0.3500	0.3500	18,360 ^A	2017
Van Horn Township Carroll County	General Revenue	17,628,660	0.0902	0.0902	15,901	
	Road & Bridge	17,628,660	0.4384	0.4384	77,284	
	Special Road and Bridge	17,628,660	0.3415	0.1000	17,629	2016
Wakenda Township Carroll County	General Revenue	8,610,414	0.0945	0.0945	8,137	
	Road & Bridge	8,610,414	0.4724	0.4724	40,676	
	Special Road and Bridge	8,610,414	0.3677	0.3677	31,660 ^A	2017
Washington Township Carroll County	General Revenue	10,347,699	0.0520	0.0520	5,381	
	Road & Bridge	10,347,699	0.2430	0.2430	25,145	
	Special Road and Bridge	10,347,699	0.3500	0.3500	36,217	2016
Combs Township Carroll County	General Revenue	9,162,356	0.0705	0.0705	6,459	
	Road & Bridge	9,162,356	0.3526	0.3526	32,306	
	Special Road and Bridge	9,162,356	0.3373	0.3373	30,905	2016
North Central Carroll Fire Prot Dis	General Revenue	38,031,418	0.2257	0.2257	85,837	
Carroll County Fire Protection Dist	General Revenue	74,557,180	0.2479	0.2479	184,827	
Norborne Fire Protection District	General Revenue	21,202,922	0.2935	0.2935	62,231	
Hale Fire Protection District	General Revenue	16,968,284	0.2952	0.2952	50,090	
Carroll County Health Department	General Revenue	208,979,652	0.0950	0.0950	198,531	
Hale R-I School District	Operating Funds-Schools	8,587,745	3.9747	3.9747	341,337 ^E	
Tina-Avalon R-II School District	Operating Funds-Schools	9,917,440	3.9127	3.7972	376,585 ^E	
Bosworth R-V School District	Operating Funds-Schools	7,976,120	3.9569	3.9569	315,607 ^E	
Carrollton R-VII School District	Operating Funds-Schools	64,716,540	3.6200	3.6200	2,342,739 ^E	
	Operating Funds-Temp	64,716,540	1.3407	1.3407	867,655	2026
Norborne R-VIII School District	Operating Funds-Schools	16,653,125	4.0773	4.0773	678,998 ^E	
	Debt Service	16,653,125	0.6413	0.5300	88,262	
Carroll County	General Revenue	208,979,652	0.3485	0.2489	520,150	
	Johnson Grass	208,979,652	0.0099	0.0099	20,689	
	Senate Bill 40	208,979,652	0.0950	0.0950	198,531	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Carter</u>						
East Carter County Ambulance Dist	General Revenue	27,483,556	0.3694	0.3694	101,524	
West Carter County Ambulance Dist	General Revenue	34,249,280	0.4333	0.4333	148,402	
City of Grandin	General Revenue	805,286	1.0000	1.0000	8,053	
Carter County Library District	General Revenue	61,863,494	0.1833	0.1833	113,396	
Ellsinore Rural Fire Prot District	General Revenue	15,583,191	0.1366	0.1366	21,287	
Eastwood Fire Protection District	General Revenue	2,343,102	0.2435	0.2435	5,705	
Fremont Fire Protection District	General Revenue	2,673,028	0.3330	0.3330	8,901	
Ellsinore Hwy 60 Comm Improv Dist	General Revenue	586,640	0.2388	0.0000	0	2040
Carter County Health Center	General Revenue	61,863,494	0.2291	0.2291	141,729	
East Carter Co R-II School District	Operating Funds-Schools	34,188,656	2.7500	2.7500	940,188	E
Van Buren R-I School District	Operating Funds-Schools	35,397,454	1.7513	1.7513	619,916	E
	Operating Funds-Temp	35,397,454	1.3963	1.3792	488,202	2015
Carter County	General Revenue	61,863,494	0.3031	0.0702	43,428	
	Road & Bridge	61,863,494	0.2203	0.2203	136,285	
	Senate Bill 40	61,863,494	0.0782	0.0782	48,377	
	Senior Services	61,863,494	0.0275	0.0275	17,012	
<u>Cass</u>						
Cass Medical Center	General Revenue	1,404,321,609	0.1360	0.1360	1,909,877	
Mt Pleasant Spec Road Dist Cass Co	Road & Bridge	258,663,546	0.2000	0.2000	517,327	
City of Archie	General Revenue	10,805,610	0.6666	0.6666	72,030	
City of Belton	General Revenue	232,658,878	0.5455	0.5455	1,269,154	
	Parks & Recreation	232,658,878	0.2427	0.2427	564,663	
	Debt Service	232,658,878	1.7031	1.1300	2,629,045	
City of Cleveland	General Revenue	8,636,926	0.4923	0.4923	42,520	
City of Creighton	General Revenue	2,006,142	0.9437	0.9437	18,932	
City of Drexel	General Revenue	9,595,842	0.6606	0.6606	63,390	
City of East Lynne	General Revenue	2,378,547	0.9700	0.9700	23,072	
	Debt Service	2,378,547	1.1079	1.1079	26,352	
City of Freeman	General Revenue	4,237,075	0.5817	0.5817	24,647	
City of Garden City	General Revenue	13,235,922	0.4297	0.4297	56,875	
City of Harrisonville	General Revenue	120,940,616	0.5672	0.5672	685,975	
	Parks & Recreation	120,940,616	0.1283	0.1283	155,167	
City of Lake Winnebago	General Revenue	33,358,931	0.9500	0.9500	316,910	
	Debt Service	33,358,931	0.5898	0.5898	196,751	
City of Peculiar	General Revenue	55,164,427	0.4556	0.4556	251,329	
	Debt Service	55,164,427	0.4577	0.4577	252,488	
City of Pleasant Hill	General Revenue	97,096,408	0.3667	0.3667	356,053	
	Parks & Recreation	97,096,408	0.0734	0.0734	71,269	
	Health	97,096,408	0.0734	0.0734	71,269	
	Road	97,096,408	0.1375	0.1375	133,508	
	Debt Service	97,096,408	1.3248	0.3434	333,429	
City of Raymore	General Revenue	274,918,628	0.4790	0.4647	1,277,547	
	Parks & Recreation	274,918,628	0.1289	0.1251	343,923	
	Debt Service	274,918,628	0.7518	0.7170	1,971,167	
City of Strasburg	General Revenue	988,416	1.0000	1.0000	9,884	
Village of West Line	General Revenue	1,130,733	0.5894	0.5894	6,665	
Village of Baldwin Park	General Revenue	427,516	0.5000	0.5000	2,138	
City of Lake Annette	General Revenue	559,496	0.2000	0.2000	1,119	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Cass						
City of Lake Annette	Debt Service	559,496	0.0000	0.0000	0	
Village of Riverview Estates	General Revenue	1,090,518	0.5000	0.5000	5,453	
Cass County Public Library	General Revenue	1,404,321,609	0.1500	0.1500	2,106,482	
Central Cass County Fire Prot Dist	General Revenue	114,195,369	0.2584	0.2584	295,081	
	Ambulance	114,195,369	0.2503	0.2503	285,831	
	Debt Service	114,195,369	0.2284	0.1500	171,293	
Garden City Fire District	General Revenue	48,739,800	0.2200	0.2200	107,228	
	Ambulance	48,739,800	0.3000	0.3000	146,219	
South Metropolitan Fire Prot Dist	General Revenue	360,268,968	0.5677	0.4876	1,756,671	
	Ambulance	360,268,968	0.4447	0.3820	1,376,227	
	Dispatch	360,268,968	0.0473	0.0406	146,269	
	Debt Service	360,268,968	0.2481	0.1788	644,161	
West Peculiar Fire Protection Dist	General Revenue	105,575,746	0.7496	0.7496	791,396	
	Ambulance	105,575,746	0.3000	0.3000	316,727	
	Dispatch	105,575,746	0.0500	0.0500	52,788	
	Debt Service	105,575,746	0.2171	0.2171	229,205	
Creighton Fire Protection District	General Revenue	9,764,864	0.2611	0.2611	25,496	
	Ambulance	6,081,561	0.3034	0.3034	18,451	A
Western Cass Fire Protection Dist	General Revenue	39,346,696	0.3888	0.3888	152,980	
	Dispatch	39,346,696	0.0458	0.0458	18,021	
	Debt Service	39,346,696	0.5217	0.3000	118,040	
Dolan & West Dolan Fire Prot Dist	General Revenue	33,979,272	0.5096	0.5096	173,158	B
East Lynne-Gunn City Fire Prot Dist	General Revenue	19,944,807	0.3000	0.3000	59,834	
Mount Pleasant Fire Protection Dist	General Revenue	83,858,690	0.2864	0.2864	240,171	
Pleasant Hill Fire Protection Dist	General Revenue	167,116,523	0.4500	0.4500	752,024	
	Ambulance	167,116,523	0.3000	0.3000	501,350	
Dikeland Sewer District	General Revenue	991,818	0.0000	0.0000	0	
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	9,250	0.6000	0.6000	56	2040
Y Belton Community Improvement Dist	General Revenue	1,030	1.6505	1.5000	15	A 2043
Cass Co R-V School District	Operating Funds-Schools	35,798,019	3.9493	3.9493	1,413,771	E
	Debt Service	35,798,019	1.4592	0.6200	221,948	
Strasburg C-3 School District	Operating Funds-Schools	11,431,478	4.3500	4.3500	497,269	E
	Debt Service	11,431,478	1.8255	1.1200	128,033	
Raymore-Peculiar R-II School Dist	Operating Funds-Schools	471,458,620	3.7500	3.7500	17,679,698	E
	Debt Service	471,458,620	2.2277	1.2897	6,080,402	
Sherwood Cass R-VIII School Dist	Operating Funds-Schools	60,064,644	3.2742	3.2742	1,966,637	E
	Debt Service	60,064,644	1.4239	1.0000	600,646	
East Lynne 40 School District	Operating Funds-Schools	15,851,791	4.7316	4.2174	668,533	
Pleasant Hill R-III School District	Operating Funds-Schools	140,184,752	3.9152	3.9152	5,488,513	E
	Debt Service	140,184,752	0.8730	0.8193	1,148,534	
Harrisonville R-IX School District	Operating Funds-Schools	184,373,149	4.2052	4.2052	7,753,260	E
	Debt Service	184,373,149	1.2524	0.8720	1,607,734	
Drexel R-IV School District	Operating Funds-Schools	18,296,581	4.4656	4.4656	817,052	E
	Debt Service	18,296,581	1.7588	0.9672	176,965	
Midway R-I School District	Operating Funds-Schools	41,744,806	5.1610	5.1610	2,154,449	E
	Debt Service	41,744,806	0.7261	0.6700	279,690	
Belton 124 School District	Operating Funds-Schools	311,248,444	4.0952	4.0952	12,746,246	E
	Debt Service	311,248,444	2.0441	1.3600	4,232,979	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cass</u>						
Cass County	Road & Bridge	1,145,658,051	0.2305	0.2300	2,635,014	
	Senate Bill 40	1,404,321,609	0.0500	0.0500	702,161	
<u>Cedar</u>						
Cedar County Memorial Hospital	General Revenue	162,705,446	0.1509	0.1509	245,523	
Bear Creek Spec Road Dist Cedar Co	Special Road and Bridge	5,654,017	0.3707	0.3707	20,959 ^A	2017
Bethel Special Road Dist Cedar Co	Special Road and Bridge	1,051,549	0.3548	0.3548	3,731 ^A	2017
Caplinger Mills Sp Rd Dist Cedar Co	Special Road and Bridge	3,140,362	0.3543	0.3543	11,126 ^A	2017
Cedar Hall Spec Road Dist Cedar Co	Special Road and Bridge	1,401,344	0.3500	0.3500	4,905 ^A	2017
Eldorado Spgs Spec Rd Dist Cedar Co	Special Road and Bridge	48,229,647	0.3614	0.3614	174,302 ^A	2017
Independence Spec Rd Dist Cedar Co	Special Road and Bridge	1,078,706	0.3537	0.3537	3,815 ^A	2017
Jerico Springs Sp Rd Dist Cedar Co	Special Road and Bridge	915,483	0.3585	0.3585	3,282 ^A	2017
Koncord Special Road Dist Cedar Co	Special Road and Bridge	3,656,818	0.4110	0.4110	15,030 ^A	2017
Madison Special Road Dist Cedar Co	Special Road and Bridge	1,866,195	0.3662	0.3662	6,834 ^A	2017
Masters Special Road Dist Cedar Co	Special Road and Bridge	2,023,803	0.3564	0.3564	7,213 ^A	2017
Omer Special Road District Cedar Co	Special Road and Bridge	1,070,269	0.3597	0.3597	3,850	2016
Rowland Special Road Dist Cedar Co	Special Road and Bridge	6,059,132	0.3569	0.3569	21,625 ^A	2017
Dogwood Special Road District	Special Road and Bridge	802,740	0.3625	0.3625	2,910	2015
City of El Dorado Springs	General Revenue	31,823,725	0.5749	0.5749	182,955	
	Band	31,823,725	0.1384	0.1384	44,044	
	Park	31,823,725	0.2128	0.2128	67,721	
	Recreation	31,823,725	0.1000	0.1000	31,824	
Village of Jerico Springs	General Revenue	851,471	0.5000	0.5000	4,257	
City of Stockton	General Revenue	24,770,661	0.4320	0.4320	107,009	
Village of Umber View Heights	General Revenue	710,823	0.2470	0.2470	1,756	
Cedar County Library District	General Revenue	162,705,446	0.0804	0.0804	130,815	
Cedar County Chapel Hills FPD	General Revenue	21,194,759	0.2000	0.2000	42,390	
Korth Special Road Subdistrict	Special Road and Bridge	2,773,019	0.3614	0.3614	10,022 ^A	2017
Stockton R-I School District	Operating Funds-Schools	87,739,268	2.8933	2.8643	2,513,116 ^E	
	Debt Service	87,739,268	1.0265	0.7463	654,798	
El Dorado Springs R-II School Dist	Operating Funds-Schools	84,831,584	3.1977	3.1977	2,712,660 ^E	
	Debt Service	84,831,584	0.6760	0.5400	458,091	
Cedar County	General Revenue	162,705,446	0.3218	0.1600	260,329	
	Road & Bridge	162,705,446	0.2412	0.2412	392,446	
	Senior Services	162,705,446	0.0500	0.0496	80,702	
<u>Chariton</u>						
Chariton County Ambulance	General Revenue	223,642,186	0.2573	0.2573	575,431	
City of Brunswick	General Revenue	6,835,253	0.9045	0.9045	61,825	
Village of Dalton	General Revenue	541,726	0.4661	0.4661	2,525	
City of Keytesville	General Revenue	2,858,642	0.8990	0.8990	25,699	
	Parks & Recreation	2,858,642	0.1977	0.1977	5,652	
City of Mendon	General Revenue	1,302,395	0.9968	0.9968	12,982	
Village of Rothville	General Revenue	249,553	1.0000	1.0000	2,496	
City of Salisbury	General Revenue	15,099,987	0.7422	0.7422	112,072	
	Parks & Recreation	15,099,987	0.1778	0.1778	26,848	
	Library	15,099,987	0.1000	0.1000	15,100	
	Museum	15,099,987	0.1360	0.1360	20,536	
City of Sumner	General Revenue	873,338	0.9984	0.9984	8,719	
	Streets	873,338	0.2585	0.2585	2,258	2015

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Chariton</u>						
City of Triplett	General Revenue	330,619	0.9732	0.9732	3,218	
Bee Branch Township Chariton County	Road & Bridge	4,293,223	0.5000	0.5000	21,466	
	Special Road and Bridge	4,293,223	0.3571	0.3571	15,331	2014
Bowling Green Township Chariton Co	Road & Bridge	8,898,332	0.2934	0.2934	26,108	
	Special Road and Bridge	8,898,332	0.3163	0.3163	28,145	2014
Brunswick Township Chariton County	Road & Bridge	29,832,892	0.4734	0.4734	141,229	
	Special Road and Bridge	29,832,892	0.2367	0.2367	70,614	2016
Chariton Township Chariton County	Road & Bridge	9,025,305	0.2682	0.2682	24,206	
	Special Road and Bridge	9,025,305	0.1640	0.1640	14,802	2016
Clark Township Chariton County	Road & Bridge	6,479,789	0.5000	0.5000	32,399	
	Special Road and Bridge	6,479,789	0.3557	0.3557	23,049 ^A	2016
Cockrell Township Chariton County	Road & Bridge	3,840,584	0.4676	0.4676	17,959	
	Special Road and Bridge	3,840,584	0.3457	0.3457	13,277	2014
Cunningham Township Chariton County	Road & Bridge	8,095,861	0.4437	0.4437	35,921	
	Special Road and Bridge	8,095,861	0.2670	0.2670	21,616	2016
Keytesville Township Chariton Co	Road & Bridge	27,409,294	0.3668	0.3668	100,537	
	Special Road and Bridge	27,409,294	0.3106	0.3106	85,133	2014
Mendon Township Chariton County	Road & Bridge	8,387,447	0.4292	0.4292	35,999	
	Special Road and Bridge	8,387,447	0.3500	0.3500	29,356	2016
Musselfork Township Chariton County	Road & Bridge	6,725,131	0.3402	0.3402	22,879	
	Special Road and Bridge	6,725,131	0.2276	0.2276	15,306	2016
Salisbury Township Chariton County	Road & Bridge	76,452,089	0.4955	0.4955	378,820	
	Special Road and Bridge	76,452,089	0.0793	0.0793	60,627	2014
Salt Creek Township Chariton County	Road & Bridge	5,385,606	0.3702	0.3702	19,938	
	Special Road and Bridge	5,385,606	0.2414	0.2414	13,001	2016
Triplett Township Chariton County	Road & Bridge	16,605,208	0.4350	0.4350	72,233	
	Special Road and Bridge	16,605,208	0.3013	0.3013	50,031	2016
Wayland Township Chariton County	Road & Bridge	4,331,524	0.4788	0.4788	20,739	
	Special Road and Bridge	4,331,524	0.2224	0.2224	9,633	2016
Yellow Creek Township Chariton Co	Road & Bridge	7,879,901	0.4618	0.4618	36,389	
	Special Road and Bridge	7,879,901	0.3485	0.3485	27,461	2014
Keytesville Fire Protection Dist	General Revenue	34,131,753	0.1868	0.1868	63,758	
Mendon Fire Protection District	General Revenue	16,726,433	0.2438	0.2438	40,779	
Sumner Community Fire Prot District	General Revenue	7,139,099	0.2657	0.2657	18,969	
Yellow Creek Fire Protection Dist	General Revenue	6,345,459	0.2790	0.2790	17,704	
Chariton County Health Center	General Revenue	223,642,186	0.0990	0.0990	221,406	
Northwestern R-I School District	Operating Funds-Schools	16,436,390	4.0188	4.0188	660,546 ^E	
Brunswick R-II School District	Operating Funds-Schools	20,765,157	3.6909	3.6000	747,546 ^E	
	Debt Service	20,765,157	0.5877	0.3900	80,984	
Keytesville R-III School District	Operating Funds-Schools	19,077,267	4.2455	4.0500	772,629 ^E	
Salisbury R-IV School District	Operating Funds-Schools	71,527,600	4.4958	4.4697	3,197,069 ^E	
Chariton County	General Revenue	223,642,186	0.3958	0.3150	704,473	
	Senate Bill 40	223,642,186	0.0990	0.0900	201,278	
	Township	223,642,186	0.0990	0.0990	221,406	
<u>Christian</u>						
Christian County Ambulance District	General Revenue	967,396,225	0.1324	0.1324	1,280,833	
Billings Spec Rd Dist Christian Co	Road & Bridge	48,893,250	0.2285	0.2285	111,721	
	Special Road and Bridge	48,893,250	0.3537	0.3500	171,126 ^A	2017

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Christian</u>						
Garrison Spec Rd Dist Christian Co	Road & Bridge	1,632,596	0.2427	0.2427	3,962	
Ozark Special Rd Dist Christian Co	Road & Bridge	363,980,920	0.1488	0.1488	541,604	
Selmore Spec Road Dist Christian Co	Road & Bridge	17,765,548	0.1784	0.1784	31,694	
South Sparta Road Dist Christian Co	Road & Bridge	10,429,413	0.1695	0.1690	17,626	
Stoneshire Sp Rd Dist Christian Co	Road & Bridge	3,161,663	0.1476	0.1476	4,667	
City of Billings	General Revenue	9,195,238	0.5790	0.5790	53,240	
	Parks & Recreation	9,195,238	0.1682	0.1682	15,466	
City of Clever	General Revenue	21,766,680	0.6251	0.6251	136,064	
City of Nixa	General Revenue	212,279,719	0.3316	0.3316	703,920	
City of Ozark	General Revenue	205,506,352	0.2355	0.2355	483,967	
	Parks & Recreation	205,506,352	0.0589	0.0589	121,043	
City of Sparta	General Revenue	15,347,441	0.3732	0.3732	57,277	
City of Fremont Hills	General Revenue	22,488,519	0.6268	0.6268	140,958	
	Debt Service	22,488,519	0.1455	0.1455	32,721	
Village of Saddlebrooke	General Revenue	10,041,570	0.7429	0.7429	74,599	
Christian County Library District	General Revenue	1,069,665,052	0.0887	0.0887	948,793	
Ozark Fire Protection District	General Revenue	436,094,110	0.3888	0.3888	1,695,534	
	Fire	436,094,110	0.2510	0.2510	1,094,596	
Nixa Fire Protection District	General Revenue	405,192,234	0.6549	0.6549	2,653,604	
Billings Fire Protection District	General Revenue	55,332,675	0.4020	0.4020	222,437	
Clever Fire Protection District	General Revenue	63,240,954	0.3921	0.3921	247,968	
Highlandville Fire Protection Dist	General Revenue	74,141,305	0.3935	0.3935	291,746	
Sparta Fire Protection District	General Revenue	39,171,085	0.2857	0.2857	111,912	
Chadwick Rural Fire Protection Dist	General Revenue	9,863,430	0.2966	0.2966	29,255	
Christian County Health Department	General Revenue	1,069,665,052	0.0444	0.0444	474,931	
Chadwick R-I School District	Operating Funds-Schools	11,492,200	3.6500	3.6352	417,764	E
	Debt Service	11,492,200	1.0518	1.0518	120,875	
Nixa Public School	Operating Funds-Schools	410,893,021	3.2334	3.2334	13,285,815	E
	Debt Service	410,893,021	1.6385	1.0666	4,382,585	
Sparta R-III School District	Operating Funds-Schools	37,959,186	3.4149	3.4149	1,296,268	E
	Debt Service	37,959,186	0.9758	0.6851	260,058	
Billings R-IV School District	Operating Funds-Schools	32,211,093	3.2310	3.2310	1,040,740	E
	Debt Service	32,211,093	0.8515	0.8500	273,794	
Clever R-V School District	Operating Funds-Schools	62,381,610	3.6197	3.6197	2,258,027	E
	Debt Service	62,381,610	1.4148	0.8811	549,644	
Ozark R-VI School District	Operating Funds-Schools	409,339,531	3.2929	3.2929	13,479,141	E
	Debt Service	409,339,531	1.2813	0.8471	3,467,515	
Spokane R-VII School District	Operating Funds-Schools	58,721,581	3.4447	3.4447	2,022,782	E
	Debt Service	58,721,581	0.9271	0.7648	449,103	
Christian County	General Revenue	1,069,665,052	0.2266	0.0000	0	
	Senate Bill 40	1,069,665,052	0.0799	0.0799	854,662	
	Senior Services	1,069,665,052	0.0500	0.0500	534,833	
	Common 1 Road & Bridge	106,045,285	0.2095	0.0000	0	
	Common 2 Road & Bridge	218,611,744	0.0848	0.0000	0	
<u>Clark</u>						
Clark County Ambulance District	General Revenue	101,391,197	0.2898	0.2898	293,832	
Clark County Nursing Home District	General Revenue	101,391,197	0.2398	0.2398	243,136	B
Wayland Special Road Dist Clark Co	Road & Bridge	13,069,122	0.3500	0.3500	45,742	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clark</u>						
City of Alexandria	General Revenue	1,442,209	0.9153	0.9153	13,201	
City of Kahoka	General Revenue	16,912,951	0.7253	0.7253	122,670	
	Parks & Recreation	16,912,951	0.1401	0.1401	23,695	
	Library	16,912,951	0.2242	0.2242	37,919	
Village of Luray	General Revenue	313,622	0.6000	0.6000	1,882	
City of Wayland	General Revenue	3,665,649	0.7500	0.7500	27,492	
	Streets	3,665,649	0.2500	0.2500	9,164	
City of Wyaconda	General Revenue	1,762,208	0.9519	0.9519	16,774	
City of Revere	General Revenue	632,075	0.9902	0.9902	6,259	
Clark County Library	General Revenue	85,497,815	0.0976	0.0976	83,446	
Alexandria Fire Protection District	General Revenue	9,046,065	0.2619	0.2619	23,692	
Clark County Health Department	General Revenue	101,391,197	0.0966	0.0966	97,944	
Luray 33 School District	Operating Funds-Schools	4,720,585	4.0787	4.0787	192,539 ^E	
Clark Co. R-I School District	Operating Funds-Schools	78,971,436	2.8037	2.7500	2,171,714 ^F	
	Debt Service	78,971,436	1.0093	0.7500	592,286	
Clark County	General Revenue	101,391,197	0.4504	0.3075	311,778	
	Road & Bridge	88,322,075	0.3318	0.3318	293,053	
	Special Road and Bridge	88,322,075	0.3512	0.3512	310,187	2016
	Senior Services	101,391,197	0.0509	0.0509	51,608 ^A	
<u>Clay</u>						
Eastern Clay County Ambulance Dist	General Revenue	34,867,227	0.2813	0.2813	98,082	
New Liberty Hospital District	General Revenue	956,957,695	0.1500	0.1500	1,435,437	
City of Avondale	General Revenue	3,890,092	0.4723	0.4686	18,229	
	Debt Service	3,890,092	0.9265	0.9265	36,042	
Village of Birmingham	General Revenue	2,789,108	0.3255	0.3255	9,079	
Village of Claycomo	General Revenue	102,581,239	0.3300	0.3300	338,518	
City of Excelsior Springs	General Revenue	141,613,942	0.6423	0.6423	909,586	
	Hospital	141,613,942	0.1808	0.1808	256,038	
	Parks	141,613,942	0.1808	0.1808	256,038	
	Recreation	141,613,942	0.1808	0.1808	256,038	
City of Glenaire	General Revenue	6,288,296	0.6407	0.6407	40,289	
City of Holt	General Revenue	4,784,413	0.4895	0.4895	23,420	
City of Kearney	General Revenue	138,852,190	0.5955	0.5800	805,343	
	Debt Service	138,852,190	0.0551	0.0500	69,426	
City of Liberty	General Revenue	445,545,196	0.8638	0.8570	3,818,322	
	Parks & Recreation	445,545,196	0.1522	0.1510	672,773	
City of Missouri City	General Revenue	1,675,080	0.8900	0.8900	14,908	
City of Mosby	General Revenue	2,599,352	0.9834	0.9834	25,562	
City of North Kansas City	General Revenue	253,017,841	0.4459	0.4459	1,128,207	
	Parks & Recreation	253,017,841	0.2054	0.2000	506,036	
	Library	253,017,841	0.3029	0.3000	759,054	
	Pension	253,017,841	0.2200	0.2200	556,639	
Village of Oaks	General Revenue	2,390,119	0.5000	0.5000	11,951	
	Fire	2,390,119	0.3126	0.3126	7,472 ^A	2015
	General Revenue-Temp	2,390,119	0.5054	0.0000	0 ^A	2015
Village of Oakview	General Revenue	5,838,937	0.4138	0.4138	24,162	
	Fire	5,838,937	0.1261	0.1261	7,363	
	Fire & Ambulance-Temp	5,838,937	0.2968	0.2968	17,330	2015

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clay</u>						
Village of Oakwood	General Revenue	4,154,693	0.2733	0.2700	11,218	
	Fire	4,154,693	0.3035	0.3000	12,464 ^A	2015
	General Revenue-Temp	4,154,693	0.2327	0.2300	9,556 ^A	2015
Village of Oakwood Park	General Revenue	2,409,452	0.4717	0.4717	11,365	
City of Pleasant Valley	General Revenue	40,458,012	0.7210	0.7210	291,702	
Village of Prathersville	General Revenue	2,685,330	0.2835	0.2835	7,613	
City of Randolph	General Revenue	4,877,041	0.5000	0.5000	24,385	
City of Smithville	General Revenue	134,688,762	0.4901	0.4523	609,197	
Kearney Fire Protection District	General Revenue	279,069,903	0.5169	0.5169	1,442,512	
	Ambulance	279,069,903	0.2836	0.2836	791,442	
	Dispatch	279,069,903	0.0300	0.0300	83,721	
	Debt Service	279,069,903	0.0887	0.0887	247,535	
Holt Community Fire Protection Dist	General Revenue	68,757,484	0.5689	0.5689	391,161	
	Ambulance	68,757,484	0.2800	0.2800	192,521	
Fishing River Fire Protection Dist	General Revenue	53,216,031	0.2781	0.2781	147,994	
Developmental Disabilities Resource	General Revenue	3,651,002,776	0.1162	0.1162	4,242,465	
Clay Platte Ray Mental Health Board	General Revenue	3,554,815,341	0.0984	0.1032	3,668,569 ^C	
Clay County Public Health Center	General Revenue	3,554,815,341	0.1000	0.1000	3,554,815	
The 210 Hwy Trans Development Dist	General Revenue	46,135,855	0.0651	0.0651	30,034	2016
Kearney R-I School District	Operating Funds-Schools	312,369,299	4.1961	4.1961	13,107,328 ^E	
	Debt Service	312,369,299	1.7433	1.1500	3,592,247	
Smithville R-II School District	Operating Funds-Schools	209,402,108	3.4388	3.4388	7,200,920 ^E	
	Debt Service	209,402,108	1.3354	0.9600	2,010,260	
Excelsior Springs 40 School Dist	Operating Funds-Schools	209,570,363	4.2500	4.2500	8,906,740 ^E	
	Debt Service	209,570,363	1.1585	0.9500	1,990,918	
Liberty 53 School District	Operating Funds-Schools	790,104,452	5.3515	5.2600	41,559,494 ^{BE}	
	Debt Service	790,104,452	2.2548	1.1950	9,441,748	
Missouri City 56 School District	Operating Funds-Schools	6,706,269	4.6025	4.4525	298,597	
North Kansas City 74 School Dist	Operating Funds-Schools	1,912,528,731	5.2267	5.2267	99,962,139 ^{BE}	
	Debt Service	1,912,528,731	1.2900	1.2900	24,671,621	
Clay County	General Revenue	3,554,815,341	0.3140	0.1000	3,554,815	
	Parks & Recreation	3,554,815,341	0.0000	0.0000	0	
	Road & Bridge	3,554,815,341	0.1211	0.0800	2,843,852	
	Senior Services	3,554,815,341	0.0500	0.0499	1,773,853	
<u>Clinton</u>						
Cameron Ambulance District	General Revenue	105,509,053	0.2005	0.2005	211,546	
Tri-County Ambulance District	General Revenue	211,153,719	0.2700	0.2700	570,115	
Cameron Spec Road Dist Clinton Co	Road & Bridge	58,515,818	0.2573	0.2573	150,561	
	Special Road and Bridge	58,515,818	0.3613	0.3500	204,805 ^A	2017
Plattsburg Spec Rd Dist Clinton Co	Road & Bridge	37,935,562	0.2702	0.2702	102,502	
	Special Road and Bridge	37,935,562	0.3557	0.3557	134,937	2014
City of Cameron	General Revenue	70,098,320	0.6114	0.6114	428,581	
	Parks & Recreation	70,098,320	0.1501	0.1501	105,218	
	Library	70,098,320	0.1716	0.1716	120,289	
	Band Revenue	70,098,320	0.0858	0.0858	60,144	
City of Gower	General Revenue	13,860,713	0.5652	0.5652	78,341	
City of Lathrop	General Revenue	20,070,290	0.5799	0.5799	116,388	
	Parks & Recreation	20,070,290	0.1526	0.1526	30,627	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clinton</u>						
City of Lathrop	Debt Service	20,070,290	0.6036	0.5666	113,718	
City of Plattsburg	General Revenue	25,436,505	0.5920	0.5815	147,913	
	Lights	25,436,505	0.2548	0.1021	25,971	2016
	Police	25,436,505	0.2245	0.2205	56,087	
	Cemetery	25,436,505	0.0204	0.0188	4,782	2016
	Park	25,436,505	0.1433	0.1408	35,815	
	Recreation	25,436,505	0.0498	0.0489	12,438	
City of Trimble	General Revenue	6,724,951	0.3322	0.3322	22,340	
	Debt Service	6,724,951	0.3416	0.3416	22,972	
Village of Turney	General Revenue	1,739,328	0.3260	0.3260	5,670	
Gower Fire Protection District	General Revenue	47,434,420	0.2583	0.2583	122,523	
Lathrop Fire Protection District	General Revenue	62,226,090	0.3704	0.3704	230,485	
Plattsburg Fire Protection District	General Revenue	63,960,879	0.3500	0.3500	223,863	
Cameron Fire Protection District	General Revenue	43,152,853	0.2865	0.2865	123,633	
Clinton County Health Department	General Revenue	281,660,166	0.0910	0.0910	256,311	
Cameron R-I School District	Operating Funds-Schools	112,069,054	3.4914	3.4914	3,912,779	E
	Debt Service	112,069,054	0.9053	0.6897	772,940	
Lathrop R-II School District	Operating Funds-Schools	59,654,567	4.3540	4.3540	2,597,360	E
	Debt Service	59,654,567	1.1357	0.9725	580,141	
Clinton County R-III School Dist	Operating Funds-Schools	73,055,957	3.9134	3.9134	2,858,972	E
	Debt Service	73,055,957	1.0806	1.0000	730,560	
Clinton County	General Revenue	281,660,166	0.3539	0.2245	632,327	
	Common Road District	185,208,786	0.2749	0.2749	509,139	
	Special Road and Bridge	185,208,786	0.3503	0.3500	648,231	2014
	Senate Bill 40	281,660,166	0.0910	0.0910	256,311	
<u>Cole</u>						
Village of Centertown	General Revenue	4,239,068	0.7500	0.7500	31,793	
City of Jefferson City	General Revenue	856,776,703	0.4738	0.4600	3,941,173	
	Firemen Retirement	856,776,703	0.0990	0.0961	823,362	
City of Lohman	General Revenue	2,095,972	0.2855	0.2855	5,984	
	Debt Service	2,095,972	0.3197	0.3197	6,701	
City of Russellville	General Revenue	7,249,695	0.7828	0.7828	56,751	
City of Taos	General Revenue	15,700,679	0.2766	0.2766	43,428	
Jeff City/Cole County Library Dist	General Revenue	1,346,326,600	0.2000	0.2000	2,692,653	
Cole County Fire Protection Dist	General Revenue	182,855,326	0.3000	0.3000	548,566	
Regional West Fire Protection Dist	General Revenue	178,985,444	0.2922	0.2922	522,995	
Osage Fire Protection District	General Revenue	118,290,127	0.2993	0.2993	354,042	
Russellville-Lohman Fire Prot Dist	General Revenue	47,792,841	0.3000	0.3000	143,379	
Cole County R-I School District	Operating Funds-Schools	51,638,960	3.2706	3.2706	1,688,904	E
	Debt Service	51,638,960	1.3082	0.8800	454,423	
Cole County R-II School District	Operating Funds-Schools	96,707,381	2.7500	2.7500	2,659,453	E
	Debt Service	96,707,381	1.1899	0.9100	880,037	
Cole County R-V School District	Operating Funds-Schools	63,653,361	3.3872	2.9555	1,881,275	F
	Debt Service	63,653,361	0.7450	0.6945	442,073	
Jefferson City School District	Operating Funds-Schools	1,212,349,378	3.7642	3.4708	42,078,222	
	Debt Service	1,212,349,378	0.5097	0.2220	2,691,416	
Cole County	General Revenue	1,346,326,600	0.3500	0.1000	1,346,327	
	Road & Bridge	1,346,326,600	0.2724	0.2700	3,635,082	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cole</u>						
Cole County	Senate Bill 40	1,346,326,600	0.0901	0.0901	1,213,040	
<u>Cooper</u>						
Cooper County Memorial Hospital	General Revenue	233,982,395	0.1500	0.1500	350,974	
Cooper County Nursing Home District	General Revenue	37,928,687	0.1436	0.1436	54,466	
City of Blackwater	General Revenue	1,343,073	0.9377	0.9377	12,594	
	Debt Service	1,343,073	0.3543	0.3543	4,759	
City of Boonville	General Revenue	97,390,979	0.7318	0.7000	681,737	
City of Bunceton	General Revenue	2,066,401	0.9914	0.9914	20,486	
City of Otterville	General Revenue	3,091,805	0.8269	0.8269	25,566	
City of Pilot Grove	General Revenue	5,193,550	0.7263	0.7263	37,721	
City of Prairie Home	General Revenue	2,057,318	0.9799	0.9799	20,160	
Village of Wooldridge	General Revenue	249,748	0.7000	0.7000	1,748	
Cooper Co Fire Protection District	General Revenue	63,849,148	0.4774	0.4774	304,816	
	Debt Service	63,849,148	0.3623	0.3623	231,325	
Otterville Fire Protection District	General Revenue	13,497,121	0.2978	0.2978	40,194	
Prairie Home Rural Fire Prot Dist	General Revenue	11,888,427	0.2600	0.2600	30,910	
Blackwater Area Fire Prot District	General Revenue	9,173,143	0.3000	0.2000	18,346	A
Pilot Grove Area Fire Prot District	General Revenue	19,936,676	0.3078	0.3000	59,810	A
Cooper County Public Health Center	General Revenue	233,982,395	0.1900	0.1900	444,567	
Blackwater R-II School District	Operating Funds-Schools	8,413,829	3.4059	3.4059	286,567	E
Cooper County R-IV School District	Operating Funds-Schools	8,964,910	4.4069	4.4069	395,075	E
	Debt Service	8,964,910	0.8341	0.6244	55,977	
Prairie Home R-V School District	Operating Funds-Schools	12,815,229	4.3906	4.3906	562,665	E
	Debt Service	12,815,229	0.4117	0.4117	52,760	
Otterville R-VI School District	Operating Funds-Schools	13,634,667	3.8319	3.8319	522,467	E
	Debt Service	13,634,667	0.7311	0.6700	91,352	
Pilot Grove C-4 School District	Operating Funds-Schools	17,896,161	3.1573	3.1573	565,035	E
	Operating Funds-Temp	17,896,161	0.6983	0.6983	124,969	2026
	Debt Service	17,896,161	1.1025	0.9000	161,065	
Boonville R-I School District	Operating Funds-Schools	138,017,591	3.3920	3.3920	4,681,557	E
	Debt Service	138,017,591	1.1478	0.8868	1,223,940	
Cooper County	General Revenue	233,982,395	0.4331	0.2404	562,494	
	Road & Bridge	233,982,395	0.3197	0.3197	748,042	
	Senate Bill 40	233,982,395	0.2000	0.2000	467,965	
<u>Crawford</u>						
North Crawford Co Ambulance Dist	General Revenue	194,039,500	0.2729	0.0990	192,099	
Steelville Ambulance District	General Revenue	67,496,165	0.3247	0.1800	121,493	
City of Bourbon	General Revenue	10,046,171	0.6828	0.6828	68,595	
	Parks & Recreation	10,046,171	0.1000	0.1000	10,046	
	Police	10,046,171	0.3239	0.3239	32,540	
Village of Leasburg	General Revenue	1,582,702	0.5000	0.5000	7,914	
City of Steelville	General Revenue	14,187,402	0.5049	0.5049	71,632	
Crawford County Library District	General Revenue	276,567,722	0.0933	0.0933	258,038	
Bourbon Fire Protection District	General Revenue	48,017,759	0.2700	0.1346	64,632	
Steelville Fire Protection District	General Revenue	77,121,143	0.2003	0.2003	154,474	
Crawford County R-I School District	Operating Funds-Schools	63,213,470	3.0650	3.0650	1,937,493	E
	Debt Service	63,213,470	1.6057	0.9350	591,046	
Crawford Co R-II School District	Operating Funds-Schools	114,477,157	2.9395	2.7500	3,148,122	F

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Crawford</u>						
Crawford Co R-II School District	Debt Service	114,477,157	1.0176	0.5600	641,072	
Steelsville R-III School District	Operating Funds-Schools	56,633,120	3.1634	3.1634	1,791,532 ^E	
	Debt Service	56,633,120	1.2362	0.7700	436,075	
Crawford County	General Revenue	294,017,350	0.2891	0.1158	340,472	
	Road & Bridge	294,017,350	0.2050	0.2050	602,736	
	Senate Bill 40	294,017,350	0.0932	0.0932	274,024	
	Senior Services	294,017,350	0.0465	0.0465	136,718	
<u>Dade</u>						
Dade County Nursing Home	General Revenue	79,568,613	0.2565	0.2565	204,093	
Good Shepherd Nursing Home District	General Revenue	28,818,927	0.1543	0.1543	44,468	
	Debt Service	28,818,927	0.5129	0.4300	123,921	
Bona Special Road District Dade Co	Road & Bridge	811,915	0.4235	0.4235	3,438	
Dry Bone Special Road Dist Dade Co	Road & Bridge	497,545	0.3412	0.3412	1,698	
Maize Creek Spec Road Dist Dade Co	Road & Bridge	501,660	0.5000	0.5000	2,508	
Sac Special Road Dist #1 Dade Co	Road & Bridge	1,051,481	0.3070	0.3070	3,228	
Sac Special Road Dist #2 Dade Co	Road & Bridge	1,250,458	0.2399	0.2399	3,000	
Southeast Special Road Dist Dade Co	Road & Bridge	394,193	0.3849	0.3849	1,517	
Birchwood Special Road District	Road & Bridge	1,103,523	0.2717	0.2717	2,998	
Village of Dadeville	General Revenue	1,436,037	0.4500	0.4500	6,462	
City of Everton	General Revenue	1,737,397	1.0000	1.0000	17,374	
	Parks & Recreation	1,737,397	0.1000	0.1000	1,737	
City of Greenfield	General Revenue	13,320,066	0.4321	0.4321	57,556	
	Parks & Recreation	13,320,066	0.1378	0.0000	0	
	Streets	13,320,066	0.1746	0.1746	23,257	
Village of South Greenfield	General Revenue	827,550	0.4650	0.4650	3,848	
City of Lockwood	General Revenue	7,588,296	0.5805	0.5805	44,050	
	Parks & Recreation	7,588,296	0.1548	0.1548	11,747	
	Library	7,588,296	0.1839	0.1839	13,955	
Dade County Library District	General Revenue	100,880,748	0.0931	0.0931	93,920	
Cedar Township Dade County	Road & Bridge	4,696,063	0.3955	0.3955	18,573	
	Special Road and Bridge	4,696,063	0.1319	0.1319	6,194	2014
Center Township Dade County	Road & Bridge	22,311,497	0.3462	0.3462	77,242	
Ernest Township Dade County	Road & Bridge	1,579,215	0.5000	0.5000	7,896	
Grant Township Dade County	Road & Bridge	4,634,485	0.3663	0.3663	16,976	
Lockwood Township Dade County	Road & Bridge	16,334,552	0.3025	0.3025	49,412	
Marion Township Dade County	Road & Bridge	5,534,905	0.3475	0.3475	19,234	
North Morgan Township Dade County	Road & Bridge	2,060,832	0.2191	0.2191	4,515	
North Township Dade County	Road & Bridge	4,540,345	0.4074	0.4074	18,497	
Pilgrim Township Dade County	Road & Bridge	2,913,193	0.3080	0.3080	8,973	
	Special Road and Bridge	2,913,193	0.2143	0.2143	6,243	2014
Polk Township Dade County	Road & Bridge	6,768,255	0.3330	0.3330	22,538	
	Special Road and Bridge	6,768,255	0.3438	0.3438	23,269	2015
Rock Prairie Township Dade County	Road & Bridge	12,519,272	0.3413	0.3413	42,728	
Sac Township Dade County	Road & Bridge	4,395,566	0.2788	0.2788	12,255	
Smith Township Dade County	Road & Bridge	2,390,227	0.4510	0.4510	10,780	
	Special Road and Bridge	2,390,227	0.2584	0.2584	6,176	2016
South Township Dade County	Road & Bridge	3,658,727	0.3968	0.3968	14,518	
	Special Road and Bridge	3,658,727	0.3398	0.3398	12,432	2016

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Dade</u>						
South Morgan Township Dade County	Road & Bridge	3,489,124	0.3954	0.3954	13,796	
Washington Township Dade County	Road & Bridge	4,900,219	0.2747	0.2747	13,461	
Dadeville Rural Fire Prot District	General Revenue	11,300,282	0.1796	0.1796	20,295	
Dade Co R-4 Rural Fire Prot Dist	General Revenue	43,077,492	0.1866	0.1866	80,383	
Dade County Health Department	General Revenue	108,398,029	0.0925	0.0925	100,268	
Lockwood R-I School District	Operating Funds-Schools	30,105,424	2.8643	2.8643	862,310	E
	Debt Service	30,105,424	0.7586	0.6000	180,633	
Dadeville R-II School District	Operating Funds-Schools	10,580,908	3.9590	3.4300	362,925	E
	Debt Service	10,580,908	1.0420	0.9900	104,751	
Everton R-III School District	Operating Funds-Schools	10,523,199	4.3598	4.3598	458,790	E
Greenfield R-IV School District	Operating Funds-Schools	37,275,456	3.7500	2.9113	1,085,200	E
	Debt Service	37,275,456	0.5367	0.5363	199,908	
Dade County	General Revenue	108,398,029	0.2504	0.1200	130,078	
	Township Tax	108,398,029	0.0925	0.0925	100,268	
<u>Dallas</u>						
City of Buffalo	General Revenue	30,633,085	0.6084	0.5600	171,545	
City of Urbana	General Revenue	2,978,762	0.5814	0.5814	17,319	
Dallas County Library	General Revenue	157,126,365	0.1000	0.1000	157,126	
Southern Dallas Co Fire Prot Dist	General Revenue	22,135,177	0.2931	0.2900	64,192	
Elkland Fire Protection District	General Revenue	13,976,103	0.3000	0.3000	41,928	
Dallas County Health Department	General Revenue	157,126,365	0.1005	0.1005	157,912	
Dallas Co R-I School District	Operating Funds-Schools	112,093,402	3.3338	3.3338	3,736,970	E
Dallas County	General Revenue	157,126,365	0.3562	0.1569	246,531	
	Road & Bridge	157,126,365	0.2647	0.2647	415,913	
<u>Daviess</u>						
Community Ambulance District	General Revenue	106,368,103	0.3469	0.3469	368,991	
West Fork of Big Creek Watershed	Main & Op	1,095,953	0.1511	0.1511	1,656	
Jamesport Spec Rd Dist Daviess Co	Road & Bridge	10,444,302	0.3620	0.3620	37,808	
	Special Road and Bridge	10,444,302	0.2700	0.2700	28,200	2016
Lock Springs Special Road District	Road & Bridge	4,456,365	0.2980	0.2980	13,280	
	Special Road and Bridge	4,456,365	0.3403	0.3403	15,165	2016
Daviess County Special Road Dist #1	Road & Bridge	21,837,486	0.2120	0.2120	46,295	
	Special Road and Bridge	21,837,486	0.3608	0.3608	78,790	2015
Village of Altamont	General Revenue	792,879	0.6500	0.6500	5,154	
City of Coffey	General Revenue	489,361	1.0000	1.0000	4,894	
City of Gallatin	General Revenue	13,620,114	0.6243	0.6243	85,030	
	Parks & Recreation	13,620,114	0.2221	0.2221	30,250	
	Band	13,620,114	0.0199	0.0199	2,710	
City of Jamesport	General Revenue	3,714,644	0.6953	0.6953	25,828	
	Parks & Recreation	3,714,644	0.1647	0.1647	6,118	
Village of Jameson	General Revenue	481,991	0.4973	0.4973	2,397	
	General Revenue-Temp	481,991	0.2071	0.2071	998	A 2017
Village of Lock Springs	General Revenue	297,746	0.3950	0.3950	1,176	
City of Pattonsburg	General Revenue	1,879,345	1.0000	1.0000	18,793	
Village of Winston	General Revenue	1,176,887	0.4781	0.4781	5,627	
	Streets	1,176,887	0.3169	0.3169	3,730	A 2016
Daviess County Library	General Revenue	121,382,883	0.1834	0.1834	222,616	
Benton Township Daviess County	General Revenue	5,954,969	0.1000	0.1000	5,955	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Daviess</u>						
Benton Township Daviess County	Road & Bridge	5,954,969	0.5000	0.5000	29,775	
Colfax Township Daviess County	General Revenue	6,299,016	0.0983	0.0983	6,192	
	Road & Bridge	6,299,016	0.4917	0.4917	30,972	
	Special Road and Bridge	6,299,016	0.2500	0.2500	15,748	2016
Grand River Township Daviess County	General Revenue	4,988,927	0.1000	0.1000	4,989	
	Road & Bridge	4,988,927	0.5000	0.5000	24,945	
	Special Road and Bridge	4,988,927	0.3534	0.3534	17,631	2016
Harrison Township Daviess County	General Revenue	3,586,801	0.0796	0.0796	2,855	
	Road & Bridge	3,586,801	0.3932	0.3932	14,103	
	Special Road and Bridge	3,586,801	0.3363	0.3363	12,062	2016
Jackson Township Daviess County	General Revenue	11,391,897	0.0894	0.0894	10,184	
	Road & Bridge	6,935,293	0.4445	0.4445	30,827	
	Special Road and Bridge	6,935,293	0.3500	0.3500	24,274	2016
Jamesport Township Daviess County	General Revenue	10,536,239	0.0869	0.0869	9,156	
Jefferson Township Daviess County	General Revenue	5,593,388	0.1000	0.1000	5,593	
	Road & Bridge	5,593,388	0.4621	0.4621	25,847	
	Special Road and Bridge	5,593,388	0.3500	0.3500	19,577	2016
Liberty Township Daviess County	General Revenue	27,015,288	0.0644	0.0644	17,398	
	Road & Bridge	5,177,802	0.5000	0.5000	25,889	
Lincoln Township Daviess County	General Revenue	4,468,061	0.1000	0.1000	4,468	
	Road & Bridge	4,468,061	0.5000	0.5000	22,340	
	Special Road and Bridge	4,468,061	0.3504	0.3504	15,656	2016
Marion Township Daviess County	General Revenue	4,684,919	0.1000	0.0800	3,748	
	Road & Bridge	4,684,919	0.5000	0.4900	22,956	
	Special Road and Bridge	4,684,919	0.3518	0.3500	16,397	2016
Monroe Township Daviess County	General Revenue	3,270,757	0.1000	0.1000	3,271	
	Road & Bridge	3,270,757	0.4966	0.4966	16,243	
	Special Road and Bridge	3,270,757	0.3528	0.3528	11,539	2016
Salem Township Daviess County	General Revenue	5,874,884	0.1000	0.1000	5,875	
	Road & Bridge	5,874,884	0.4949	0.4949	29,075	
	Special Road and Bridge	5,874,884	0.3515	0.3515	20,650	2016
Sheridan Township Daviess County	General Revenue	4,904,148	0.0961	0.0961	4,713	
	Road & Bridge	4,904,148	0.4468	0.4468	21,912	
	Special Road and Bridge	4,904,148	0.3500	0.3500	17,165	2016
Union Township Daviess County	General Revenue	19,628,662	0.0496	0.0496	9,736	
	Road & Bridge	19,628,662	0.3773	0.3773	74,059	
Washington Township Daviess County	General Revenue	3,184,927	0.1000	0.1000	3,185	
	Road & Bridge	3,184,927	0.5000	0.5000	15,925	
	Special Road and Bridge	3,184,927	0.3588	0.3588	11,428	2016
KAW Fire Protection District	General Revenue	27,518,376	0.5013	0.5013	137,950	
Jameson Fire Protection District	General Revenue	5,797,848	0.3000	0.3000	17,394	
Coffey Fire Protection District	General Revenue	4,548,823	0.2953	0.2953	13,433	
Pattonsburg Rescue & Fire Prot Dist	General Revenue	13,219,850	0.3000	0.3000	39,660	
Gallatin Fire Protection District	General Revenue	28,698,751	0.2981	0.2981	85,551	
Daviess County Health Department	General Revenue	121,382,883	0.2403	0.2403	291,683	
Pattonsburg R-II School District	Operating Funds-Schools	13,157,710	4.3386	4.3386	570,860	E
	Debt Service	13,157,710	0.6331	0.5623	73,986	
Winston R-VI School District	Operating Funds-Schools	21,874,438	3.0247	3.0247	661,636	E

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Daviess</u>						
Winston R-VI School District	Debt Service	21,874,438	0.0900	0.0900	19,687	
North Daviess R-III School District	Operating Funds-Schools	10,085,611	5.3175	5.3175	536,302 ^E	
Gallatin R-V School District	Operating Funds-Schools	41,728,075	3.4900	3.4900	1,456,310 ^E	
Tri-County R-VII School District	Operating Funds-Schools	17,906,215	4.1124	4.1124	736,375 ^E	
	Operating Funds-Temp	17,906,215	0.2500	0.2500	44,766	2017
Daviess County	General Revenue	121,382,883	0.1192	0.1192	144,688	
	Senate Bill 40	121,382,883	0.0795	0.0795	96,499	
	Senior Services	121,382,883	0.0497	0.0497	60,327	
<u>De Kalb</u>						
DeKalb-Clinton Ambulance Dist No 1	General Revenue	75,038,973	0.2495	0.2495	187,222	
Grindstone-Lost-Muddy-Creek Subdist	General Revenue	39,583,126	0.1328	0.1328	52,566	
Village of Amity	General Revenue	342,025	0.5000	0.5000	1,710	
City of Clarksdale	General Revenue	1,525,523	0.7401	0.7401	11,290	
	Lights	1,525,523	0.2312	0.2312	3,527	
	Streets	1,525,523	0.2544	0.2544	3,881	
City of Maysville	General Revenue	8,990,902	0.8205	0.8205	73,770	
City of Stewartville	General Revenue	6,140,958	0.5328	0.5328	32,719	
	Lights	6,140,958	0.1282	0.1282	7,873	
City of Union Star	General Revenue	2,044,907	0.4905	0.4905	10,030	
	Lights	2,044,907	0.2189	0.2189	4,476	
	Streets	2,044,907	0.3773	0.3773	7,715	
Village of Weatherby	General Revenue	446,688	0.5000	0.5000	2,233	
	General Revenue-Temp	446,688	0.3000	0.3000	1,340	2014
City of Osborn	General Revenue	3,486,173	0.7766	0.7766	27,074	
Adams Township DeKalb County	General Revenue	7,833,004	0.1000	0.1000	7,833	
	Road & Bridge	7,833,004	0.4010	0.4010	31,410	
	Special Road and Bridge	7,833,004	0.1421	0.1421	11,131	2014
Camden Township DeKalb County	General Revenue	18,020,079	0.1000	0.1000	18,020	
	Road & Bridge	18,020,079	0.3586	0.3586	64,620	
Colfax Township DeKalb County	General Revenue	9,331,671	0.1000	0.1000	9,332	
	Road & Bridge	9,331,671	0.4335	0.4335	40,453	
	Special Road and Bridge	9,331,671	0.3603	0.3603	33,622	2015
Dallas Township DeKalb County	General Revenue	4,624,139	0.1000	0.1000	4,624	
	Road & Bridge	4,624,139	0.4288	0.4288	19,828	
	Special Road and Bridge	4,624,139	0.3540	0.3540	16,369 ^A	2017
Grand River Township DeKalb County	General Revenue	41,700,759	0.1000	0.1000	41,701	
	Road & Bridge	41,700,759	0.3780	0.3780	157,629	
Grant Township DeKalb County	General Revenue	5,921,615	0.1000	0.1000	5,922	
	Road & Bridge	5,921,615	0.5000	0.5000	29,608	
	Special Road and Bridge	5,921,615	0.3584	0.3584	21,223	2015
Polk Township DeKalb County	General Revenue	35,980,309	0.1000	0.1000	35,980	
	Road & Bridge	35,980,309	0.4453	0.4453	160,220	
Sherman Township DeKalb County	General Revenue	7,300,135	0.1000	0.1000	7,300	
	Road & Bridge	7,300,135	0.4077	0.4077	29,763	
	Special Road and Bridge	7,300,135	0.3646	0.3646	26,616	2015
Washington Township DeKalb County	General Revenue	19,785,181	0.0937	0.0937	18,539	
	Road & Bridge	19,785,181	0.3540	0.3540	70,040	
Osborn Fire Protection District	General Revenue	11,315,096	0.2500	0.2500	28,288	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>De Kalb</u>						
Stewartsville Fire Protection Dist	General Revenue	19,503,314	0.2806	0.2806	54,726	
Central DeKalb Co Fire Prot Dist	General Revenue	34,219,618	0.2585	0.2585	88,458	
Clarksdale Fire Protection District	General Revenue	10,363,282	0.4301	0.4301	44,572	
Union Star Fire Protection District	General Revenue	26,270,152	0.2984	0.2984	78,390	
Osborn R-O School District	Operating Funds-Schools	9,240,169	4.8000	4.8000	443,528	E
	Debt Service	9,240,169	0.4698	0.4600	42,505	
Maysville R-I School District	Operating Funds-Schools	43,723,791	3.5838	3.5838	1,566,973	E
	Operating Funds-Temp	43,653,319	0.3752	0.3752	163,787	
Union Star R-II School District	Operating Funds-Schools	25,365,069	5.2500	5.2500	1,331,666	E
Stewartsville C-2 School District	Operating Funds-Schools	14,419,670	4.0712	4.0712	587,054	E
	Debt Service	14,419,670	0.5016	0.5015	72,315	
DeKalb County	General Revenue	150,547,667	0.3801	0.3023	455,106	
	Senate Bill 40	150,547,667	0.0900	0.0900	135,493	
	Senior Services	150,547,667	0.0300	0.0300	45,164	
<u>Dent</u>						
Salem Memorial Hospital District	General Revenue	247,853,536	0.1920	0.1920	475,879	
City of Salem	General Revenue	47,122,245	0.6334	0.6334	298,472	
	Library	47,122,245	0.2860	0.2860	134,770	
Dent County Fire Protection Dist	General Revenue	94,400,453	0.2315	0.2315	218,537	
Dent County Health Center	General Revenue	155,034,382	0.0950	0.0950	147,283	
Salem R-80 School District	Operating Funds-Schools	66,414,108	2.7500	2.7500	1,826,388	E
	Debt Service	66,414,108	0.5241	0.4500	298,863	
Oak Hill R-I School District	Operating Funds-Schools	13,706,955	3.0608	3.0608	419,542	E
Green Forest R-II School District	Operating Funds-Schools	18,497,610	2.7500	2.7500	508,684	E
Dent-Phelps R-III School District	Operating Funds-Schools	29,444,577	2.7500	2.7500	809,726	E
North Wood R-IV School District	Operating Funds-Schools	18,228,910	2.7612	2.7500	501,295	E
Dent County	General Revenue	155,034,382	0.3681	0.0350	54,262	
	Road & Bridge	155,034,382	0.2597	0.2550	395,338	
	Senate Bill 40	155,034,382	0.1528	0.1350	209,296	
	Senior Services	155,034,382	0.0475	0.0475	73,641	
<u>Douglas</u>						
Ava Ambulance District	General Revenue	101,423,606	0.1159	0.0000	0	
Douglas County Library	General Revenue	134,069,690	0.0843	0.0843	113,021	
Douglas County Health Department	General Revenue	134,069,690	0.2093	0.2093	280,608	
Skyline R-II School District	Operating Funds-Schools	9,045,551	2.9557	2.9557	267,359	E
Plainview R-VIII School District	Operating Funds-Schools	6,305,893	2.9249	2.9249	184,441	E
Ava R-I School District	Operating Funds-Schools	92,842,317	2.7500	2.7500	2,553,164	E
Douglas County	General Revenue	134,069,690	0.3054	0.1400	187,698	
	Road & Bridge	134,069,690	0.2211	0.2211	296,428	
	Senate Bill 40	134,069,690	0.0843	0.0843	113,021	
<u>Dunklin</u>						
City of Arbyrd	General Revenue	3,808,762	1.0000	1.0000	38,088	
City of Campbell	General Revenue	9,775,235	0.0000	0.0000	0	
City of Cardwell	General Revenue	2,891,500	0.5938	0.5938	17,170	
	Streets	2,891,500	0.1807	0.1807	5,225	
City of Clarkton	General Revenue	5,352,170	0.6649	0.6649	35,587	
City of Holcomb	General Revenue	3,415,472	0.7114	0.7114	24,298	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Dunklin</u>						
City of Hornersville	General Revenue	3,658,961	0.8327	0.8327	30,468	
City of Kennett	General Revenue	92,298,754	0.5746	0.0000	0	
	Parks & Recreation	92,298,754	0.1500	0.0000	0	
	Special Park	92,298,754	0.1000	0.0000	0	
City of Malden	General Revenue	29,584,134	0.7567	0.7567	223,863	
City of Senath	General Revenue	9,337,730	0.6761	0.6546	61,125	
	Health	9,337,730	0.1187	0.1149	10,729	
Buffalo Township Dunklin County	General Revenue	10,216,105	0.1000	0.1000	10,216	
	Road & Bridge	10,216,105	0.3087	0.3087	31,537	
Clay Township Dunklin County	General Revenue	19,722,570	0.1000	0.1000	19,723	
	Road & Bridge	19,722,570	0.3274	0.3274	64,572	
Cotton Hill Township Dunklin County	General Revenue	47,923,216	0.1000	0.1000	47,923	
	Road & Bridge	47,923,216	0.3027	0.3027	145,064	
Freeborn Township Dunklin County	General Revenue	12,944,469	0.1000	0.1000	12,944	
	Road & Bridge	12,944,469	0.2610	0.2610	33,785	
Holcomb Township Dunklin County	General Revenue	12,417,588	0.1000	0.1000	12,418	
	Road & Bridge	12,417,588	0.2611	0.2611	32,422	
Independence Township Dunklin Co	General Revenue	119,555,920	0.1000	0.1000	119,556	
	Road & Bridge	119,555,920	0.2595	0.2595	310,248	
Salem Township Dunklin County	General Revenue	28,973,201	0.1000	0.1000	28,973	
	Road & Bridge	28,973,201	0.3024	0.3024	87,615	
Union Township Dunklin County	General Revenue	57,533,150	0.1000	0.1000	57,533	
	Road & Bridge	57,533,150	0.3706	0.3706	213,218	
Dunklin County Health Department	General Revenue	309,286,219	0.1000	0.1000	309,286	
Malden R-I School District	Operating Funds-Schools	46,624,662	2.7885	2.7500	1,282,178	E
	Debt Service	46,624,662	0.7507	0.7507	350,011	
Campbell R-II School District	Operating Funds-Schools	49,032,395	3.4954	3.2722	1,604,438	E
	Debt Service	49,032,395	1.0239	0.7635	374,362	
Holcomb R-III School District	Operating Funds-Schools	23,279,410	3.2172	3.2172	748,945	E
	Debt Service	23,279,410	0.7449	0.7405	172,384	
Clarkton C-4 School District	Operating Funds-Schools	13,571,420	3.5433	3.4300	465,500	E
Senath-Hornersville C-8 School Dist	Operating Funds-Schools	50,513,850	3.6149	3.4921	1,763,994	E
Southland C-9 School District	Operating Funds-Schools	16,498,045	3.2877	3.2616	538,100	E
Kennett 39 School District	Operating Funds-Schools	93,692,610	3.5361	3.5000	3,279,241	E
	Debt Service	93,692,610	1.1962	0.7000	655,848	
Dunklin County	General Revenue	309,286,219	0.0000	0.0000	0	
	Library	309,286,219	0.2500	0.2500	773,216	
	Johnson Grass	309,286,219	0.0000	0.0000	0	
	Ambulance	309,286,219	0.1383	0.1383	427,743	
	Senate Bill 40	309,286,219	0.1000	0.1000	309,286	
<u>Franklin</u>						
Gerald Ambulance District	General Revenue	109,278,049	0.3000	0.3000	327,834	
Meramec Ambulance District	General Revenue	540,158,727	0.2877	0.2228	1,203,474	
	Dispatch	540,158,727	0.0300	0.0300	162,048	
St. Clair Ambulance District	General Revenue	205,223,601	0.3498	0.2559	525,167	
Union Ambulance District	General Revenue	320,068,536	0.1770	0.1770	566,521	
Washington Area Ambulance District	General Revenue	443,459,225	0.1674	0.0000	0	
New Haven Ambulance District	General Revenue	95,163,316	0.3000	0.2145	204,125	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Franklin</u>						
City of Berger	General Revenue	1,772,851	0.9102	0.9102	16,136	
City of Gerald	General Revenue	16,015,363	0.8195	0.7452	119,346	
	Parks & Recreation	16,015,363	0.2253	0.2050	32,831	
Village of Leslie	General Revenue	1,117,405	0.5298	0.4800	5,364	
City of New Haven	General Revenue	40,046,579	0.6717	0.6717	268,993	
	Parks & Recreation	40,046,579	0.1875	0.1800	72,084	
Village of Oak Grove	General Revenue	11,308,006	0.1710	0.1600	18,093	
City of Pacific	General Revenue	112,228,395	0.4273	0.4273	479,552	
Village of Parkway	General Revenue	5,720,224	0.2975	0.2670	15,273	
City of St. Clair	General Revenue	56,323,734	0.5353	0.5353	301,501	
	Parks & Recreation	56,323,734	0.1671	0.1671	94,117	
City of Sullivan	General Revenue	78,793,146	0.4203	0.4203	331,168	
	Library	77,153,829	0.2021	0.2021	155,928	^B
City of Union	General Revenue	167,918,578	0.5659	0.5659	950,251	
	Parks & Recreation	167,918,578	0.1363	0.1363	228,873	
City of Washington	General Revenue	310,197,296	0.6062	0.6062	1,880,416	
Franklin County Library District	General Revenue	1,599,768,827	0.2032	0.2008	3,212,336	^B
Washington Public Library	General Revenue	133,231,101	0.1000	0.1000	133,231	
Beaufort Leslie Fire Prot District	General Revenue	53,953,541	0.4654	0.4654	251,100	
Boles Fire Protection District	General Revenue	301,980,745	0.5911	0.5911	1,785,008	
	Debt Service	301,980,745	0.2567	0.2567	775,185	
Pacific Fire Protection District	General Revenue	229,139,813	0.6902	0.6902	1,581,523	
	Pension	229,139,813	0.0490	0.0490	112,279	
	Joint Dispatch	229,139,813	0.0490	0.0490	112,279	
	Debt Service	229,139,813	0.1000	0.0700	160,398	
St. Clair Fire Protection District	General Revenue	214,412,629	0.6069	0.4930	1,057,054	
Sullivan Fire Protection District	General Revenue	191,034,447	0.3919	0.1452	277,382	
Union Fire Protection District	General Revenue	309,386,046	0.2886	0.1296	400,964	
Gerald-Rosebud Fire Protection Dist	General Revenue	65,171,095	0.2546	0.2546	165,926	
New Haven-Berger Fire Prot District	General Revenue	100,856,855	0.2500	0.2500	252,142	
Gray Summit Sewer District	General Revenue	2,367,108	0.4179	0.4179	9,892	
Beauty View Sewer District	General Revenue	737,022	0.6604	0.6604	4,867	
Crestview Sewer District	General Revenue	1,112,510	0.4717	0.4717	5,248	
St. Clair Sewer District	General Revenue	9,176,822	0.3282	0.3282	30,118	
Sylvan Manor Sunset Acres Sew Dist	General Revenue	1,600,315	0.5594	0.5594	8,952	
Calvey Creek Sewer District	General Revenue	17,002,011	0.3911	0.3911	66,495	
East Central College	General Revenue	1,658,577,887	0.3700	0.3700	6,136,738	
	Debt Service	1,658,577,887	0.0962	0.0841	1,394,864	
Franklin Co R-II School District	Operating Funds-Schools	29,908,989	3.9482	3.8500	1,151,496	^E
Meramec Valley R-III School Dist	Operating Funds-Schools	301,401,615	3.6200	3.6200	10,910,738	^F
	Debt Service	301,401,615	1.0468	0.6900	2,079,671	
Union R-XI School District	Operating Funds-Schools	291,309,923	2.9736	2.7900	8,127,547	^F
	Debt Service	291,309,923	0.9798	0.9600	2,796,575	
Lonedell R-XIV School District	Operating Funds-Schools	35,512,325	3.8927	3.4800	1,235,829	^E
	Debt Service	35,512,325	0.2678	0.2100	74,576	
Spring Bluff R-XV School District	Operating Funds-Schools	23,868,197	3.3444	3.1666	755,810	^E
	Debt Service	23,868,197	0.8072	0.7000	167,077	
Franklin Co R-XVI School District	Operating Funds-Schools	10,865,691	3.8393	3.8393	417,166	^E

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Franklin</u>						
Franklin Co R-XVI School District	Debt Service	10,865,691	0.2082	0.1800	19,558	
St. Clair R-XIII School District	Operating Funds-Schools	138,884,798	2.7500	2.7500	3,819,332	E
	Debt Service	138,884,798	0.7622	0.6200	861,086	
Sullivan C-2 School District	Operating Funds-Schools	160,801,268	3.0189	3.0189	4,854,429	E
	Debt Service	160,801,268	1.6287	1.1073	1,780,552	
New Haven School District	Operating Funds-Schools	36,051,609	4.1078	3.9448	1,422,164	E
	Debt Service	36,051,609	0.8829	0.5300	191,074	
Washington School District	Operating Funds-Schools	745,982,054	3.6810	3.6810	27,459,599	E
	Debt Service	745,982,054	0.4828	0.3700	2,760,134	
Franklin County	General Revenue	1,813,276,167	0.2955	0.1467	2,660,076	
	Road & Bridge	1,813,276,167	0.2126	0.2124	3,851,399	
	Senate Bill 40	1,813,276,167	0.1000	0.1000	1,813,276	
<u>Gasconade</u>						
Owensville Ambulance District	General Revenue	87,781,502	0.3239	0.0992	87,079	
Hermann Area Ambulance District	General Revenue	132,080,956	0.2869	0.1495	197,461	
Hermann Area Hospital District	General Revenue	125,099,083	0.7026	0.7026	878,946	
Gasconade Manor Nursing Home Dist	General Revenue	129,610,871	0.1253	0.1253	162,402	
Morrison Levee Dist Gasconade Co	General Revenue	78,000	0.7179	0.7179	560	
Morrison Sp Rd Dist #4 Gasconade Co	Road & Bridge	5,807,564	0.2495	0.2495	14,490	
City of Bland	General Revenue	3,424,316	0.9465	0.9465	32,411	
	Parks & Recreation	3,424,316	0.2533	0.2533	8,674	
	Debt Service	3,424,316	0.6145	0.6145	21,042	
City of Gasconade	General Revenue	1,507,972	0.6290	0.6290	9,485	
	Debt Service	1,507,972	1.8665	1.8665	28,146	
City of Hermann	General Revenue	39,231,306	0.3579	0.3579	140,409	
	Parks & Recreation	39,231,306	0.0092	0.0092	3,609	
	Band	39,231,306	0.0101	0.0101	3,962	
City of Morrison	General Revenue	1,298,830	0.5351	0.5351	6,950	
City of Owensville	General Revenue	35,508,587	0.3337	0.3337	118,492	
	Parks & Recreation	35,508,587	0.3337	0.3337	118,492	
	Debt Service	35,508,587	0.0886	0.0886	31,461	
City of Rosebud	General Revenue	4,213,232	0.4277	0.4277	18,020	
Gasconade County Library District	General Revenue	220,689,020	0.2008	0.2008	443,144	B
Bland Fire Protection District	General Revenue	21,482,107	0.2189	0.2189	47,024	
Gasconade County Health Department	General Revenue	220,689,020	0.0967	0.0967	213,406	
Gasconade Co R-II School District	Operating Funds-Schools	148,300,344	3.4452	3.1800	4,715,951	F
	Debt Service	148,300,344	0.9105	0.6700	993,612	
Gasconade Co R-I School District	Operating Funds-Schools	114,213,430	3.0360	3.0360	3,467,520	E
	Debt Service	114,213,430	1.5501	0.7500	856,601	
Gasconade County	General Revenue	220,689,020	0.3645	0.1690	372,964	
	Common Road District	214,881,454	0.2672	0.2672	574,163	
	Mental Health	220,689,020	0.0800	0.0800	176,551	
	Senate Bill 40	220,689,020	0.0967	0.0967	213,406	
<u>Gentry</u>						
Grand River Regional Ambulance Dist	General Revenue	148,814,935	0.4535	0.4535	674,876	
City of Albany	General Revenue	16,806,524	0.6490	0.6490	109,074	
	Parks & Recreation	16,806,524	0.2875	0.2875	48,319	
	Library	16,806,524	0.4600	0.4600	77,310	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Gentry						
City of Albany	Health	16,806,524	0.1811	0.1811	30,437	
Village of Darlington	General Revenue	250,907	0.5000	0.5000	1,255	
Village of Gentry	General Revenue	323,878	0.5000	0.5000	1,619	
City of King City	General Revenue	7,228,289	0.7173	0.7173	51,849	
	Parks & Recreation	7,228,289	0.1767	0.1767	12,772	
	Health	7,228,289	0.1767	0.1767	12,772	
	Police	7,228,289	0.1551	0.1551	11,211 ^A	2017
City of McFall	General Revenue	475,166	0.7500	0.7500	3,564	
City of Stanberry	General Revenue	10,999,926	0.6522	0.6522	71,742	
	Parks & Recreation	10,999,926	0.1700	0.1700	18,700	
	Streets	10,999,926	0.3848	0.3848	42,328	
Gentry County Library District	General Revenue	75,009,012	0.3027	0.3027	227,052	
Athens Township Gentry County	General Revenue	25,049,832	0.1000	0.1000	25,050	
	Road & Bridge	25,049,832	0.3932	0.3932	98,496	
	Special Road District	25,049,832	0.2019	0.2019	50,576	2016
	Special Road and Bridge	25,049,832	0.2571	0.2571	64,403	2015
Bogle Township Gentry County	General Revenue	5,289,088	0.1000	0.1000	5,289	
	Road & Bridge	5,289,088	0.5000	0.5000	26,445	
	Special Road and Bridge	5,289,088	0.3249	0.3249	17,184	2015
	Gravel	5,289,088	0.3553	0.3553	18,792	2015
	Gravel & Maintenance	5,289,088	0.4553	0.4553	24,081 ^A	2017
Cooper Township Gentry County	General Revenue	19,619,481	0.1000	0.1000	19,619	
	Road & Bridge	19,619,481	0.4855	0.4855	95,253	
	Special Road and Bridge	19,619,481	0.1539	0.1539	30,194	2015
Howard Township Gentry County	General Revenue	2,196,962	0.1000	0.1000	2,197	
	Road & Bridge	2,196,962	0.5000	0.5000	10,985	
	Special Road and Bridge	2,196,962	0.3640	0.3640	7,997	2015
	Gravel	2,196,962	0.3120	0.3120	6,855	2015
Huggins Township Gentry County	General Revenue	3,251,440	0.1000	0.1000	3,251	
	Road & Bridge	3,251,440	0.5000	0.5000	16,257	
	Special Road and Bridge	3,251,440	0.3404	0.3404	11,068	2015
Jackson Township Gentry County	General Revenue	22,586,650	0.1000	0.1000	22,587	
	Road & Bridge	22,586,650	0.4820	0.4820	108,868	
	Special Road District	22,586,650	0.2539	0.2539	57,348	2014
	Special Road and Bridge	22,586,650	0.1246	0.1246	28,143	2015
Miller Township Gentry County	General Revenue	9,433,285	0.1000	0.1000	9,433	
	Road & Bridge	9,433,285	0.5000	0.5000	47,166	
	Special Road District	9,433,285	0.3500	0.3500	33,016	2016
	Special Road and Bridge	9,433,285	0.3537	0.3537	33,366	2014
Wilson Township Gentry County	General Revenue	4,389,803	0.1000	0.1000	4,390	
	Road & Bridge	4,389,803	0.5000	0.5000	21,949	
	Special Road and Bridge	4,389,803	0.2926	0.2926	12,845	2016
	Gravel and Maintenance	4,389,803	0.3573	0.3573	15,685	2015
	Gravel	4,389,803	0.3141	0.3141	13,788 ^A	2015
	Gravel & Maintenance	4,389,803	0.3141	0.3141	13,788 ^A	2017
Albany Community Fire Prot District	General Revenue	38,262,464	0.1702	0.1702	65,123	
	Fire	38,262,464	0.1500	0.1500	57,394	
Stanberry Fire Protection District	General Revenue	25,487,884	0.4000	0.4000	101,952	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Gentry</u>						
McFall Fire Protection District	General Revenue	3,988,792	0.2976	0.2976	11,871	
King City Fire Protection District	General Revenue	45,521,632	0.3000	0.3000	136,565	
King City R-I School District	Operating Funds-Schools	44,774,149	4.3600	4.1934	1,877,559	
	Debt Service	44,774,149	0.7361	0.6100	273,122	
Stanberry R-II School District	Operating Funds-Schools	25,285,520	4.0925	4.0925	1,034,810 ^E	
	Operating Funds-Temp	25,285,520	1.3300	1.3300	336,297	2026
Albany R-III School District	Operating Funds-Schools	36,900,978	4.4893	4.4893	1,656,596 ^E	
Gentry County	General Revenue	91,816,551	0.3526	0.3526	323,745	
	Senior Services	91,816,551	0.0500	0.0500	45,908	
	General Revenue-Temp	91,816,551	0.1921	0.1921	176,380	2014
<u>Greene</u>						
City of Ash Grove	General Revenue	13,651,365	0.5531	0.5531	75,506	
City of Battlefield	General Revenue	51,669,225	0.3435	0.3435	177,484	
City of Fair Grove	General Revenue	14,606,542	0.5497	0.5497	80,292	
	Debt Service	14,606,542	0.1999	0.1999	29,198	
City of Republic	General Revenue	160,166,456	0.4338	0.4338	694,802	
	Parks & Recreation	160,166,456	0.1168	0.1168	187,074	
	Lights	160,166,456	0.0667	0.0667	106,831	
City of Springfield	Parks & Recreation	2,698,889,598	0.1858	0.1858	5,014,537	
	Health	2,698,889,598	0.1266	0.1266	3,416,794	
	Art Museum	2,698,889,598	0.0389	0.0389	1,049,868	
	General Revenue-Temp	2,698,889,598	0.2650	0.2650	7,152,057	2025
City of Strafford	General Revenue	26,774,895	0.3561	0.3561	95,345	
City of Walnut Grove	General Revenue	5,203,292	0.6129	0.6129	31,891	
City of Willard	General Revenue	43,907,760	0.4101	0.4101	180,066	
	Parks & Recreation	43,907,760	0.1255	0.1255	55,104	
Springfield Greene County Library	General Revenue	4,418,856,157	0.2472	0.2472	10,923,412	
Battlefield Fire Protection Dist	General Revenue	517,596,765	0.6113	0.6113	3,164,069	
Strafford Fire Protection District	General Revenue	149,630,094	0.7432	0.7432	1,112,051	
Fair Grove Fire Protection District	General Revenue	64,704,212	0.9638	0.9638	623,619	
Brookline Fire Protection District	General Revenue	112,486,029	0.2545	0.2545	286,277	
Logan-Rogersville Fire Prot Dist	General Revenue	385,466,207	0.3657	0.3657	1,409,650	
Willard Fire Protection District	General Revenue	142,296,824	0.7796	0.7796	1,109,346	
Walnut Grove Fire Protection Dist	General Revenue	35,577,013	0.3000	0.3000	106,731	
West Republic Fire Protection Dist	General Revenue	26,936,632	0.2700	0.2700	72,729	
Ebenezer Fire Protection District	General Revenue	106,445,717	0.8579	0.8579	913,198	
Bois D'Arc Fire Protection District	General Revenue	25,249,133	0.3193	0.3193	80,620	
Ash Grove Fire Protection District	General Revenue	25,954,350	0.3542	0.3542	91,930	
Pleasant View Fire Protection Dist	General Revenue	30,665,570	0.8207	0.8207	251,672	
C and E Community Improvement Dist	General Revenue	20,035,010	2.5485	2.5485	510,592	
Ozarks Technical Community College	General Revenue	5,821,485,199	0.0996	0.0996	5,798,199	
	General Revenue-Temp	5,821,485,199	0.0498	0.0498	2,899,100	2019
Willard R-II School District	Operating Funds-Schools	336,462,580	3.2178	3.1630	10,642,311 ^E	
	Debt Service	336,462,580	1.7314	0.9270	3,119,008	
Republic R-III School District	Operating Funds-Schools	321,672,520	3.4400	3.4400	11,065,535 ^E	
	Debt Service	321,672,520	1.8566	0.9400	3,023,722	
Ash Grove R-IV School District	Operating Funds-Schools	55,548,216	3.1222	3.1222	1,734,326 ^E	
	Debt Service	55,548,216	0.5127	0.5000	277,741	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Greene</u>						
Walnut Grove R-V School District	Operating Funds-Schools	17,903,195	3.9198	3.8559	690,329	E
Strafford R-VI School District	Operating Funds-Schools	165,855,812	2.7500	2.7500	4,561,035	F
	Debt Service	165,855,812	0.8491	0.7000	1,160,991	
Logan-Rogersville R-VIII School Dis	Operating Funds-Schools	228,583,256	3.0671	3.0671	7,010,877	E
	Debt Service	228,583,256	1.0366	0.8729	1,995,303	
Springfield R-XII School District	Operating Funds-Schools	3,263,174,865	3.5619	3.5619	116,231,026	BE
	Debt Service	3,263,174,865	0.8123	0.5100	16,642,192	
Fair Grove R-X School District	Operating Funds-Schools	61,832,149	3.0572	2.7500	1,700,384	F
	Debt Service	61,832,149	1.6575	0.9000	556,489	
Greene County	General Revenue	4,418,856,157	0.2554	0.1288	5,691,487	
	Road & Bridge	4,418,856,157	0.2554	0.1288	5,691,487	
	Senate Bill 40	4,418,856,157	0.0474	0.0474	2,094,538	
	Senior Services	4,418,856,157	0.0500	0.0500	2,209,428	
<u>Grundy</u>						
Grundy County Nursing Home District	General Revenue	119,837,998	0.1500	0.1500	179,757	
Spickard Special Road District	Special Road and Bridge	1,703,979	0.3574	0.3574	6,090	A 2017
Village of Brimson	General Revenue	265,840	0.2317	0.2000	532	
City of Galt	General Revenue	910,527	1.0000	1.0000	9,105	
City of Laredo	General Revenue	931,903	0.6859	0.6859	6,392	
	Streets	931,903	0.2938	0.2938	2,738	
City of Spickard	General Revenue	1,265,211	0.9418	0.9418	11,916	
City of Tindall	General Revenue	573,331	0.4455	0.4455	2,554	
City of Trenton	General Revenue	54,714,569	0.9079	0.9079	496,754	
	Parks & Recreation	54,714,569	0.1677	0.1677	91,756	
	General Revenue	119,837,998	0.2000	0.2000	239,676	
Franklin Township Grundy County	General Revenue	5,304,708	0.0930	0.0930	4,933	
	Road & Bridge	3,600,729	0.5000	0.5000	18,004	
	Special Road and Bridge	3,600,729	0.3500	0.3500	12,603	2014
Harrison Township Grundy County	General Revenue	2,079,898	0.1000	0.1000	2,080	
	Road & Bridge	2,079,898	0.5000	0.5000	10,399	
	Special Road and Bridge	2,079,898	0.3588	0.3588	7,463	2016
Jackson Township Grundy County	General Revenue	4,557,352	0.0927	0.0927	4,225	
	Road & Bridge	4,557,352	0.3808	0.3808	17,354	
	Special Road and Bridge	4,557,352	0.3318	0.3318	15,121	2014
	Debt Service	4,557,352	0.3092	0.3092	14,091	
Jefferson Township Grundy County	General Revenue	7,543,158	0.0905	0.0905	6,827	
	Road & Bridge	7,543,158	0.4594	0.4594	34,653	
	Special Road and Bridge	7,543,158	0.3377	0.3377	25,473	2014
Liberty Township Grundy County	General Revenue	3,927,823	0.1000	0.1000	3,928	
	Road & Bridge	3,927,823	0.5000	0.5000	19,639	
	Special Road and Bridge	3,927,823	0.3519	0.3519	13,822	2016
Lincoln Township Grundy County	General Revenue	8,699,604	0.0940	0.0940	8,178	
	Road & Bridge	8,699,604	0.2851	0.2851	24,803	
	Special Road and Bridge	8,699,604	0.3500	0.3500	30,449	2016
Madison Township Grundy County	General Revenue	6,926,803	0.0994	0.0994	6,885	
	Road & Bridge	6,926,803	0.4968	0.4968	34,412	
	Special Road and Bridge	6,926,803	0.3604	0.3604	24,964	2014
Marion Township Grundy County	General Revenue	5,536,059	0.0943	0.0943	5,221	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Grundy						
Marion Township Grundy County	Road & Bridge	5,536,059	0.4714	0.4714	26,097	2014
	Special Road and Bridge	5,536,059	0.3373	0.3373	18,673	
	Debt Service	5,536,059	0.1379	0.1379	7,634	
Myers Township Grundy County	General Revenue	1,913,111	0.1000	0.1000	1,913	2014
	Road & Bridge	1,913,111	0.5000	0.5000	9,566	
	Special Road and Bridge	1,913,111	0.3500	0.3500	6,696	
Taylor Township Grundy County	General Revenue	1,907,899	0.1000	0.1000	1,908	2016
	Road & Bridge	1,907,899	0.4795	0.4795	9,148	
	Special Road and Bridge	1,907,899	0.3503	0.3503	6,683	
Trenton Township Grundy County	General Revenue	64,869,999	0.0646	0.0628	40,738	
	Road & Bridge	64,869,999	0.2891	0.2811	182,350	
Wilson Township Grundy County	General Revenue	4,870,957	0.0966	0.0966	4,705	2014
	Road & Bridge	4,870,957	0.4832	0.4832	23,536	
	Special Road and Bridge	4,870,957	0.3451	0.3451	16,810	
Washington Township Grundy County	General Revenue	1,488,176	0.0995	0.0995	1,481	
	Road & Bridge	1,488,176	0.4974	0.4974	7,402	
Grundy County Rural Fire Prot Dist	General Revenue	36,922,833	0.2576	0.2576	95,113	
Laredo Fire Protection District	General Revenue	11,317,295	0.2715	0.2715	30,726	
Spickard Fire Protection District	General Revenue	14,153,281	0.2780	0.2780	39,346	
Grundy County Health Department	General Revenue	119,837,998	0.3000	0.3000	359,514	
North Central Missouri College	General Revenue	85,571,347	0.4000	0.4000	342,285	
Grundy County R-V School District	Operating Funds-Schools	11,681,662	5.9207	5.9207	691,636 ^E	
Spickard R-II School District	Operating Funds-Schools	4,013,990	4.4360	4.4360	178,061 ^E	
Pleasant View R-VI School District	Operating Funds-Schools	8,463,496	4.3120	4.3120	364,946 ^E	
Laredo R-VII School District	Operating Funds-Schools	5,776,430	4.4782	4.4782	258,680 ^E	2018
	Operating Funds-Temp	5,776,430	1.4075	1.4075	81,303 ^A	
Trenton R-IX School District	Operating Funds-Schools	74,217,181	3.4336	3.4336	2,548,321 ^E	
	Debt Service	74,217,181	0.9012	0.9000	667,955	
Grundy County	General Revenue	119,837,998	0.3918	0.1845	221,101	
	Developmentally Disabled	119,837,998	0.1000	0.1000	119,838	
	Senior Services	119,837,998	0.0500	0.0500	59,919	
Harrison						
North Harrison Co Ambulance Dist	General Revenue	31,853,326	0.4960	0.4960	157,992	
Noel Adams Ambulance District	General Revenue	76,960,773	0.2835	0.0000	0	
Harrison County Hospital District	General Revenue	103,020,784	0.4511	0.4500	463,594	
Panther Creek Watershed Subdistrict	General Revenue	1,629,810	0.2399	0.2399	3,910	
West Fork of Big Creek Subdistrict	General Revenue	12,363,820	0.4000	0.4000	49,455	
East Fork of Big Creek Subdistrict	General Revenue	4,933,960	0.4000	0.4000	19,736	
City of Bethany	General Revenue	28,430,523	0.5733	0.5733	162,992	
	Parks & Recreation	28,430,523	0.0000	0.0000	0	
	Road	28,430,523	0.3242	0.3242	92,172	
Village of Blythedale	General Revenue	744,510	0.9568	0.9568	7,123	
City of Cainsville	General Revenue	1,623,149	0.5146	0.5146	8,353	2015
	Fire	1,623,149	0.0000	0.0000	0	
	General Revenue-Temp	1,623,149	0.0031	0.0000	0	
	General Revenue-Temporary	1,623,149	0.3000	0.3000	4,869	
	Gravel	1,623,149	0.5146	0.5146	8,353	
	Debt Service	1,623,149	0.2264	0.2264	3,675	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Harrison</u>						
City of Gilman City	General Revenue	1,746,120	0.5159	0.5159	9,008	
	Parks & Recreation	1,746,120	0.0500	0.0500	873	
	Streets	1,746,120	0.1868	0.1868	3,262	
Village of Mount Moriah	General Revenue	498,170	0.4753	0.4753	2,368	
City of New Hampton	General Revenue	1,063,769	0.6800	0.6800	7,234	
	Lights	1,063,769	0.1500	0.1500	1,596	
	Streets	1,063,769	0.3000	0.3000	3,191	
City of Ridgeway	General Revenue	2,001,083	1.0000	1.0000	20,011	
	Parks & Recreation	2,001,083	0.0500	0.0500	1,001	
Adams Township Harrison County	General Revenue	2,839,403	0.1000	0.1000	2,839	
	Road & Bridge	2,839,403	0.5000	0.5000	14,197	
	Special Road and Bridge	2,839,403	0.3519	0.3519	9,992	2015
Bethany Township Harrison County	General Revenue	34,878,057	0.1000	0.1000	34,878	
	Road & Bridge	34,878,057	0.3547	0.3547	123,712	
Butler Township Harrison County	General Revenue	2,139,252	0.1000	0.1000	2,139	
	Road & Bridge	2,139,252	0.4434	0.4434	9,485	
	Special Road and Bridge	2,139,252	0.3502	0.3502	7,492	2015
Clay Township Harrison County	General Revenue	2,514,372	0.1000	0.1000	2,514	
	Road & Bridge	2,514,372	0.5000	0.5000	12,572	
	Special Road and Bridge	2,514,372	0.3599	0.3599	9,049	2015
Colfax Township Harrison County	General Revenue	6,288,766	0.1000	0.1000	6,289	
	Road & Bridge	6,288,766	0.4780	0.4780	30,060	
	Special Road and Bridge	6,288,766	0.3549	0.3549	22,319	2015
Cypress Township Harrison County	General Revenue	2,762,136	0.1000	0.1000	2,762	
	Road & Bridge	2,762,136	0.4180	0.4180	11,546	
	Special Road and Bridge	2,762,136	0.3655	0.3655	10,096	2015
Dallas Township Harrison County	General Revenue	2,330,757	0.1000	0.1000	2,331	
	Road & Bridge	2,330,757	0.4356	0.4356	10,153	
	Special Road and Bridge	2,330,757	0.3599	0.3599	8,388	2015
Fox Creek Township Harrison County	General Revenue	2,087,562	0.1000	0.1000	2,088	
	Road & Bridge	2,087,562	0.4770	0.4770	9,958	
	Special Road and Bridge	2,087,562	0.3609	0.3609	7,534	2015
Grant Township Harrison County	General Revenue	3,707,086	0.0993	0.0993	3,681	
	Road & Bridge	3,707,086	0.4962	0.4962	18,395	
	Special Road and Bridge	3,707,086	0.3500	0.3500	12,975	2015
Hamilton Township Harrison County	General Revenue	2,735,763	0.1000	0.1000	2,736	
	Road & Bridge	2,735,763	0.5000	0.5000	13,679	
	Special Road and Bridge	2,735,763	0.3598	0.3598	9,843	2015
Jefferson Township Harrison County	General Revenue	4,190,874	0.0998	0.0998	4,182	
	Road & Bridge	4,190,874	0.4725	0.4725	19,802	
	Special Road and Bridge	4,190,874	0.3495	0.3495	14,647	2015
Lincoln Township Harrison County	General Revenue	2,235,741	0.1000	0.1000	2,236	
	Road & Bridge	2,235,741	0.5000	0.5000	11,179	
	Special Road and Bridge	2,235,741	0.3601	0.3601	8,051	2015
Madison Township Harrison County	General Revenue	4,971,885	0.0975	0.0975	4,848	
	Road & Bridge	4,971,885	0.4873	0.4873	24,228	
	Special Road and Bridge	4,971,885	0.3544	0.3544	17,620	2015
Marion Township Harrison County	General Revenue	6,930,137	0.0944	0.0944	6,542	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Harrison</u>						
Marion Township Harrison County	Road & Bridge	6,930,137	0.4338	0.4338	30,063	2015
	Special Road and Bridge	6,930,137	0.3363	0.3363	23,306	
Sherman Township Harrison County	General Revenue	4,061,919	0.1000	0.1000	4,062	2015
	Road & Bridge	4,061,919	0.5000	0.5000	20,310	
	Special Road and Bridge	4,061,919	0.3565	0.3565	14,481	
Sugar Creek Township Harrison Co	General Revenue	4,072,414	0.1000	0.1000	4,072	2015
	Road & Bridge	4,072,414	0.3954	0.3954	16,102	
	Special Road and Bridge	4,072,414	0.3597	0.3597	14,648	
Trail Creek Township Harrison Co	General Revenue	3,348,568	0.0999	0.0999	3,345	2015
	Road & Bridge	3,348,568	0.4994	0.4994	16,723	
	Special Road and Bridge	3,348,568	0.3770	0.3770	12,624	
Union Township Harrison County	General Revenue	4,221,290	0.1000	0.1000	4,221	2015
	Road & Bridge	4,221,290	0.5000	0.5000	21,106	
	Special Road and Bridge	4,221,290	0.3570	0.3570	15,070	
Washington Township Harrison County	General Revenue	1,955,971	0.1000	0.1000	1,956	2015
	Road & Bridge	1,955,971	0.5000	0.5000	9,780	
	Special Road and Bridge	1,955,971	0.3601	0.3601	7,043	
White Oak Township Harrison County	General Revenue	4,748,831	0.0971	0.0971	4,611	2015
	Road & Bridge	4,748,831	0.4554	0.4554	21,626	
	Special Road and Bridge	4,748,831	0.3403	0.3403	16,160	
Ridgeway Fire Protection District	General Revenue	7,611,396	0.2987	0.2987	22,735	
Gilman City Fire Protection Dist	General Revenue	11,310,777	0.2983	0.2983	33,740	
New Hampton Fire Protection Dist	General Revenue	10,062,001	0.3000	0.3000	30,186	
North Harrison Fire Protection Dist	Fire	18,538,947	0.2973	0.2973	55,116	
Cainsville Fire Protection District	General Revenue	8,556,388	0.2659	0.2659	22,751	
Harrison County Health Department	General Revenue	103,020,784	0.3007	0.3000	309,062	
Cainsville R-I School District	Operating Funds-Schools	5,362,244	6.0119	6.0000	321,735 E	
South Harrison Co R-II School Dist	Operating Funds-Schools	59,382,814	3.6622	3.6622	2,174,717 E	
North Harrison Co R-III School Dist	Operating Funds-Schools	17,644,555	4.4452	4.4452	784,336 E	
Gilman City R-IV School District	Operating Funds-Schools	10,461,948	5.0067	5.0067	523,798 E	
Ridgeway R-V School District	Operating Funds-Schools	6,937,125	6.1236	6.0605	420,424 E	
Harrison County	General Revenue	103,020,784	0.3782	0.3782	389,625	
	Senior Services	103,020,784	0.0500	0.0500	51,510	
<u>Henry</u>						
Windsor Ambulance District	General Revenue	48,350,872	0.2885	0.2885	139,492	
Bethlehem Spec Rd Dist #2 Henry Co	Road & Bridge	2,494,944	0.6100	0.6100	15,219	
Deerfield Creek Sp Rd Dist Henry Co	Road & Bridge	5,776,900	0.1899	0.1899	10,970	
Fields Creek Sp Rd Dist #1 Henry Co	Road & Bridge	24,161,208	0.3572	0.3572	86,304	
Honey Creek Sp Rd Dist #1 Henry Co	Road & Bridge	2,115,581	0.4003	0.4003	8,469	
Montrose Spec Road Dist Henry Co	Road & Bridge	3,749,831	0.3159	0.3159	11,846	
Mt Hope Special Road Dist Henry Co	Road & Bridge	1,383,705	0.4651	0.4651	6,436	
Osage Special Road Dist #1 Henry Co	Road & Bridge	5,412,124	0.3429	0.3429	18,558	
Shawnee Spec Road Dist #1 Henry Co	Road & Bridge	5,668,190	0.2805	0.2805	15,899	
Wagner Special Road Dist Henry Co	Road & Bridge	1,079,975	0.3949	0.3949	4,265	
Windsor Special Road Dist Henry Co	Road & Bridge	32,423,822	0.2748	0.2748	89,101	
Clinton Country Club Spec Road Dist	Road & Bridge	2,558,288	0.2639	0.2639	6,751	
	Special Road and Bridge	2,558,288	0.5590	0.5590	14,301 A	2017
City of Blairstown	General Revenue	512,150	0.9912	0.9912	5,076	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Henry						
City of Blairstown	Streets	512,150	0.5000	0.5000	2,561	2015
Village of Brownington	General Revenue	434,520	0.9530	0.9530	4,141	
City of Calhoun	General Revenue	1,980,586	0.6472	0.6472	12,818	
	Police	1,980,586	0.2552	0.2552	5,054	2016
	Fire	1,980,586	0.2042	0.2042	4,044	2016
City of Clinton	General Revenue	123,396,314	0.5309	0.5309	655,111	
	Parks & Recreation	123,396,314	0.1486	0.1486	183,367	
City of Deepwater	General Revenue	2,552,882	0.8434	0.8434	21,531	
	Lights	2,552,882	0.1450	0.1450	3,702	
	Cemetery	2,552,882	0.0981	0.0981	2,504	
City of Montrose	General Revenue	3,143,131	0.9548	0.9548	30,011	
	Debt Service	3,143,131	0.3745	0.3745	11,771	
City of Urich	General Revenue	3,246,845	0.9357	0.9357	30,381	
	Parks & Recreation	3,246,845	0.2888	0.2888	9,377	
City of Windsor	General Revenue	22,870,347	0.6171	0.6171	141,133	
	Library	22,870,347	0.0000	0.0000	0	
	Park	22,870,347	0.2389	0.2389	54,637	
	Pool	22,870,347	0.1194	0.1194	27,307	
	Recreation	22,870,347	0.0596	0.0596	13,631	
Henry County Library District	General Revenue	321,229,445	0.1962	0.1962	630,252	
Bear Creek Township Henry County	General Revenue	3,740,324	0.1882	0.1882	7,039	
	Road & Bridge	3,740,324	0.3294	0.3294	12,321	
	Special Road and Bridge	3,740,324	0.2479	0.2479	9,272 ^A	2017
Bethlehem Township Henry County	General Revenue	11,739,277	0.1239	0.1239	14,545	
	Road & Bridge	8,785,779	0.2741	0.2741	24,082	
Bogard Township Henry County	General Revenue	10,197,099	0.1728	0.1728	17,621	
	Road & Bridge	10,197,099	0.3658	0.3658	37,301	
	Special Road and Bridge	10,197,099	0.2500	0.2500	25,493	2016
Clinton Township Henry County	General Revenue	107,397,273	0.0512	0.0512	54,987	
	Road & Bridge	107,397,273	0.1025	0.1025	110,082	
Davis Township Henry County	General Revenue	14,086,779	0.2000	0.2000	28,174	
	Road & Bridge	14,086,779	0.5000	0.5000	70,434	
Deepwater Township Henry County	General Revenue	8,227,015	0.1707	0.1707	14,044	
	Road & Bridge	2,013,504	0.3600	0.3600	7,249	
Deer Creek Township Henry County	General Revenue	8,740,507	0.1489	0.1489	13,015	
	Road & Bridge	5,008,893	0.4645	0.4645	23,266	
Fairview Township Henry County	General Revenue	7,627,290	0.1557	0.1557	11,876	
	Road & Bridge	7,627,290	0.3322	0.3322	25,338	
Fields Creek Township Henry County	General Revenue	42,729,979	0.1654	0.1654	70,675	
	Road & Bridge	14,423,751	0.3073	0.3073	44,324	
Honey Creek Township Henry County	General Revenue	3,762,067	0.1513	0.1513	5,692	
	Road & Bridge	1,646,486	0.1374	0.1374	2,262	
Leesville Township Henry County	General Revenue	16,328,817	0.1331	0.1331	21,734	
	Road & Bridge	16,328,817	0.2666	0.2666	43,533	
Osage Township Henry County	General Revenue	10,808,771	0.1378	0.1378	14,894	
	Road & Bridge	5,396,647	0.2956	0.2956	15,952	
Shawnee Township Henry County	General Revenue	9,258,719	0.1541	0.1541	14,268	
	Road & Bridge	3,590,529	0.4164	0.4164	14,951	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Henry</u>						
Springfield Township Henry County	General Revenue	4,367,800	0.1888	0.1888	8,246	2015
	Road & Bridge	4,367,800	0.4718	0.4718	20,607	
Tebo Township Henry County	General Revenue	9,682,047	0.1701	0.1701	16,469	
	Road & Bridge	9,682,047	0.3704	0.3704	35,862	
	Special Road and Bridge	9,682,047	0.1748	0.1748	16,924	
Walker Township Henry County	General Revenue	6,486,818	0.1710	0.1710	11,092	
	Road & Bridge	6,486,818	0.4274	0.3000	19,460	
White Oak Township Henry County	General Revenue	7,880,304	0.1896	0.1896	14,941	
	Road & Bridge	7,880,304	0.3999	0.3999	31,513	
Windsor Township Henry County	General Revenue	32,423,822	0.1450	0.1450	47,015	
Big Creek Township Henry County	General Revenue	5,744,737	0.1569	0.1569	9,013	
	Road & Bridge	5,744,737	0.2551	0.2551	14,655	
Tightwad Fire Protection District	General Revenue	16,289,829	0.3000	0.3000	48,869	
Henry County Health Center	General Revenue	321,229,445	0.0979	0.0979	314,484	
Henry County R-I School District	Operating Funds-Schools	43,456,473	3.1343	2.7500	1,195,053	F
	Debt Service	43,456,473	0.6719	0.5000	217,282	
Shawnee R-III School District	Operating Funds-Schools	9,493,833	4.0852	4.0852	387,842	E
	Debt Service	9,493,833	0.5892	0.3660	34,747	
Calhoun R-VIII School District	Operating Funds-Schools	10,234,023	3.9926	3.9926	408,604	E
Leesville R-IX School District	Operating Funds-Schools	15,704,885	3.4361	3.4361	539,636	E
Davis R-XII School District	Operating Funds-Schools	18,012,497	3.5600	3.5600	641,245	E
	Debt Service	18,012,497	0.1934	0.1500	27,019	
Montrose R-XIV School District	Operating Funds-Schools	10,323,034	4.7033	4.7033	485,523	E
	Debt Service	10,323,034	1.5571	0.7955	82,120	
Clinton School District	Operating Funds-Schools	163,476,461	3.5243	3.5243	5,761,401	E
	Operating Funds-Temp	163,476,461	0.8500	0.0000	0	2027
	Debt Service	163,476,461	1.6525	0.8500	1,389,550	
Henry County	General Revenue	321,229,445	0.2494	0.0687	220,685	
	Senior Services	321,229,445	0.0489	0.0489	157,081	
<u>Hickory</u>						
City of Cross Timbers	General Revenue	847,108	0.4927	0.4161	3,525	
City of Hermitage	General Revenue	5,141,948	0.4870	0.4870	25,041	
City of Weaubleau	General Revenue	2,571,672	0.3756	0.3756	9,659	
City of Wheatland	General Revenue	3,694,833	0.3427	0.3427	12,662	
Hickory County Library District	General Revenue	116,611,840	0.1295	0.1295	151,012	
Hickory County Health Department	General Revenue	116,611,840	0.1509	0.1509	175,967	
Hickory County R-I School District	Operating Funds-Schools	41,263,472	2.8647	2.8647	1,182,075	E
	Debt Service	41,263,472	1.3246	0.7953	328,168	
Wheatland R-II School District	Operating Funds-Schools	35,780,369	2.9389	2.9389	1,051,549	E
	Debt Service	35,780,369	0.4232	0.4136	147,988	
Weaubleau R-III School District	Operating Funds-Schools	22,784,342	2.7500	2.7500	626,569	E
	Debt Service	22,784,342	1.1025	0.8900	202,781	
Hermitage R-IV School District	Operating Funds-Schools	40,496,201	2.7500	2.7500	1,113,646	E
	Debt Service	40,496,201	0.5938	0.4500	182,233	
Hickory County	General Revenue	116,611,840	0.3145	0.1798	209,668	
	Road & Bridge	116,611,840	0.2405	0.2405	280,451	
<u>Holt</u>						
Corning Special Road Dist Holt Co	Special Road and Bridge	3,058,839	0.3568	0.3568	10,914	A 2017

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Holt</u>						
South Union Twsp Indpt Sp Rd Holt	Special Road and Bridge	2,086,279	0.3500	0.3500	7,302	2016
Village of Bigelow	General Revenue	401,725	0.7966	0.7966	3,200	
Village of Corning	General Revenue	143,213	0.3990	0.3900	559	
	Lights	143,213	0.2002	0.2000	286	
City of Craig	General Revenue	1,296,167	1.0000	1.0000	12,962	
	Motor Fuel	1,296,167	0.4000	0.4000	5,185	
	Lights	1,296,167	0.1553	0.1553	2,013 ^A	2017
	Debt Service	1,296,167	1.3689	1.3689	17,743	
City of Forest City	General Revenue	2,693,953	1.0000	1.0000	26,940	
	Police	2,693,953	0.3552	0.3552	9,569 ^A	2017
Village of Fortescue	General Revenue	325,290	0.6928	0.6928	2,254	
City of Maitland	General Revenue	2,149,276	0.9633	0.9633	20,704	
	Lights	2,149,276	0.3500	0.3500	7,522	
	Health	2,149,276	0.1500	0.1500	3,224	
	General Revenue-Temp	2,149,276	0.2442	0.2442	5,249	2016
City of Mound City	General Revenue	12,419,222	0.7628	0.7628	94,734	
	Parks & Recreation	12,419,222	0.2724	0.2724	33,830	
	Library	12,419,222	0.4080	0.4080	50,670	
	Health	12,419,222	0.1635	0.1635	20,305	
	Street Lights	12,419,222	0.3000	0.2800	34,774	2016
City of Oregon	General Revenue	7,215,389	1.0000	1.0000	72,154	
	Library	7,215,389	0.3895	0.3895	28,104	
	Health	7,215,389	0.1742	0.1742	12,569	
	Debt Service	7,215,389	0.5585	0.5585	40,298	
Village of Big Lake	General Revenue	5,312,052	0.2959	0.2959	15,718	
	Health	5,312,052	0.1313	0.1313	6,975	
	General Revenue-Temp	5,312,052	0.3000	0.3000	15,936	2016
Mound City Rural Fire Prot District	General Revenue	39,312,561	0.2151	0.2151	84,561	
Southern Fire Protection District	General Revenue	40,903,115	0.2193	0.2193	89,701	
Northwest Holt Co Fire Prot Dist	General Revenue	20,225,525	0.4264	0.4264	86,242	
Maitland Volunteer Fire Prot Dist	General Revenue	6,530,067	0.2989	0.2989	19,518	
Craig R-III School District	Operating Funds-Schools	24,591,512	4.7300	4.7300	1,163,179 ^E	
Mound City R-2 School District	Operating Funds-Schools	29,879,961	3.7407	3.7407	1,117,720 ^E	
	Operating Funds-Temp	29,872,081	0.4245	0.4245	126,807 ^A	2033
South Holt Co R-I School District	Operating Funds-Schools	31,347,399	3.7494	3.7494	1,175,339 ^E	
Holt County	General Revenue	121,474,044	0.4185	0.3375	409,975	
	Johnson Grass	121,474,044	0.0384	0.0384	46,646	
	Road & Bridge	121,474,044	0.4185	0.4185	508,369	
	Senior Services	121,474,044	0.0480	0.0480	58,308	
<u>Howard</u>						
Howard County Ambulance District	General Revenue	117,522,904	0.2987	0.2987	351,041	
Moniteau Creek Watershed Subdist	General Revenue	13,103,500	0.3200	0.3200	41,931	
Armstrong Spec Road Dist Howard Co	Special Road and Bridge	8,361,859	0.3628	0.3628	30,337	2016
Glasgow Spec Rd Dist #60 Howard Co	Special Road and Bridge	22,236,969	0.3542	0.3542	78,763	2016
City of Armstrong	General Revenue	1,627,111	0.8800	0.8800	14,319	
City of Fayette	General Revenue	17,049,554	0.5587	0.5587	95,256	
City of Franklin	General Revenue	510,680	1.0000	1.0000	5,107	
City of New Franklin	General Revenue	7,314,648	0.6211	0.6211	45,431	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Howard</u>						
City of Glasgow	General Revenue	11,057,093	0.5613	0.5613	62,063	
	Parks & Recreation	11,057,093	0.2640	0.2640	29,191	
	Library	11,057,093	0.2500	0.2500	27,643	
	Debt Service	11,057,093	0.2450	0.2450	27,090	
Howard County Library	General Revenue	106,998,806	0.1000	0.1000	106,999	
Howard Co Fire Protection District	General Revenue	66,914,716	0.3000	0.3000	200,744	
	Debt Service	66,914,716	0.1870	0.1363	91,205	
Armstrong Fire Protection District	General Revenue	15,212,209	0.2917	0.2917	44,374	
Glasgow Fire Protection District	General Revenue	32,550,688	0.2691	0.2691	87,594	
New Franklin R-I School District	Operating Funds-Schools	26,425,844	3.4206	3.4206	903,922	E
	Debt Service	26,425,844	0.5932	0.5932	156,758	
Fayette R-III School District	Operating Funds-Schools	49,508,266	3.5000	3.5000	1,732,789	E
	Debt Service	49,508,266	1.0807	0.7528	372,698	
Howard County R-II School District	Operating Funds-Schools	24,673,809	4.0245	4.0245	992,997	E
Howard County	General Revenue	117,522,904	0.4072	0.2675	314,374	
	Road & Bridge	86,924,076	0.3008	0.3008	261,468	
	Senate Bill 40	117,522,904	0.1000	0.1000	117,523	
<u>Howell</u>						
South Howell Co Ambulance District	General Revenue	322,264,341	0.1995	0.1995	642,917	
Willow Springs Ambulance District	General Revenue	75,860,782	0.2108	0.2108	159,915	
Mountain-View Summersville Amb Dist	General Revenue	76,982,379	0.1896	0.1896	145,959	
City of Mountain View	General Revenue	25,219,886	0.0000	0.0000	0	
	Library	25,219,886	0.0000	0.0000	0	
City of West Plains	General Revenue	149,956,630	0.2972	0.2972	445,671	
	Library	149,956,630	0.2000	0.2000	299,913	
City of Willow Springs	General Revenue	18,524,111	0.4892	0.4892	90,620	
	Library	18,524,111	0.1561	0.1561	28,916	
Howell County Rural Fire Dist #1	General Revenue	100,887,914	0.2676	0.2676	269,976	
Pomona Fire Protection District	General Revenue	23,068,319	0.3000	0.2974	68,605	
Brandsville Fire Protection Dist	General Revenue	9,277,626	0.2994	0.2994	27,777	
Pumpkin Center Fire Protection Dist	General Revenue	3,736,060	0.3050	0.3000	11,208	
Howell County Health Department	General Revenue	439,421,604	0.1000	0.0995	437,224	
Howell Valley R-I School District	Operating Funds-Schools	23,449,000	4.0333	4.0333	945,769	E
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	66,616,421	2.7308	2.7308	1,819,161	E
	Operating Funds-Temp	66,616,421	0.8607	0.8607	573,368	2028
Willow Springs R-IV School District	Operating Funds-Schools	68,517,014	2.7500	2.7500	1,884,218	E
Richards R-V School District	Operating Funds-Schools	39,392,650	2.7500	2.7500	1,083,298	F
West Plains R-VII School District	Operating Funds-Schools	153,924,960	3.6318	3.6318	5,590,247	E
Glenwood R-VIII School District	Operating Funds-Schools	26,383,520	3.0607	3.0427	802,771	E
Junction Hill C-12 School District	Operating Funds-Schools	17,306,220	2.8786	2.8786	498,177	E
	Operating Funds-Temp	17,306,220	0.5610	0.5610	97,088	A 2017
Fairview R-XI School District	Operating Funds-Schools	44,095,400	4.0767	3.5500	1,565,387	E
Howell County	General Revenue	443,633,604	0.2562	0.0000	0	
	Road & Bridge	443,633,604	0.2126	0.1287	570,956	
	Senate Bill 40	439,421,604	0.0575	0.0575	252,667	
<u>Iron</u>						
Iron County Ambulance District	General Revenue	211,326,798	0.1271	0.0000	0	
Road District #1	Road & Bridge	211,326,798	0.2559	0.2559	540,785	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Iron</u>						
City of Annapolis	General Revenue	11,958,732	0.5393	0.5393	64,493	
City of Arcadia	General Revenue	5,419,617	0.4522	0.4522	24,508	
Village of Des Arc	General Revenue	702,405	0.4016	0.3859	2,711	
City of Ironton	General Revenue	14,659,334	0.5216	0.5216	76,463	
	Parks & Recreation	14,659,334	0.1492	0.1492	21,872	
City of Pilot Knob	General Revenue	6,323,839	0.4033	0.4033	25,504	
City of Viburnum	General Revenue	8,742,213	0.9826	0.9826	85,901	
	Parks & Recreation	8,742,213	0.2260	0.2260	19,757	
	Solid Waste Landfill	8,742,213	0.0983	0.0983	8,594	
	Health	8,742,213	0.1965	0.1965	17,178	
Iron County Library District	General Revenue	211,326,798	0.0849	0.0849	179,416	
Quad County Fire Protection Dist	General Revenue	104,361,211	0.2854	0.2854	297,847	
Southern Iron County Fire Prot Dist	General Revenue	35,654,087	0.2376	0.2376	84,714	
Pilot Knob Fire Protection District	General Revenue	55,320,382	0.2760	0.2760	152,684	
Iron County Health Department	General Revenue	211,326,798	0.0849	0.0849	179,416	
South Iron Co R-I School District	Operating Funds-Schools	32,753,964	2.9697	2.9697	972,694	E
Arcadia Valley R-II School District	Operating Funds-Schools	48,247,140	2.7500	2.7500	1,326,796	F
	Debt Service	48,247,140	1.0687	0.6200	299,132	
Bellevue R-III School District	Operating Funds-Schools	10,995,360	2.7500	2.7500	302,372	E
Iron County C-4 School District	Operating Funds-Schools	99,369,143	2.7500	2.7500	2,732,651	E
Iron County	General Revenue	211,326,798	0.3600	0.2668	563,820	
	Senate Bill 40	211,326,798	0.0849	0.0849	179,416	
<u>Jackson</u>						
Public Water Sup Dist 17 Jackson Co	General Revenue	82,418,432	0.0593	0.0593	48,874	
City of Blue Springs	General Revenue	732,627,840	0.6027	0.5989	4,387,708	
	Debt Service	732,627,840	0.4177	0.1500	1,098,942	
City of Buckner	General Revenue	23,045,403	0.6440	0.6440	148,412	
City of Grain Valley	General Revenue	166,609,114	0.5685	0.5685	947,173	
	Parks & Recreation	166,609,114	0.1255	0.1255	209,094	
	Health	166,609,114	0.0500	0.0500	83,305	
	Debt Service	166,609,114	1.4476	0.9925	1,653,595	
City of Grandview	General Revenue	248,110,080	1.0000	1.0000	2,481,101	
	Parks & Recreation	248,110,080	0.1200	0.1200	297,732	
	Debt Service	248,110,080	0.3816	0.3800	942,818	
City of Greenwood	General Revenue	67,034,385	0.4537	0.4537	304,135	
	GR-Fire Temp	67,034,385	0.6158	0.6158	412,798	2015
	GR-Hydrant Temp	67,034,385	0.0197	0.0197	13,206	2015
	Debt Service	67,034,385	0.5027	0.5027	336,982	
City of Independence	General Revenue	1,018,025,803	0.5026	0.5026	5,116,598	
	Indep. Sq. Spec. Benefit	4,518,248	0.5610	0.5610	25,347	
	Public Health-Recreation	1,018,025,803	0.2367	0.2367	2,409,667	
City of Kansas City	General Revenue	6,868,477,663	0.7197	0.7197	49,432,434	
	Museum	6,868,477,663	0.0200	0.0200	1,373,696	
	Health	6,868,477,663	0.5000	0.5000	34,342,388	
	Health-Temp	6,868,477,663	0.2253	0.2200	15,110,651	A 2022
	Debt Service	6,868,477,663	1.0603	0.1400	9,615,869	
City of Lake Lotawana	General Revenue	67,966,424	0.4600	0.4600	312,646	
City of Lake Tapawingo	General Revenue	15,590,075	1.0000	1.0000	155,901	B

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Jackson						
City of Lake Tapawingo	General Revenue-Temp	15,590,075	0.3073	0.3000	46,770 ^A	2017
City of Levasy	General Revenue	729,097	0.9281	0.8286	6,041	
City of Lone Jack	General Revenue	16,952,129	0.7746	0.7641	129,531	
	Debt Service	16,952,129	1.0323	1.0323	174,997	
City of Oak Grove	General Revenue	85,666,221	0.6682	0.6656	570,194	
	Debt Service	85,666,221	1.2124	0.1985	170,047	
City of Raytown	General Revenue	296,515,992	0.3681	0.3681	1,091,475	
	Parks & Recreation	296,515,992	0.1838	0.1838	544,996	
Village of Sibley	General Revenue	3,454,105	0.4079	0.4079	14,089	
City of Sugar Creek	General Revenue	43,307,223	1.0000	1.0000	433,072	
	Health	43,307,223	0.1300	0.1300	56,299	
City of Lee's Summit	General Revenue	1,686,144,194	0.9349	0.9349	15,763,762	
	Parks & Recreation	1,686,144,194	0.1654	0.1654	2,788,882	
	Debt Service	1,686,144,194	0.5019	0.4697	7,919,819	
Village of River Bend	General Revenue	2,271,708	0.5000	0.4271	9,702	
Mid Continent Public Library	General Revenue	11,717,204,781	0.3200	0.3200	37,495,055	
Kansas City Public Library	General Revenue	3,061,261,284	0.5000	0.5000	15,306,306	
Central Jackson Co Fire Prot Dist	General Revenue	948,426,487	1.0981	0.9178	8,704,658	
	Ambulance	948,426,487	0.1028	0.1028	974,982 ^B	
	Dispatch	948,426,487	0.0201	0.0201	190,634	
	Debt Service	948,426,487	0.1622	0.1200	1,138,112	
Lone Jack Community Fire Prot Dist	General Revenue	78,067,781	0.8482	0.8482	662,171	
	Ambulance	78,067,781	0.3000	0.3000	234,203	
Prairie Township Fire Prot District	General Revenue	113,930,802	0.7400	0.7400	843,088	
	Ambulance	113,930,802	0.3000	0.3000	341,792	
Raytown Fire Protection District	General Revenue	295,109,006	0.7800	0.7800	2,301,850	
	Pension	295,109,006	0.0500	0.0500	147,555	
	Debt Service	295,109,006	0.2109	0.2000	590,218	
Lotawana Fire Protection District	General Revenue	83,018,051	0.5039	0.5026	417,249	
	Ambulance	83,018,051	0.2392	0.2386	198,081	
	Debt Service	83,018,051	0.0906	0.0906	75,214	
Fort Osage Fire Protection District	General Revenue	168,746,280	0.8630	0.8630	1,456,280	
	Ambulance	168,746,280	0.4994	0.4994	842,719	
	Dispatch	168,746,280	0.0300	0.0300	50,624	
	Debt Service	168,746,280	0.4183	0.2800	472,490	
Inter City Fire Protection District	General Revenue	11,789,177	0.5852	0.2912	34,330	
	Ambulance	11,789,177	0.3088	0.3088	36,405	
	Ambulance/EMS	11,789,177	0.4118	0.4118	48,548	
	Debt Service	11,789,177	0.2842	0.2842	33,505	
Jackson County Health Department	General Revenue	9,218,865,263	0.2331	0.1493	13,763,766	
Metropolitan Community College Dist	General Revenue	12,668,995,434	0.2374	0.2374	30,076,195	
Fort Osage R-I School District	Operating Funds-Schools	256,106,755	4.5498	4.5498	11,652,345 ^E	
	Debt Service	256,106,755	2.4092	1.1500	2,945,228	
Blue Springs R-IV School District	Operating Funds-Schools	1,222,331,628	5.1340	4.6715	57,101,222	
	Debt Service	1,222,331,628	1.9591	1.0571	12,921,268	
Grain Valley R-V School District	Operating Funds-Schools	256,128,432	3.9244	3.9244	10,051,504 ^E	
	Debt Service	256,128,432	2.8290	1.5933	4,080,894	
Oak Grove R-VI School District	Operating Funds-Schools	119,571,905	3.8572	3.8572	4,612,128 ^E	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Jackson						
Oak Grove R-VI School District	Debt Service	119,571,905	1.3533	1.2900	1,542,478	
Lee's Summit R-VII School District	Operating Funds-Schools	1,670,461,658	5.2634	5.0492	84,344,950	F
	Debt Service	1,670,461,658	1.8089	1.0700	17,873,940	
Hickman Mills C-1 School District	Operating Funds-Schools	332,604,283	5.4717	5.4717	18,199,109	E
	Debt Service	332,604,283	1.4912	0.9500	3,159,741	
Raytown C-2 School District	Operating Funds-Schools	603,697,214	5.1500	5.1500	31,090,407	E
	Debt Service	603,697,214	1.8550	1.1700	7,063,257	
Grandview C-4 School District	Operating Funds-Schools	402,355,290	5.0936	5.0936	20,494,369	E
	Debt Service	402,355,290	1.1337	0.8000	3,218,842	
Lone Jack C-6 School District	Operating Funds-Schools	48,841,776	4.1580	4.1231	2,013,795	E
	Debt Service	48,841,776	1.4291	1.3875	677,680	
Independence 30 School District	Operating Funds-Schools	909,788,439	4.4300	4.4300	40,303,628	E
	Debt Service	909,788,439	2.5027	1.2700	11,554,313	
Kansas City 33 School District	Operating Funds-Schools	2,735,470,548	3.3979	3.0785	84,211,461	G
	Article X, Section 11 g	2,735,470,548	1.8715	1.8715	51,194,331	2014
Center 58 School District	Operating Funds-Schools	368,496,904	5.9330	5.9330	21,862,921	E
	Debt Service	368,496,904	1.0832	0.9300	3,427,021	
Jackson County	General Revenue	9,218,865,263	0.2727	0.1414	13,035,475	
	Parks & Recreation	9,218,865,263	0.1457	0.0871	8,029,632	
	Road & Bridge	9,218,865,263	0.2056	0.1363	12,565,313	
	Developmentally Disabled	9,218,865,263	0.0758	0.0753	6,941,806	
	Mental Health	9,218,865,263	0.1234	0.1223	11,274,672	
Jasper						
Carl Junction Sp Rd Dist Jasper Co	Road & Bridge	65,643,596	0.3017	0.3017	198,047	
Carthage Spec Road Dist Jasper Co	Road & Bridge	322,660,036	0.2402	0.2402	775,029	
La Russell Spec Road Dist Jasper Co	Road & Bridge	8,054,771	0.3496	0.3496	28,159	
Joplin Road Dist Newton & Jasper Co	Road & Bridge	1,144,735,948	0.2216	0.2216	2,536,735	
City of Alba	General Revenue	3,634,330	0.6363	0.6363	23,125	
	Parks & Recreation	3,634,330	0.1678	0.1678	6,098	
City of Asbury	General Revenue	2,013,196	0.9992	0.5000	10,066	
Village of Avilla	General Revenue	939,218	0.1839	0.1839	1,727	
City of Carl Junction	General Revenue	81,846,346	0.4823	0.4823	394,745	
	Debt Service	81,846,346	0.4043	0.4043	330,905	
City of Cartersville	General Revenue	9,597,628	0.6362	0.6362	61,060	
	Debt Service	9,597,628	1.1885	1.1885	114,068	
City of Carthage	General Revenue	116,817,383	0.3535	0.3535	412,949	
	Parks & Recreation	116,817,383	0.1525	0.1525	178,147	
	Library	116,817,383	0.1765	0.1765	206,183	
	Health	116,817,383	0.0804	0.0804	93,921	
City of Duenweg	General Revenue	9,183,929	0.7303	0.7303	67,070	
City of Jasper	General Revenue	7,010,813	0.7569	0.7569	53,065	
City of La Russell	General Revenue	809,149	0.0000	0.0000	0	
City of Neck City	General Revenue	1,052,601	0.2593	0.2593	2,729	
City of Oronogo	General Revenue	20,809,440	0.2728	0.2728	56,768	
	Streets	20,809,440	0.1302	0.1302	27,094	
City of Purcell	General Revenue	2,387,819	0.3344	0.3344	7,985	
Village of Reeds	General Revenue	740,942	0.1710	0.1710	1,267	
City of Sarcoxie	General Revenue	10,015,934	0.5692	0.5692	57,011	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Jasper</u>						
City of Sarcoxie	Parks & Recreation	10,015,934	0.1088	0.1088	10,897	
	Health	10,015,934	0.0000	0.0000	0	
City of Waco	General Revenue	607,688	0.2460	0.2460	1,495	
City of Webb City	General Revenue	98,311,562	0.3787	0.3787	372,306	
	Parks & Recreation	98,311,562	0.0859	0.0859	84,450	
	Library	98,311,562	0.2550	0.2550	250,694	
City of Joplin	Parks & Recreation	564,817,495	0.0576	0.0576	325,335	
	Library	494,298,535	0.2545	0.2545	1,257,990	
	Health	564,817,495	0.0576	0.0576	325,335	
	Garbage	564,817,495	0.0576	0.0576	325,335	
Carthage Fire Protection District	General Revenue	153,097,328	0.2700	0.2700	413,363	
Duenweg Fire Protection District	General Revenue	99,548,871	0.2964	0.2964	295,063	
Carl Junction Fire Protection Dist	General Revenue	212,846,100	0.2511	0.2511	534,457	
Oronogo Fire Protection District	General Revenue	47,039,444	0.2653	0.2653	124,796	
Central Jasper Co Fire Prot Dist	General Revenue	27,590,878	0.2859	0.2859	78,882	
Tri-Cities Fire Protection District	Fire	28,433,097	0.3154	0.3154	89,678	
Asbury Fire Protection District	General Revenue	44,846,140	0.2769	0.2769	124,179	
Carl Junction R-I School District	Operating Funds-Schools	260,260,548	3.0005	3.0000	7,807,816	E
	Debt Service	260,260,548	0.8940	0.8900	2,316,319	
Avilla R-XIII School District	Operating Funds-Schools	19,208,565	3.5800	3.5800	687,667	E
Jasper County R-V School District	Operating Funds-Schools	37,988,686	3.4503	3.2100	1,219,437	F
Sarcoxie R-II School District	Operating Funds-Schools	34,423,913	2.7500	2.7500	946,658	F
	Debt Service	34,423,913	0.5560	0.5500	189,332	
Carthage R-IX School District	Operating Funds-Schools	302,385,665	2.8517	2.7500	8,315,606	F
	Debt Service	302,385,665	2.3813	0.8300	2,509,801	
Webb City R-VII School District	Operating Funds-Schools	230,164,326	2.7500	2.7500	6,329,519	E
	Debt Service	230,164,326	1.0725	0.6800	1,565,117	
Joplin R-VIII School District	Operating Funds-Schools	862,240,442	3.0501	3.0501	26,299,196	E
	Debt Service	862,240,442	1.4104	0.6099	5,258,804	
Jasper County	General Revenue	1,614,477,900	0.3068	0.1064	1,717,804	
	Common Road District	411,258,833	0.2027	0.2027	833,622	
	Mental Health	1,614,477,900	0.0836	0.0836	1,349,704	
	Senate Bill 40	1,614,477,900	0.0836	0.0836	1,349,704	
<u>Jefferson</u>						
Big River Ambulance District	General Revenue	275,493,908	0.4100	0.3197	880,754	
Joachim-Plattin Ambulance District	General Revenue	790,625,085	0.3300	0.1611	1,273,697	
North Jefferson Co Ambulance Dist	General Revenue	339,007,854	0.4932	0.4932	1,671,987	
	Pension	339,007,854	0.0498	0.0498	168,826	
Valle Ambulance District	General Revenue	365,889,780	0.4562	0.4562	1,669,189	
Rock Township Ambulance District	General Revenue	1,114,241,650	0.2100	0.2100	2,339,907	
Festus Spec Road Dist Jefferson Co	Road & Bridge	481,581,782	0.1837	0.1837	884,666	
Hillsboro Spec Rd Dist Jefferson Co	Road & Bridge	24,934,945	0.1994	0.1994	49,720	
City of Arnold	General Revenue	272,806,845	0.4012	0.4012	1,094,501	
Village of Cedar Hill Lakes	General Revenue	1,972,447	0.4875	0.4875	9,616	
City of Crystal City	General Revenue	74,539,595	0.5131	0.5131	382,463	
	Parks & Recreation	74,539,595	0.1355	0.1355	101,001	
	Library	74,539,595	0.1355	0.1355	101,001	
City of De Soto	General Revenue	64,809,536	0.4478	0.4478	290,217	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Jefferson</u>						
City of De Soto	Parks & Recreation	64,809,536	0.1142	0.1142	74,012	
	Library	64,809,536	0.1906	0.1906	123,527	
City of Festus	General Revenue	156,074,694	0.3733	0.3733	582,627	B
	Parks & Recreation	156,074,694	0.1136	0.1136	177,301	
	Library	156,074,694	0.1136	0.1136	177,301	
	Health	156,074,694	0.0825	0.0825	128,762	
City of Herculaneum	General Revenue	66,527,906	0.7322	0.7322	487,117	
City of Hillsboro	General Revenue	33,820,475	0.4664	0.4664	157,739	
	Parks & Recreation	33,820,475	0.0836	0.0836	28,274	
City of Kimmswick	General Revenue	2,176,131	0.0000	0.0000	0	
City of Olympian Village	General Revenue	4,155,005	0.2550	0.2550	10,595	
	Road	4,155,005	0.1325	0.1325	5,505	
Village of Parkdale	General Revenue	1,435,510	0.0999	0.0999	1,434	
City of Pevely	General Revenue	91,258,493	0.8982	0.8812	804,170	
Village of Scotsdale	General Revenue	2,969,194	0.3343	0.3343	9,926	
City of Byrnes Mill	General Revenue	36,023,907	0.4112	0.4099	147,662	
Village of Lake Tekakwitha	General Revenue	1,748,060	0.5000	0.5000	8,740	
Northwest Library Subdistrict	General Revenue	577,175,029	0.1927	0.1927	1,112,216	
Windsor-Fox Library Subdistrict	General Revenue	1,092,138,263	0.1775	0.1775	1,938,545	
Antonia Fire Protection District	General Revenue	190,857,493	1.0796	1.0062	1,920,408	
	Pension	190,857,493	0.0461	0.0461	87,985	
	Dispatch	190,857,493	0.0275	0.0275	52,486	
	Debt Service	190,857,493	0.0509	0.0000	0	
Cedar Hill Fire Protection District	General Revenue	159,456,412	0.8355	0.8355	1,332,258	
	Pension	159,456,412	0.0476	0.0476	75,901	
Dunklin Fire Protection District	General Revenue	154,407,464	0.6675	0.6675	1,030,670	
	Pension	154,407,464	0.0500	0.0500	77,204	
Goldman Fire Protection District	General Revenue	58,024,354	0.8903	0.8903	516,591	
	Dispatch	58,024,354	0.0482	0.0482	27,968	
Hematite Fire Protection District	General Revenue	68,262,788	0.4853	0.4853	331,279	
High Ridge Fire Protection District	General Revenue	403,744,234	0.7913	0.6114	2,468,492	
	Pension	403,744,234	0.0764	0.0764	308,461	
	Dispatch	403,744,234	0.0477	0.0477	192,586	
	Debt Service	403,744,234	0.0968	0.0946	381,942	
Hillsboro Fire Protection District	General Revenue	122,653,328	0.6481	0.6481	794,916	
Jefferson R7 Fire Protection Dist	General Revenue	183,534,650	0.5989	0.5989	1,099,189	B
	Fire-Temporary	183,534,650	0.0500	0.0500	91,767	
Rock Community Fire Protection Dist	General Revenue	712,032,232	0.7955	0.5644	4,018,710	2014
	Pension	712,032,232	0.0948	0.0948	675,007	
	Communications	712,032,232	0.0468	0.0468	333,231	
	Debt Service	712,032,232	0.0966	0.0966	687,823	
De Soto Rural Fire Protection Dist	General Revenue	191,808,839	0.6634	0.6634	1,272,460	
Mapaville Fire Protection District	General Revenue	50,915,893	0.5136	0.5136	261,504	
Saline Valley Fire Protection Dist	General Revenue	225,468,799	1.2100	1.2100	2,728,172	
	Pension	225,468,799	0.0900	0.0900	202,922	
	Dispatch	225,468,799	0.0400	0.0400	90,188	
Jefferson County Health Department	General Revenue	2,975,255,386	0.0758	0.0758	2,255,244	
Jefferson College	General Revenue	2,910,649,713	0.3436	0.3436	10,000,992	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Jefferson</u>						
Northwest R-I School District	Operating Funds-Schools	543,503,698	4.0109	4.0109	21,799,390	E
	Debt Service	543,503,698	0.5995	0.5995	3,258,305	
Grandview R-II School District	Operating Funds-Schools	49,660,977	3.2964	3.2964	1,637,024	E
	Debt Service	49,660,977	1.9773	1.5120	750,874	
Hillsboro R-III School District	Operating Funds-Schools	240,953,215	3.8049	3.8049	9,168,029	E
	Debt Service	240,953,215	1.1114	0.9493	2,287,369	
Dunklin R-V School District	Operating Funds-Schools	148,369,291	4.0765	4.0765	6,048,274	E
	Debt Service	148,369,291	1.0306	0.6700	994,074	
Festus R-VI School District	Operating Funds-Schools	240,084,062	2.7500	2.7500	6,602,312	E
	Debt Service	240,084,062	1.0021	0.9900	2,376,832	
Jefferson Co R-VII School District	Operating Funds-Schools	178,823,766	3.8221	3.8203	6,831,604	E
	Debt Service	178,823,766	0.7812	0.7764	1,388,388	
Sunrise R-IX School District	Operating Funds-Schools	33,436,786	3.4545	3.4545	1,155,074	E
	Debt Service	33,436,786	0.8109	0.6300	210,652	
Windsor C-1 School District	Operating Funds-Schools	205,906,891	3.5777	3.5777	7,366,731	E
	Debt Service	205,906,891	1.4343	1.2652	2,605,134	
Fox C-6 School District	Operating Funds-Schools	843,547,229	4.3280	4.3280	36,508,724	E
	Debt Service	843,547,229	0.2548	0.2548	2,149,358	
Crystal City 47 School District	Operating Funds-Schools	57,015,369	3.9940	3.9416	2,247,318	E
	Debt Service	57,015,369	1.1488	0.8000	456,123	
DeSoto 73 School District	Operating Funds-Schools	179,141,013	3.4981	3.4981	6,266,532	E
	Debt Service	179,141,013	0.8807	0.8707	1,559,781	
Jefferson County	General Revenue	2,975,255,386	0.1897	0.0238	708,111	
	Parks & Recreation	2,975,255,386	0.0283	0.0283	841,997	
	Road & Bridge	2,468,709,836	0.2136	0.2136	5,273,164	
	Developmentally Disabled	2,975,255,386	0.0948	0.0948	2,820,542	
	Mental Health	2,975,255,386	0.0948	0.0948	2,820,542	
<u>Johnson</u>						
Johnson County Ambulance District	General Revenue	585,154,224	0.3000	0.3000	1,755,463	
Western Missouri Medical Center	General Revenue	591,591,068	0.1503	0.1497	885,612	
South Fork of Blackwater Watershed	General Revenue	39,345,842	0.1000	0.1000	39,346	
City of Centerview	General Revenue	1,311,791	0.9000	0.9000	11,806	
City of Chilhowee	General Revenue	1,525,326	0.9970	0.9970	15,208	
City of Holden	General Revenue	18,266,773	0.7377	0.7376	134,736	
	Debt Service	18,266,773	0.1905	0.1186	21,664	
City of Kingsville	General Revenue	4,366,042	0.7500	0.7500	32,745	
City of Knob Noster	General Revenue	22,447,403	0.6796	0.6796	152,553	
	Fire	22,447,403	0.3043	0.3000	67,342	2016
City of Leeton	General Revenue	3,356,606	0.8957	0.8957	30,065	
City of Warrensburg	General Revenue	203,331,513	0.3608	0.3608	733,620	
	Parks & Recreation	203,331,513	0.1960	0.1960	398,530	
Trails Consolidated Library	General Revenue	982,068,043	0.2638	0.2638	2,590,695	
Fire District #2 of Johnson County	General Revenue	122,862,684	0.3650	0.3650	448,449	
Johnson County Fire Protection Dist	General Revenue	217,606,225	0.3590	0.3590	781,206	
	Debt Service	217,606,225	0.1826	0.1800	391,691	
Johnson County Community Health	General Revenue	591,591,068	0.1000	0.1000	591,591	
Kingsville R-I School District	Operating Funds-Schools	23,503,463	3.7500	3.7500	881,380	E
	Debt Service	23,503,463	1.1589	1.0662	250,594	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Johnson</u>						
Holden R-III School District	Operating Funds-Schools	98,931,724	3.7500	3.7500	3,709,940	E
	Debt Service	98,931,724	0.9683	0.8400	831,026	
Chilhowee R-IV School District	Operating Funds-Schools	9,408,135	5.6500	5.6500	531,560	E
Johnson Co R-VII School District	Operating Funds-Schools	44,582,370	3.5592	3.5592	1,586,776	E
	Debt Service	44,582,370	1.2032	1.0000	445,824	
Knob Noster R-VIII School District	Operating Funds-Schools	59,533,312	3.5804	3.5000	2,083,666	E
Leeton R-X School District	Operating Funds-Schools	15,757,856	4.0610	4.0610	639,927	E
	Debt Service	15,757,856	1.2009	0.8600	135,518	
Warrensburg R-VI School District	Operating Funds-Schools	270,678,605	4.6765	4.6765	12,658,285	BE
	Debt Service	270,678,605	0.7486	0.7200	1,948,886	
Johnson County	General Revenue	591,591,068	0.3314	0.1300	769,068	
	Road & Bridge	591,591,068	0.2444	0.2434	1,439,933	
	Senate Bill 40	591,591,068	0.1200	0.1200	709,909	
<u>Knox</u>						
Knox County Ambulance District	General Revenue	76,269,882	0.3442	0.3442	262,521	
	Dispatch	76,269,882	0.0295	0.0295	22,500	
Knox County Nursing Home District	General Revenue	75,271,233	0.2971	0.2971	223,631	
City of Baring	General Revenue	921,189	0.9187	0.9187	8,463	
City of Edina	General Revenue	10,292,248	0.7500	0.7500	77,192	
	Lights	10,292,248	0.1474	0.1474	15,171	
City of Hurdland	General Revenue	840,150	0.8597	0.8597	7,223	
	Fire	840,150	0.3180	0.3180	2,672	
City of Knox City	General Revenue	1,296,687	1.0000	1.0000	12,967	
	Streets	1,296,687	0.2500	0.2500	3,242	2015
Village of Newark	General Revenue	575,430	0.5492	0.5492	3,160	
Village of Novelty	General Revenue	721,007	1.0000	1.0000	7,210	
	Streets	721,007	0.2576	0.2576	1,857	2015
Knox County Library	General Revenue	76,269,882	0.0983	0.0983	74,973	
Knox County Health Department	General Revenue	76,269,882	0.0983	0.0983	74,973	
Knox County R-I School District	Operating Funds-Schools	64,335,307	3.6378	3.6045	2,318,966	E
	Debt Service	64,335,307	0.2213	0.2000	128,671	
Knox County	General Revenue	76,269,882	0.4281	0.2456	187,319	
	Road & Bridge	76,269,882	0.3105	0.3105	236,818	
	Special Road and Bridge	76,269,882	0.3546	0.3546	270,453	A 2017
<u>Laclede</u>						
Lebanon Spec Rd Dist #1 Laclede Co	Rd & Bridge (County)	258,185,614	0.3299	0.3299	851,754	
	Special Road and Bridge	258,653,953	0.2035	0.2035	526,361	A 2017
Phillipsburg Spec Rd #3 Laclede Co	Road & Bridge	15,608,694	0.2660	0.2660	41,519	
	Special Road and Bridge	15,608,694	0.2547	0.2547	39,755	A 2017
Laclede County Road District	Road & Bridge	119,430,255	0.2450	0.0000	0	
Conway Spec Road Dist #2 Laclede Co	Road & Bridge	11,752,160	0.2393	0.2393	28,123	
	Special Road and Bridge	11,752,160	0.3551	0.3551	41,732	2015
City of Conway	General Revenue	4,694,335	0.0000	0.0000	0	
City of Lebanon	General Revenue	197,323,912	0.2569	0.2569	506,925	
	Parks & Recreation	197,323,912	0.2569	0.2569	506,925	
Village of Phillipsburg	General Revenue	1,282,584	0.4801	0.4801	6,158	
Village of Evergreen	Building Maint.	1,080,487	0.3177	0.3177	3,433	A 2017
	Fire Equipment Maint.	1,080,487	0.3177	0.3177	3,433	A 2017

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Laclede</u>						
Village of Evergreen	Fire Truck #1 Maint.	1,080,487	0.3177	0.3177	3,433 ^A	2017
	Fire Truck #2 Maint.	1,080,487	0.3165	0.3165	3,420 ^A	2017
	Police Vehicle #1 Maint.	1,080,487	0.3177	0.3177	3,433 ^A	2017
	Police Vehicle #2 Maint.	1,080,487	0.3177	0.3177	3,433 ^A	2017
Lebanon-Laclede County Library	General Revenue	405,155,192	0.1354	0.1354	548,580	
Lebanon Rural Fire Protection Dist	General Revenue	108,609,807	0.1881	0.1881	204,295	
Bennett Spring Fire Protection Dist	General Revenue	10,179,117	0.3000	0.3000	30,537	
Competition Fire Protection Dist	General Revenue	10,108,080	0.3000	0.3000	30,324	
Nebo-Falcon Fire Protection Dist	General Revenue	11,009,232	0.3000	0.3000	33,028	
Lebanon Special Business District	General Revenue	3,754,230	0.6958	0.6958	26,122	
Laclede County Health Department	General Revenue	405,155,192	0.1000	0.1000	405,155	
Laclede County R-I School District	Operating Funds-Schools	34,870,993	2.7500	2.7500	958,952 ^F	
Gasconade C-4 School District	Operating Funds-Schools	8,710,787	3.7042	3.7042	322,665 ^E	
Lebanon R-III School District	Operating Funds-Schools	298,681,271	2.7500	2.7500	8,213,735 ^F	
	Debt Service	298,681,271	1.0358	0.8400	2,508,923	
Laclede County C-5 School District	Operating Funds-Schools	28,745,193	3.2982	3.2982	948,074 ^E	
Laclede County	General Revenue	405,155,192	0.3022	0.1295	524,676	
	Senate Bill 40	405,155,192	0.0675	0.0675	273,480	
	Senate Bill 40-LEEP	405,155,192	0.0657	0.0657	266,187	
<u>Lafayette</u>						
Little Sni A Bar Watershed Subdist	General Revenue	6,558,889	0.0892	0.0892	5,851	
Tabo Creek Watershed Subdistrict	General Revenue	15,761,942	0.0776	0.0776	12,231	
Wellington Napoleon Subdistrict	General Revenue	4,326,330	0.0928	0.0928	4,015	
Alma Spec Road Dist Lafayette Co	Special Road and Bridge	13,633,169	0.3001	0.3000	40,900	2016
Corder Spec Road Dist Lafayette Co	Special Road and Bridge	11,793,346	0.3533	0.3533	41,666	2016
Concordia Spec Rd Dist Lafayette Co	Special Road and Bridge	60,890,553	0.3328	0.3300	200,939	2016
Dover Spec Road Dist Lafayette Co	Special Road and Bridge	10,918,107	0.3312	0.3312	36,161	2015
Higginsville Road Dist Lafayette Co	Special Road and Bridge	58,299,349	0.3630	0.3630	211,627	2015
Mayview Spec Road Dist Lafayette Co	Special Road and Bridge	13,324,275	0.3500	0.3500	46,635 ^A	2017
Odessa Spec Road Dist Lafayette Co	Special Road and Bridge	100,970,128	0.2462	0.2462	248,588	2014
Waverly Spec Road Dist Lafayette Co	Special Road and Bridge	19,034,763	0.2769	0.2769	52,707	2014
Wellington Napoleon Rd Lafayette Co	Special Road and Bridge	27,863,976	0.3516	0.3516	97,970 ^A	2017
City of Alma	General Revenue	4,139,139	0.5326	0.5234	21,664	
	Streets	4,139,139	0.3563	0.3563	14,748	2016
	General Revenue-Temp	4,139,139	0.3095	0.3000	12,417 ^A	2017
Village of Aullville	General Revenue	623,967	0.4847	0.4847	3,024	
City of Bates City	General Revenue	4,603,961	0.3122	0.3122	14,374	
City of Concordia	General Revenue	26,373,836	0.5541	0.5541	146,137	
City of Corder	General Revenue	2,729,353	0.6080	0.6080	16,594	
	Parks & Recreation	2,729,353	0.1497	0.1497	4,086	
City of Higginsville	General Revenue	41,070,178	0.4560	0.4560	187,280	
	Parks & Recreation	41,070,178	0.3766	0.3766	154,670	
	Library	32,637,026	0.1900	0.1900	62,010	
City of Lexington	General Revenue	40,291,832	0.5773	0.5773	232,605	
	Parks & Recreation	40,291,832	0.2932	0.2932	118,136	
	Health	40,291,832	0.1565	0.1565	63,057	
City of Mayview	General Revenue	1,416,816	0.7105	0.7105	10,066	
City of Napoleon	General Revenue	2,310,396	0.8131	0.8131	18,786	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lafayette</u>						
City of Odessa	General Revenue	49,231,744	0.5850	0.5850	288,006	
	Parks & Recreation	49,231,744	0.1545	0.1545	76,063	
City of Waverly	General Revenue	7,336,047	0.5534	0.5534	40,598	
	Streets	7,336,047	0.2234	0.2234	16,389	
City of Wellington	General Revenue	6,144,948	0.5220	0.5220	32,077	
City of Lake Lafayette	General Revenue	1,775,853	1.0000	1.0000	17,759	
	Streets	1,479,042	0.3064	0.3000	4,437 ^B	
Corder Fire Protection District	General Revenue	19,254,534	0.2894	0.2894	55,723	
Sni Valley Fire Protection District	General Revenue	167,637,250	0.5214	0.5214	874,061	
	Dispatch	167,637,250	0.0300	0.0300	50,291	
	Fire and Ambulance	167,637,250	0.1500	0.1500	251,456	
	Debt Service	167,637,250	0.1648	0.1648	276,266	
Concordia Fire Protection District	General Revenue	71,042,740	0.3000	0.3000	213,128	
Alma Fire Protection District	General Revenue	17,712,347	0.4268	0.4268	75,596	
Wellington-Napoleon Fire Prot Dist	General Revenue	30,046,404	0.2625	0.2625	78,872	
	Ambulance	30,046,404	0.3470	0.3470	104,261	
Odessa Fire Protection District	General Revenue	96,862,770	0.4700	0.4700	455,255	
Mayview Fire Protection District	General Revenue	12,782,215	0.2968	0.2968	37,938	2016
Wellington-Napoleon R-IX Reg Rec Ds	Parks & Recreation	25,539,397	0.2000	0.2000	51,079	
Lafayette County Health Department	General Revenue	423,114,000	0.0759	0.0759	321,144	
Concordia R-II School District	Operating Funds-Schools	63,689,232	3.9728	3.9728	2,530,246 ^E	
	Debt Service	63,689,232	0.4108	0.4100	261,126	
Lafayette Co C-1 School District	Operating Funds-Schools	69,020,680	3.8594	3.8594	2,663,784 ^E	
	Debt Service	69,020,680	1.7113	1.0000	690,207	
Odessa R-VII School District	Operating Funds-Schools	123,024,617	3.8817	3.8317	4,713,934 ^E	
	Debt Service	123,024,617	1.4773	1.1512	1,416,259	
Santa Fe R-X School District	Operating Funds-Schools	34,235,938	4.4630	4.4630	1,527,950 ^E	
	Debt Service	34,235,938	0.5790	0.5000	171,180	
Wellington-Napoleon R-IX Sch Dist	Operating Funds-Schools	25,548,088	3.8075	3.8075	972,743 ^E	
	Debt Service	25,548,088	0.9923	0.8351	213,352	
Lexington R-V School District	Operating Funds-Schools	52,998,860	4.5015	4.5015	2,385,744 ^E	
	Debt Service	52,998,860	2.7529	0.9300	492,889	
Lafayette County	General Revenue	423,114,000	0.3038	0.1850	782,761	
	Road & Bridge	423,114,000	0.2278	0.2278	963,854	
	Senate Bill 40	423,114,000	0.0666	0.0666	281,794	
	2-W Common Road District	32,876,676	0.3413	0.3413	112,208	2016
	I-E Common Road Dist	14,378,122	0.3740	0.3740	53,774	2015
	Noxious Weed	423,114,000	0.1579	0.0120	50,774 ^A	
<u>Lawrence</u>						
Mt Vernon Ambulance District	General Revenue	152,190,672	0.1459	0.1459	222,046	
Lawrence County Nursing Home Dist	General Revenue	427,639,553	0.1098	0.1098	469,548	
Aurora Spec Road Dist Lawrence Co	Special Road and Bridge	103,333,446	0.1738	0.1738	179,594	2016
Buck Prairie Sp Rd Dist Lawrence Co	Special Road and Bridge	37,310,688	0.3130	0.3130	116,782 ^A	2017
Freistatt Spec Rd Dist Lawrence Co	Special Road and Bridge	8,263,737	0.3538	0.3538	29,237	2014
Green Benefit Spec Rd Lawrence Co	Special Road and Bridge	7,518,066	0.2166	0.2166	16,284	2016
Midway Benefit Spec Rd Lawrence Co	Special Road and Bridge	2,512,015	0.2513	0.2400	6,029 ^A	2017
Miller Benefit Spec Rd Lawrence Co	Special Road and Bridge	20,714,523	0.1900	0.1900	39,358 ^A	2017
Mt Pleasant Benefit SRD Lawrence Co	Special Road and Bridge	4,307,136	0.2054	0.2000	8,614 ^A	2017

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lawrence</u>						
Mt Vernon Benefit Sp Rd Lawrence Co	Special Road and Bridge	95,493,914	0.1627	0.1627	155,369 ^A	2017
Pierce Benefit SRD Lawrence County	Special Road and Bridge	26,522,603	0.1899	0.1899	50,366	2016
Red Oak Benefit Spec Rd Lawrence Co	Special Road and Bridge	4,941,901	0.2003	0.2000	9,884 ^A	2017
Verona Benefit SRD Lawrence County	Special Road and Bridge	28,697,754	0.1923	0.1923	55,186 ^A	2017
Vineyard Benefit Sp Rd Lawrence Co	Special Road and Bridge	4,388,532	0.2200	0.2200	9,655	2016
City of Aurora	General Revenue	74,134,223	0.3781	0.3781	280,301	
	Parks & Recreation	74,134,223	0.1471	0.1471	109,051	
Village of Freistatt	General Revenue	1,218,918	0.2581	0.2581	3,146	
City of Marionville	General Revenue	16,238,885	0.6002	0.6002	97,466	
City of Miller	General Revenue	4,549,230	1.0000	1.0000	45,492	
City of Pierce City	General Revenue	9,903,642	0.4670	0.4670	46,250	
	Parks & Recreation	9,903,642	0.1192	0.1192	11,805	
City of Stotts City	General Revenue	1,005,403	0.5037	0.5037	5,064	
City of Verona	General Revenue	7,910,811	0.7820	0.7820	61,863	
Aurora Rural Fire Protection Dist	General Revenue	50,482,430	0.3067	0.3067	154,830	
Pierce City Fire Protection Dist	General Revenue	36,475,716	0.3063	0.3000	109,427	
Miller Rural Fire Protection Dist	General Revenue	24,868,893	0.1725	0.1725	42,899 ^A	
Miller R-II School District	Operating Funds-Schools	44,022,046	3.7500	3.5000	1,540,772 ^E	
	Operating Funds-Temp	44,022,046	0.0000	0.0000	0	2026
	Debt Service	44,022,046	0.6849	0.6600	290,546	
Pierce City R-VI School District	Operating Funds-Schools	38,052,999	2.7500	2.7500	1,046,457 ^F	
	Debt Service	38,052,999	1.0786	0.7900	300,619	
Marionville R-IX School District	Operating Funds-Schools	36,869,949	3.0119	2.7500	1,013,924 ^F	
	Debt Service	36,869,949	1.0275	0.9800	361,326	
Mt. Vernon R-V School District	Operating Funds-Schools	103,577,993	2.8984	2.7500	2,848,395 ^E	
	Debt Service	103,577,993	0.8199	0.5700	590,395	
Aurora R-VIII School District	Operating Funds-Schools	109,660,174	2.3442	2.3442	2,570,654 ^F	
	Operating Funds-Temp	109,660,174	0.4058	0.4058	445,001	2024
	Debt Service	109,660,174	1.2056	1.0500	1,151,432	
Verona R-VII School District	Operating Funds-Schools	24,603,178	3.0810	3.0000	738,095 ^E	
	Debt Service	24,603,178	1.4202	0.9500	233,730	
Lawrence County	General Revenue	427,639,553	0.2900	0.1315	562,346	
	Road & Bridge	427,639,553	0.0706	0.0706	301,914	
	Developmentally Disabled	427,639,553	0.0897	0.0897	383,593	
	Senior Services	427,639,553	0.0493	0.0493	210,826	
	Common I Road District	33,558,737	0.2025	0.2000	67,117 ^A	2017
	Common II Road District	11,799,642	0.2123	0.2100	24,779 ^A	2017
<u>Lewis</u>						
Lewis County Ambulance District	General Revenue	121,630,450	0.2437	0.1443	175,513	
Lewis County Nursing Home	General Revenue	121,630,450	0.1462	0.1462	177,824	
Buck & Doe Run Creeks Subdistrict	General Revenue	4,191,039	0.2382	0.2382	9,983	
Durgens Creek Watershed Subdistrict	General Revenue	2,834,200	0.3914	0.3914	11,093	
Troublesome Watershed Subdistrict	General Revenue	10,058,578	0.3815	0.3815	38,373	
Grassey Creek Watershed Subdistrict	General Revenue	7,092,570	0.3894	0.3000	21,278	
Canton Special Road Dist Lewis Co	Road & Bridge	31,805,236	0.2412	0.2388	75,951	
Dickerson Spec Road Dist Lewis Co	Road & Bridge	875,784	0.3307	0.3307	2,896	
La Grange Spec Road Dist Lewis Co	Road & Bridge	18,070,225	0.3246	0.3246	58,656	
City of Canton	General Revenue	19,994,712	0.6834	0.6834	136,644	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lewis</u>						
City of Canton	Parks & Recreation	19,994,712	0.1903	0.1903	38,050	
	Library	19,994,712	0.2379	0.2379	47,567	
	Levee	19,994,712	0.1903	0.1903	38,050	
City of Ewing	General Revenue	3,260,510	0.6329	0.6329	20,636	
City of La Belle	General Revenue	4,480,944	0.7695	0.7695	34,481	
	Streets	4,480,944	0.1000	0.1000	4,481	2016
	Streets-Temp	4,480,944	0.3630	0.3630	16,266	2015
City of La Grange	General Revenue	9,651,885	0.5486	0.4876	47,063	
	Streets	9,651,885	0.3000	0.2687	25,935	
	Cemetery	9,651,885	0.1456	0.1337	12,905	
City of Lewistown	General Revenue	4,259,187	0.6595	0.6595	28,089	
	Debt Service	4,259,187	0.2301	0.2301	9,800	
Village of Monticello	General Revenue	946,265	0.6393	0.6393	6,049	
Lewis County Library	General Revenue	101,585,324	0.0979	0.0979	99,452	
Canton R-V Fire Protection District	General Revenue	48,401,194	0.2427	0.2427	117,470	
	Debt Service	48,401,194	0.0949	0.0949	45,933	
Ewing-Maywood R-4 Fire Prot Dist	General Revenue	26,363,250	0.4400	0.4400	115,998	
Western Lewis County Fire Prot Dist	General Revenue	28,105,076	0.4283	0.4283	120,374	
	Debt Service	28,105,076	0.0824	0.0824	23,159	
Lewis County Health Department	General Revenue	121,630,450	0.2573	0.2573	312,955	
Canton R-V School District	Operating Funds-Schools	35,900,140	3.2826	3.2826	1,178,458 ^E	
	Debt Service	35,900,140	0.7853	0.5500	197,451	
Lewis County C-1 School District	Operating Funds-Schools	75,283,162	3.4067	3.4067	2,564,671 ^E	
Lewis County	General Revenue	121,630,450	0.4068	0.2600	316,239	
	Road & Bridge	70,879,193	0.2740	0.2740	194,209	
	Common Road District	70,879,193	0.2108	0.2108	149,413	2016
<u>Lincoln</u>						
Lincoln County Ambulance	General Revenue	689,361,122	0.2863	0.1395	961,659	
Clarence Cannon Memorial Subdist	General Revenue	9,323,248	0.2047	0.2047	19,085	
City of Elsberry	General Revenue	14,618,286	0.5355	0.5355	78,281	
	Cemetery	14,618,286	0.1606	0.1606	23,477	
City of Foley	General Revenue	934,407	0.7268	0.7268	6,791	
City of Hawk Point	General Revenue	4,576,846	0.3983	0.3983	18,230	
City of Moscow Mills	General Revenue	25,997,577	0.2624	0.2624	68,218	
	GR-Waterworks	25,997,577	0.5136	0.5136	133,524	
City of Old Monroe	General Revenue	3,599,089	0.4043	0.4043	14,551	
Village of Silex	General Revenue	1,906,256	0.2929	0.2929	5,583	
	Debt Service	1,906,256	0.6508	0.6508	12,406	
City of Troy	General Revenue	171,684,658	0.1889	0.1889	324,312	
City of Winfield	General Revenue	12,383,147	0.3833	0.3833	47,465	
Village of Truxton	General Revenue	329,011	0.4998	0.4998	1,644	
Village of Chain of Rocks	General Revenue	1,002,125	0.4467	0.4467	4,476	
Village of Fountain 'N Lakes	General Revenue	410,003	0.5000	0.5000	2,050	
Winfield-Foley Fire Protection Dist	General Revenue	91,576,338	0.2592	0.2592	237,366	
Lincoln County Fire Protection Dist	General Revenue	408,789,275	0.5500	0.5500	2,248,341	
Elsberry Fire Protection District	General Revenue	48,801,081	0.3000	0.3000	146,403	
Hawk Point Fire Protection District	General Revenue	42,212,908	0.2704	0.2704	114,144	
Old Monroe Fire Protection District	General Revenue	33,404,034	0.3000	0.3000	100,212	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lincoln</u>						
Lincoln County Health Department	General Revenue	689,361,122	0.2000	0.2000	1,378,722	
Silex R-I School District	Operating Funds-Schools	30,320,415	3.4681	3.4681	1,051,542	E
	Debt Service	30,320,415	1.0783	0.7100	215,275	
Elsberry R-II School District	Operating Funds-Schools	43,495,078	2.8768	2.8768	1,251,266	E
	Debt Service	43,495,078	1.6208	1.2500	543,688	
Troy R-III School District	Operating Funds-Schools	431,618,538	3.5056	3.5000	15,106,649	E
	Debt Service	431,618,538	1.7157	1.2600	5,438,394	
Winfield R-IV School District	Operating Funds-Schools	93,277,567	3.3164	3.3164	3,093,457	E
	Debt Service	93,277,567	1.0023	0.9500	886,137	
Lincoln County	General Revenue	689,361,122	0.3475	0.2090	1,440,765	
	Road & Bridge	689,361,122	0.2657	0.2657	1,831,633	
	Hospital	689,361,122	0.1737	0.1737	1,197,420	
	Senate Bill 40	689,361,122	0.1000	0.1000	689,361	
	Debt Service	689,361,122	0.1345	0.1345	927,191	
<u>Linn</u>						
Linn County Ambulance District	General Revenue	145,753,751	0.2875	0.0899	131,033	
East Yellow Creek Watershed	General Revenue	10,260,183	0.3662	0.3662	37,573	
Marceline Special Road Dist Linn Co	General Revenue	21,669,437	0.1000	0.1000	21,669	
	Road & Bridge	21,669,437	0.3712	0.3712	80,437	
Purdin Special Road Dist Linn Co	General Revenue	1,809,585	0.0000	0.0000	0	
	Road & Bridge	1,809,585	0.5000	0.5000	9,048	
	Special Road and Bridge	1,809,585	0.3538	0.3538	6,402	2014
City of Brookfield	General Revenue	38,567,527	0.8749	0.8749	337,427	
	Parks & Recreation	38,567,527	0.1993	0.1993	76,865	
	Library	38,567,527	0.3698	0.3698	142,623	
	Cemetery	38,567,527	0.0996	0.0996	38,413	
City of Browning	General Revenue	804,603	1.0000	1.0000	8,046	
City of Bucklin	General Revenue	2,818,677	1.0000	1.0000	28,187	
	Streets	2,818,677	0.5000	0.5000	14,093	
	Special Road and Bridge	2,818,677	0.6005	0.6005	16,926	2014
City of Laclede	General Revenue	2,194,418	0.9042	0.9042	19,842	
	Cemetery	2,194,418	0.1000	0.1000	2,194	
City of Linneus	General Revenue	1,353,959	0.6000	0.6000	8,124	
	Streets	1,353,959	0.4000	0.4000	5,416	
City of Marceline	General Revenue	20,684,536	0.5039	0.5039	104,229	
	Library	20,684,536	0.2100	0.2100	43,438	
City of Meadville	General Revenue	2,978,644	0.3874	0.3874	11,539	
City of Purdin	General Revenue	534,263	1.0000	1.0000	5,343	
Baker Township Linn County	General Revenue	3,649,747	0.0998	0.0998	3,642	
	Road & Bridge	3,649,747	0.4942	0.4942	18,037	
	Special Road and Bridge	3,649,747	0.3500	0.3500	12,774	2014
North Benton Township Linn County	General Revenue	1,925,841	0.1000	0.1000	1,926	
	Road & Bridge	1,925,841	0.5000	0.5000	9,629	
	Special Road and Bridge	1,925,841	0.3501	0.3501	6,742	2014
Brookfield Township Linn County	General Revenue	52,142,686	0.0998	0.0998	52,038	
	Road & Bridge	52,142,686	0.3981	0.3981	207,580	
Bucklin Township Linn County	General Revenue	9,677,601	0.0961	0.0961	9,300	
	Road & Bridge	9,677,601	0.4617	0.4617	44,681	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Linn</u>						
Bucklin Township Linn County	Special Road and Bridge	9,677,601	0.3460	0.3460	33,484	2014
Clay Township Linn County	General Revenue	4,710,280	0.0990	0.0990	4,663	
	Road & Bridge	4,710,280	0.4943	0.4943	23,283	
	Special Road and Bridge	4,710,280	0.3515	0.3515	16,557	2014
Enterprise Township Linn County	General Revenue	1,723,193	0.1000	0.1000	1,723	
	Road & Bridge	1,723,193	0.5000	0.5000	8,616	
	Special Road and Bridge	1,723,193	0.3500	0.3500	6,031	2014
Grantsville Township Linn County	General Revenue	3,370,411	0.1000	0.1000	3,370	
	Road & Bridge	3,370,411	0.5000	0.5000	16,852	
	Special Road and Bridge	3,370,411	0.3578	0.3578	12,059	2014
Jackson Township Linn County	General Revenue	3,134,373	0.1000	0.1000	3,134	
	Road & Bridge	3,134,373	0.5000	0.5000	15,672	
	Special Road and Bridge	3,134,373	0.3518	0.3518	11,027	2014
Jefferson Township Linn County	General Revenue	11,255,421	0.0959	0.0959	10,794	
	Road & Bridge	11,255,421	0.3741	0.3741	42,107	
	Special Road and Bridge	11,255,421	0.3468	0.3468	39,034	2014
	Debt Service	11,255,421	0.6127	0.6127	68,962	
Locust Creek Township Linn County	General Revenue	6,267,442	0.1000	0.1000	6,267	
	Road & Bridge	6,267,442	0.5000	0.5000	31,337	
	Special Road and Bridge	6,267,442	0.3516	0.3516	22,036	2014
Marceline Township Linn County	General Revenue	5,282,074	0.0997	0.0997	5,266	
	Road & Bridge	5,282,074	0.4984	0.4984	26,326	
	Special Road and Bridge	5,282,074	0.3500	0.3500	18,487	2014
North Salem Township Linn County	General Revenue	2,389,349	0.1000	0.1000	2,389	
	Road & Bridge	2,389,349	0.5000	0.5000	11,947	
	Special Road and Bridge	2,389,349	0.3545	0.3545	8,470	2014
Parson Creek Township Linn County	General Revenue	8,936,999	0.0998	0.0998	8,919	
	Road & Bridge	8,936,999	0.4782	0.4782	42,737	
	Special Road and Bridge	8,936,999	0.3557	0.3557	31,789	2014
Yellow Creek Township Linn County	General Revenue	7,809,312	0.0795	0.0795	6,208	
	Road & Bridge	7,809,312	0.3629	0.3629	28,340	
	Special Road and Bridge	7,809,312	0.3469	0.3469	27,091	2014
Laclede Community Fire Prot Dist	General Revenue	11,255,421	0.2451	0.2451	27,587	
Linneus Fire Protection District	General Revenue	9,340,078	0.3000	0.3000	28,020	
Linn County Health Department	General Revenue	145,753,751	0.2380	0.2380	346,894	
Linn County R-I School District	Operating Funds-Schools	16,809,198	4.4492	3.9300	660,601	E
Bucklin R-II School District	Operating Funds-Schools	10,740,615	4.3650	4.3650	468,828	E
Meadville R-IV School District	Operating Funds-Schools	15,985,638	4.4152	3.8047	608,206	
	Debt Service	15,985,638	1.1335	1.0500	167,849	
Marceline R-V School District	Operating Funds-Schools	37,280,225	4.0318	4.0318	1,503,064	E
	Debt Service	37,280,225	1.0362	0.7700	287,058	
Brookfield R-III School District	Operating Funds-Schools	60,093,988	4.0827	4.0827	2,453,457	E
	Operating Funds-Temp	60,093,988	0.4261	0.0130	7,812	2018
	Debt Service	60,093,988	0.7358	0.6600	396,620	
Linn County	General Revenue	145,753,751	0.2998	0.0725	105,671	
	Senate Bill 40	145,753,751	0.1983	0.1983	289,030	
	Senior Services	145,753,751	0.0499	0.0499	72,731	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Livingston</u>						
Livingston County Ambulance Dist	General Revenue	170,164,330	0.1204	0.1204	204,878	
Livingston County Nursing Home Dist	General Revenue	170,164,330	0.1500	0.1500	255,246	
City of Chillicothe	General Revenue	91,274,007	0.6857	0.6857	625,866	
	Parks & Recreation	91,274,007	0.1928	0.1928	175,976	
	Temp Gen Indus Imp	91,274,007	0.0000	0.0000	0	
City of Chula	General Revenue	1,483,314	0.9994	0.9994	14,824	
Village of Ludlow	General Revenue	610,143	1.0000	1.0000	6,101	
Village of Mooresville	General Revenue	603,298	0.5150	0.5150	3,107	
City of Wheeling	General Revenue	1,020,865	0.7500	0.7500	7,656	
Livingston County Memorial Library	General Revenue	170,164,330	0.2700	0.2700	459,444	
	Debt Service	170,164,330	0.1562	0.1562	265,797	
Blue Mound Township Livingston Co	General Revenue	5,953,098	0.1000	0.1000	5,953	
	Road & Bridge	5,953,098	0.5000	0.5000	29,765	
	Special Road and Bridge	5,953,098	0.3482	0.3482	20,729	2014
Chillicothe Township Livingston Co	General Revenue	107,369,559	0.1000	0.1000	107,370	
	Road & Bridge	107,369,559	0.2858	0.2858	306,862	
Cream Ridge Township Livingston Co	General Revenue	7,192,964	0.0941	0.0941	6,769	
	Road & Bridge	7,192,964	0.4002	0.4002	28,786	
	Special Road and Bridge	7,192,964	0.3500	0.3500	25,175 ^A	2017
Grand River Township Livingston Co	General Revenue	4,417,803	0.0962	0.0962	4,250	
	Road & Bridge	4,417,803	0.5000	0.5000	22,089	
	Special Road and Bridge	4,417,803	0.3503	0.3503	15,476	2016
Green Township Livingston County	General Revenue	4,262,473	0.0947	0.0947	4,037	
	Road & Bridge	4,262,473	0.4732	0.4732	20,170	
Jackson Township Livingston County	General Revenue	8,583,444	0.0955	0.0955	8,197	
	Road & Bridge	8,583,444	0.2880	0.2880	24,720	
	Special Road and Bridge	8,583,444	0.3304	0.3304	28,360	2014
Medicine Township Livingston County	General Revenue	2,339,597	0.1000	0.1000	2,340	
	Road & Bridge	2,339,597	0.4305	0.4305	10,072	
	Special Road and Bridge	2,339,597	0.3045	0.3045	7,124	2014
Monroe Township Livingston County	General Revenue	4,404,604	0.0969	0.0969	4,268	
	Road & Bridge	4,404,604	0.4525	0.4525	19,931	
	Special Road and Bridge	4,404,604	0.3494	0.3494	15,390	2016
Mooresville Township Livingston Co	General Revenue	3,559,946	0.1000	0.1000	3,560	
	Road & Bridge	3,559,946	0.5000	0.5000	17,800	
	Special Road and Bridge	3,559,946	0.3628	0.3628	12,915	2016
Rich Hill Township Livingston Co	General Revenue	8,541,342	0.1000	0.1000	8,541	
	Road & Bridge	8,541,342	0.4564	0.4564	38,983	
	Special Road and Bridge	8,541,342	0.3367	0.3367	28,759	2014
Sampsel Township Livingston County	General Revenue	4,230,878	0.1000	0.1000	4,231	
	Road & Bridge	4,230,878	0.4744	0.4744	20,071	
	Special Road and Bridge	4,230,878	0.3561	0.3561	15,066 ^A	2017
Wheeling Township Livingston County	General Revenue	4,091,166	0.0967	0.0967	3,956	
	Road & Bridge	4,091,166	0.4838	0.4838	19,793	
	Special Road and Bridge	4,091,166	0.3548	0.3548	14,515	2016
Fairview Township Livingston County	General Revenue	5,217,458	0.1000	0.1000	5,217	
	Road & Bridge	5,217,458	0.4611	0.4611	24,058	
	Special Road and Bridge	5,217,458	0.3566	0.3566	18,605	2016

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Livingston</u>						
Green Township Fire District	General Revenue	4,262,473	0.5218	0.5218	22,242	
Mooreville Township Fire Prot Dist	General Revenue	3,559,946	0.3000	0.3000	10,680	
Livingston County Health Center	General Revenue	170,164,330	0.2500	0.2500	425,411	
Southwest Livingston Co R-I Sch Dis	Operating Funds-Schools	11,179,488	4.4661	4.4661	499,287	E
Livingston County R-III School Dist	Operating Funds-Schools	7,190,349	5.1920	4.6339	333,194	
Chillicothe R-II School District	Operating Funds-Schools	135,028,461	3.6300	3.6300	4,901,533	E
	Capital Projects	135,028,461	0.1200	0.1200	162,034	2023
	Debt Service	135,028,461	0.7976	0.5960	804,770	
Livingston County	General Revenue	170,164,330	0.3354	0.0307	52,240	
	Developmentally Disabled	170,164,330	0.1000	0.1000	170,164	
	Senior Services	170,164,330	0.0510	0.0510	86,784	
<u>McDonald</u>						
City of Anderson	General Revenue	14,437,643	0.2363	0.2363	34,116	
	General Revenue-Temp	14,437,643	0.3658	0.3658	52,813	2017
City of Goodman	General Revenue	8,105,678	0.6471	0.6471	52,452	
City of Lanagan	General Revenue	1,375,469	0.7234	0.7234	9,950	
City of Pineville	General Revenue	6,540,352	0.4840	0.4840	31,655	
City of Southwest City	General Revenue	14,087,529	0.6500	0.6500	91,569	
	Debt Service	14,087,529	0.0000	0.0000	0	
McDonald County Library	General Revenue	240,540,581	0.1000	0.1000	240,541	
Goodman Area Fire Protection Dist	General Revenue	27,413,097	0.3000	0.3000	82,239	
McDonald County R-I School District	Operating Funds-Schools	208,638,379	2.8351	2.7500	5,737,555	F
	Debt Service	208,638,379	0.9044	0.6700	1,397,877	
McDonald County	Road & Bridge	240,540,581	0.0000	0.0000	0	
<u>Macon</u>						
Macon County Ambulance District	General Revenue	203,348,468	0.1450	0.1450	294,855	
Samaritan Memorial Hospital	General Revenue	203,348,468	0.1934	0.1934	393,276	
La Plata Nursing Home District	General Revenue	45,215,007	0.1424	0.1424	64,386	
Macon County Nursing Home District	Maintenance	162,856,740	0.1452	0.1452	236,468	
Hudson Special Road Dist Macon Co	Road & Bridge	82,126,492	0.2830	0.2830	232,418	
	Special Road and Bridge	82,126,492	0.2032	0.2032	166,881	2016
La Plata Special Road Dist Macon Co	Road & Bridge	15,002,046	0.3116	0.3116	46,746	
	Special Road and Bridge	15,002,046	0.3590	0.3590	53,857	2015
City of Atlanta	General Revenue	1,740,558	1.0000	1.0000	17,406	
City of Bevier	General Revenue	3,448,823	0.7892	0.7892	27,218	
	Lights	3,448,823	0.2800	0.2800	9,657	
City of Callao	General Revenue	1,180,593	1.0000	1.0000	11,806	
City of Elmer	General Revenue	529,781	0.9945	0.9945	5,269	
City of Ethel	General Revenue	431,193	0.8500	0.8500	3,665	
City of La Plata	General Revenue	9,773,339	0.8087	0.8087	79,037	
	Parks & Recreation	9,773,339	0.1852	0.1852	18,100	
	Library	9,773,339	0.1852	0.1852	18,100	
City of Macon	General Revenue	62,457,846	0.5965	0.5965	372,561	
	Library	62,457,846	0.2386	0.2386	149,024	
City of New Cambria	General Revenue	1,132,233	0.8914	0.8914	10,093	
Village of South Gifford	General Revenue	110,910	0.5000	0.5000	555	
La Plata Community Fire Prot Dist	General Revenue	32,510,133	0.4319	0.4319	140,411	
Bevier Fire Protection District	General Revenue	21,043,682	0.2986	0.2986	62,836	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Macon</u>						
Callao Fire Protection District	General Revenue	11,156,490	0.4158	0.3700	41,279	A
Macon County Health Department	General Revenue	203,348,468	0.1450	0.1450	294,855	
Atlanta C-3 School District	Operating Funds-Schools	14,544,141	3.9712	3.8200	555,586	E
Bevier C-4 School District	Operating Funds-Schools	12,078,962	3.8315	3.8315	462,805	E
La Plata R-II School District	Operating Funds-Schools	24,881,419	3.2565	3.2565	810,263	E
	Debt Service	24,881,419	1.3931	1.3000	323,458	
Macon County R-I School District	Operating Funds-Schools	102,164,856	3.1353	3.1353	3,203,175	E
Callao C-8 School District	Operating Funds-Schools	5,960,849	5.0085	4.2840	255,363	
Macon County R-IV School District	Operating Funds-Schools	11,480,819	4.8500	4.5000	516,637	E
Macon County	General Revenue	203,348,468	0.4185	0.2425	493,120	
	Common Road District	106,219,930	0.3146	0.3146	334,168	
	Special Road and Bridge	106,219,930	0.3475	0.3475	369,114	2014
	Developmentally Disabled	203,348,468	0.0967	0.0967	196,638	
<u>Madison</u>						
Madison County Ambulance District	General Revenue	109,482,472	0.2993	0.2993	327,681	
Village of Cobalt City	General Revenue	871,604	0.2230	0.2230	1,944	
City of Fredericktown	General Revenue	33,900,862	0.7249	0.7249	245,747	
	Parks & Recreation	33,900,862	0.1257	0.1257	42,613	
Village of Junction City	General Revenue	1,964,244	0.2500	0.2500	4,911	
City of Marquand	General Revenue	860,248	1.0000	1.0000	8,602	
Madison County Health Department	General Revenue	108,808,967	0.1000	0.1000	108,809	
Marquand-Zion R-VI School District	Operating Funds-Schools	10,532,522	4.1120	3.9000	410,768	E
	Debt Service	10,532,522	0.7263	0.5000	52,663	
Fredericktown R-I School District	Operating Funds-Schools	94,856,250	3.2000	3.2000	3,035,400	E
	Operating Funds-Temp	94,856,250	0.7000	0.7000	663,994	2023
Madison County	General Revenue	108,808,967	0.3946	0.1891	205,758	
	Library	108,808,967	0.1000	0.1000	108,809	
	Road & Bridge	108,808,967	0.2869	0.2869	312,173	
	Senate Bill 40	108,808,967	0.1947	0.1947	211,851	
<u>Maries</u>						
Maries-Osage Ambulance District	General Revenue	86,125,116	0.1876	0.1876	161,571	
Ozark Central Ambulance District	General Revenue	77,418,407	0.2728	0.2728	211,197	
Belle Special Road District No 6	Road & Bridge	11,659,027	0.2376	0.2376	27,702	
Spec Road Dist No 8 Maries County	Road & Bridge	8,334,151	0.2292	0.2292	19,102	
City of Vienna	General Revenue	8,211,279	0.6110	0.6110	50,171	
City of Belle	General Revenue	11,675,557	0.7163	0.7163	83,632	
	Parks & Recreation	11,675,557	0.1557	0.1557	18,179	
Maries County Library	General Revenue	120,524,179	0.1612	0.1612	194,285	
Maries County R-I School District	Operating Funds-Schools	48,526,570	3.3371	3.3361	1,618,895	E
	Debt Service	48,526,570	0.4933	0.4000	194,106	
Maries County R-II School District	Operating Funds-Schools	62,108,486	3.2695	3.2695	2,030,637	E
Maries County	General Revenue	120,524,179	0.4733	0.3673	442,685	
	Road #1	52,592,955	0.2769	0.2769	145,630	
	Road #2	49,917,007	0.2416	0.2416	120,599	
<u>Marion</u>						
Marion County Ambulance District	General Revenue	402,606,318	0.2332	0.0000	0	
	Pension	402,606,318	0.0485	0.0485	195,264	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Marion</u>						
Marion County Nursing Home District	General Revenue	385,610,143	0.1452	0.1452	559,906	
City of Hannibal	General Revenue	220,987,632	0.7341	0.7341	1,622,270	
	Library	220,987,632	0.2798	0.2798	618,323	
	Police & Fire	220,987,632	0.1289	0.1289	284,853	
City of Palmyra	General Revenue	37,699,778	0.6489	0.6489	244,634	
Marion County Library Subdist #1	General Revenue	133,428,678	0.1456	0.1456	194,272	
Marion County Health Department	General Revenue	385,610,143	0.1452	0.1317	507,849	
Marion County R-II School District	Operating Funds-Schools	14,473,455	4.6000	3.9858	576,883	E
	Debt Service	14,473,455	0.3342	0.3342	48,370	
Palmyra R-I School District	Operating Funds-Schools	122,558,785	3.4217	3.3480	4,103,268	E
	Debt Service	122,558,785	1.0092	0.6800	833,400	
Hannibal 60 School District	Operating Funds-Schools	304,783,798	3.1896	2.7500	8,381,554	
	Debt Service	304,783,798	1.3944	0.8500	2,590,662	
Marion County	General Revenue	385,610,143	0.4385	0.1250	482,013	
	Road & Bridge	385,610,143	0.3288	0.3288	1,267,886	
	Senate Bill 40	385,610,143	0.1355	0.1355	522,502	
<u>Mercer</u>						
Mercer County Ambulance District	General Revenue	63,978,122	0.3300	0.3300	211,128	
City of Mercer	General Revenue	2,025,690	0.8040	0.8040	16,287	
	Streets	2,025,690	0.4480	0.4480	9,075	
	Debt Service	2,025,690	1.0319	1.0319	20,903	
City of Princeton	General Revenue	8,843,122	0.9181	0.9181	81,189	
	Band	8,843,122	0.1000	0.1000	8,843	
Village of South Lineville	General Revenue	432,376	0.4533	0.4533	1,960	
Mercer County Library	General Revenue	63,978,122	0.2000	0.2000	127,956	
Harrison Township Mercer County	General Revenue	3,065,454	0.1000	0.1000	3,065	
	Road & Bridge	3,065,454	0.5000	0.5000	15,327	
	Special Road and Bridge	3,065,454	0.3500	0.3500	10,729	2014
Lindley Township Mercer County	General Revenue	2,549,624	0.1000	0.1000	2,550	
	Road & Bridge	2,549,624	0.5000	0.5000	12,748	
	Special Road and Bridge	2,549,624	0.3557	0.3557	9,069	2014
Madison Township Mercer County	General Revenue	2,921,982	0.0990	0.0990	2,893	
	Road & Bridge	2,921,982	0.4949	0.4949	14,461	
	Special Road and Bridge	2,921,982	0.3500	0.3500	10,227	2014
Marion Township Mercer County	General Revenue	10,639,557	0.0973	0.0973	10,352	
	Road & Bridge	10,639,557	0.4188	0.4188	44,558	
	Special Road and Bridge	10,639,557	0.3470	0.3470	36,919	2014
Medicine Township Mercer County	General Revenue	2,978,806	0.1000	0.1000	2,979	
	Road & Bridge	2,978,806	0.5000	0.5000	14,894	
	Special Road and Bridge	2,978,806	0.3528	0.3528	10,509	2014
Morgan Township Mercer County	General Revenue	22,296,035	0.1000	0.1000	22,296	
	Road & Bridge	22,296,035	0.3500	0.3500	78,036	
Ravanna Township Mercer County	General Revenue	7,584,052	0.1000	0.1000	7,584	
	Road & Bridge	7,584,052	0.5000	0.5000	37,920	
	Special Road and Bridge	7,584,052	0.3555	0.3555	26,961	2014
Somerset Township Mercer County	General Revenue	4,554,176	0.1000	0.1000	4,554	
	Road & Bridge	4,554,176	0.5000	0.5000	22,771	
	Special Road and Bridge	4,554,176	0.3553	0.3553	16,181	2014

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Mercer</u>						
Washington Township Mercer County	General Revenue	7,388,439	0.0918	0.0918	6,783	2014
	Road & Bridge	7,388,439	0.4586	0.4586	33,883	
	Special Road and Bridge	7,388,439	0.3419	0.3419	25,261	
Mercer County Fire Protection Dist	General Revenue	38,414,332	0.3000	0.3000	115,243	
Mercer Fire Protection District	General Revenue	16,862,534	0.3000	0.3000	50,588	
Mercer County Health Department	General Revenue	63,978,122	0.3000	0.3000	191,934	
North Mercer Co R-III School Dist	Operating Funds-Schools	13,389,811	5.1879	4.3851	587,157	
Princeton R-V School District	Operating Funds-Schools	37,081,317	4.7199	4.4518	1,650,786	
	Debt Service	37,081,317	0.9532	0.9532	353,459	
Mercer County	General Revenue	63,978,122	0.4000	0.2761	176,644	
	Road & Bridge	63,978,122	0.1500	0.1500	95,967	
	Senior Services	63,978,122	0.0500	0.0500	31,989	
<u>Miller</u>						
Miller County Ambulance District	General Revenue	257,477,755	0.0000	0.0000	0	
Miller County Nursing Home District	General Revenue	389,832,892	0.1157	0.1157	451,037	
	Debt Service	389,832,892	0.0613	0.0600	233,900	
Bagnell Special Road Dist Miller Co	Road & Bridge	107,475,209	0.1829	0.1829	196,572	
Kaiser Special Road Dist Miller Co	Road & Bridge	71,149,959	0.1860	0.1860	132,339	
City of Bagnell	General Revenue	1,080,212	0.4631	0.4631	5,002	
Village of Brumley	General Revenue	468,992	0.4822	0.4822	2,261	
City of Iberia	General Revenue	4,829,963	0.5355	0.5355	25,864	
Village of Olean	General Revenue	612,615	0.3146	0.3146	1,927	
Village of St. Elizabeth	General Revenue	8,074,380	0.2207	0.2207	17,820	
Village of Tuscumbia	General Revenue	1,254,267	0.3737	0.3737	4,687	
City of Lake Ozark	General Revenue	92,177,914	0.2301	0.2301	212,101	
Miller County Library	General Revenue	389,832,892	0.1274	0.1274	496,647	
Lake Ozark Fire Protection District	General Revenue	435,267,803	0.5702	0.5702	2,481,897	
	Ambulance	435,267,803	0.2757	0.2757	1,200,033	
	Debt Service	435,267,803	0.0896	0.0800	348,214	
Brumley Fire Protection District	General Revenue	20,860,478	0.3000	0.3000	62,581	
Tuscumbia Fire Protection District	General Revenue	10,427,783	0.3000	0.3000	31,283	
Moreau Fire Protection District #2	General Revenue	111,339,490	0.5500	0.5500	612,367	^B
St. Elizabeth Fire Protection Dist	General Revenue	13,595,998	0.2844	0.2844	38,667	
Iberia Fire Protection District	General Revenue	31,011,190	0.3000	0.3000	93,034	
Miller County Health Center	General Revenue	389,832,892	0.1392	0.1392	542,647	
Eldon R-I School District	Operating Funds-Schools	174,534,557	3.0734	3.0303	5,288,921	^E
	Debt Service	174,534,557	0.6385	0.5100	890,126	
Miller County R-III School District	Operating Funds-Schools	10,971,190	4.3487	3.9000	427,876	^E
St. Elizabeth R-IV School District	Operating Funds-Schools	15,951,209	4.1430	3.9940	637,091	^{BE}
School of the Osage R-II Sch Dist	Operating Funds-Schools	536,108,991	2.5352	2.4000	12,866,616	
	Debt Service	536,108,991	0.6919	0.4490	2,407,129	
Iberia R-V School District	Operating Funds-Schools	34,139,566	3.6262	3.6262	1,237,969	^E
Miller County	General Revenue	389,832,892	0.2634	0.0735	286,527	
	Road & Bridge	203,900,848	0.2559	0.2559	521,782	
	Developmentally Disabled	389,832,712	0.0844	0.0844	329,019	
	Senior Services	389,832,892	0.0490	0.0490	191,018	
<u>Mississippi</u>						
Mississippi County Ambulance Dist	General Revenue	154,376,397	0.3000	0.3000	463,129	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Mississippi</u>						
City of Anniston	General Revenue	1,474,080	0.5175	0.5175	7,628	
City of Bertrand	General Revenue	5,046,446	0.5263	0.5263	26,559	
City of Charleston	General Revenue	30,792,602	0.7100	0.7100	218,627	
	Parks & Recreation	30,792,602	0.1800	0.1800	55,427	
City of East Prairie	General Revenue	18,837,764	0.7678	0.7678	144,636	
Village of Wilson City	General Revenue	271,368	0.4592	0.4592	1,246	
City of Wyatt	General Revenue	1,516,059	0.8446	0.8446	12,805	
Mississippi County Library	General Revenue	154,376,397	0.2079	0.2079	320,949	
Mississippi (Scott) Fire Prot Dist	General Revenue	75,437,523	0.1613	0.1600	120,700	
Mississippi County Senate Bill 40	General Revenue	154,376,397	0.1248	0.1248	192,662	
Mississippi County Health Dept	General Revenue	154,376,397	0.1000	0.1000	154,376	
East Prairie R-II School District	Operating Funds-Schools	63,968,472	2.9710	2.7500	1,759,133	F
	Debt Service	63,968,472	0.5955	0.3500	223,890	
Charleston R-I School District	Operating Funds-Schools	81,679,764	2.8470	2.8470	2,325,423	E
Mississippi County	General Revenue	154,376,397	0.4781	0.3322	512,838	
	Johnson Grass	154,376,397	0.0500	0.0500	77,188	
	Road & Bridge	154,376,397	0.3500	0.3500	540,317	
<u>Moniteau</u>						
Mid Mo Ambulance District	General Revenue	509,922,453	0.0000	0.0000	0	
City of California	General Revenue	49,398,276	0.4103	0.4103	202,681	
	Parks & Recreation	49,398,276	0.1620	0.1620	80,025	
City of Clarksburg	General Revenue	1,730,576	0.9732	0.9732	16,842	
City of Jamestown	General Revenue	3,168,914	0.8745	0.8745	27,712	
City of Lupus	General Revenue	344,142	0.7000	0.7000	2,409	
City of Tipton	General Revenue	23,978,344	0.7443	0.7443	178,471	
Moniteau Co Library Subdistrict Two	General Revenue	50,404,293	0.1200	0.1200	60,485	
Moniteau Co Lib Subdist-California	General Revenue	49,398,276	0.1000	0.1000	49,398	
California Rural Fire Prot District	General Revenue	49,155,511	0.1963	0.1963	96,492	
Fortuna Fire Protection District	General Revenue	36,351,048	0.2888	0.2888	104,982	
Tipton Rural Fire Protection Dist	Fire	14,975,990	0.2424	0.2424	36,302	
Jamestown Rural Fire Prot Dist	General Revenue	20,823,014	0.2734	0.2734	56,930	
	Debt Service	20,823,014	0.2025	0.1900	39,564	
Moniteau County Health Center	General Revenue	189,461,022	0.1510	0.1500	284,192	
Moniteau County R-I School District	Operating Funds-Schools	85,284,146	2.9380	2.9380	2,505,648	E
	Debt Service	85,284,146	1.3467	0.9756	832,032	
High Point R-III School District	Operating Funds-Schools	9,711,406	4.2310	4.2310	410,890	E
	Operating Funds-Temp	9,711,406	0.3000	0.3000	29,134	2021
Moniteau County R-V School District	Operating Funds-Schools	9,024,839	3.5244	3.5244	318,071	E
Tipton R-VI School District	Operating Funds-Schools	44,801,958	2.9688	2.9400	1,317,178	E
	Debt Service	44,801,958	1.1119	1.0595	474,677	
Moniteau County C-1 School District	Operating Funds-Schools	16,091,599	3.6502	3.6502	587,376	E
Clarksburg C-2 School District	Operating Funds-Schools	6,799,440	3.7461	3.7461	254,714	E
	Debt Service	6,799,440	0.7257	0.7200	48,956	
Moniteau County	General Revenue	189,461,022	0.3384	0.1804	341,788	
	Common Road District	189,461,022	0.2489	0.2489	471,568	
	Developmentally Disabled	189,461,022	0.1192	0.1192	225,838	
<u>Monroe</u>						
Monroe County Ambulance District	General Revenue	79,631,836	0.4200	0.4200	334,454	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Monroe</u>						
Monroe City Ambulance District	General Revenue	93,985,901	0.2700	0.1766	165,979	
Monroe County Nursing Home District	General Revenue	95,228,206	0.1500	0.1500	142,842	
Madison Special Road Dist Monroe Co	Special Road and Bridge	9,573,860	0.0000	0.3500	33,509	AD 2018
Monroe City Spec Rd Dist Monroe Co	Special Road and Bridge	25,670,114	0.3584	0.3500	89,845	2014
Village of Holliday	General Revenue	935,532	0.3818	0.3818	3,572	
City of Madison	General Revenue	3,459,290	0.6930	0.6930	23,973	
City of Paris	General Revenue	9,012,003	0.3466	0.3466	31,236	
	Streets	9,012,003	0.1200	0.1200	10,814	
	Cemetery	9,012,003	0.2709	0.2709	24,414	
Village of Stoutsville	General Revenue	501,474	0.1896	0.1896	951	
City of Monroe City	General Revenue	26,555,162	0.7591	0.7591	201,580	
	Library	25,183,307	0.2000	0.2000	50,367	
Monroe County Library	General Revenue	101,990,313	0.1664	0.1664	169,712	
Paris Rural Fire Protection Dist	General Revenue	36,949,737	0.2500	0.2500	92,374	
Madison-West Monroe Fire Prot Dist	General Revenue	26,965,789	0.2998	0.2998	80,843	
Monroe County Health Department	General Revenue	117,907,353	0.1000	0.1000	117,907	
Middle Grove C-1 School District	Operating Funds-Schools	4,192,156	5.4403	5.4403	228,066	E
Monroe City R-I School District	Operating Funds-Schools	75,044,862	4.0933	3.8633	2,899,208	E
	Debt Service	75,044,862	0.5053	0.3800	285,170	
Holliday C-2 School District	Operating Funds-Schools	7,307,963	3.5979	3.5979	262,933	E
Madison C-3 School District	Operating Funds-Schools	12,919,852	3.7345	3.7345	482,492	E
Paris R-II School District	Operating Funds-Schools	41,598,559	3.5122	3.5122	1,461,025	E
	Debt Service	41,598,559	0.5639	0.4900	203,833	
Monroe County	General Revenue	117,907,353	0.4089	0.2850	336,036	
	Road & Bridge	117,907,353	0.2983	0.2983	351,718	
	Senate Bill 40	117,907,353	0.1000	0.1000	117,907	
<u>Montgomery</u>						
Montgomery County Ambulance Dist	General Revenue	195,638,273	0.2448	0.2448	478,922	
Rhineland Bottom SRD Montgomery Co	Special Road and Bridge	8,455,606	0.3092	0.2500	21,139	A 2017
Wellsville Road Dist Montgomery Co	Special Road and Bridge	25,007,118	0.2000	0.2000	50,014	A 2017
City of Bellflower	General Revenue	2,182,482	0.8825	0.8825	19,260	
City of High Hill	General Revenue	3,128,543	0.3777	0.3700	11,576	
City of Jonesburg	General Revenue	11,260,894	0.5122	0.5122	57,678	
City of McKittrick	General Revenue	482,794	0.6848	0.6848	3,306	
City of Middletown	General Revenue	1,513,047	0.8057	0.7867	11,903	
City of Montgomery	General Revenue	40,677,797	0.5219	0.5219	212,297	
	Library	40,677,797	0.3966	0.3966	161,328	
City of New Florence	General Revenue	7,146,368	0.7945	0.7945	56,778	
Village of Rhineland	General Revenue	2,547,644	0.8102	0.8102	20,641	
City of Wellsville	General Revenue	8,544,842	0.7660	0.7660	65,453	
	Library	8,544,842	0.2099	0.2099	17,936	
Bellflower Volunteer Fire Prot Dist	General Revenue	20,852,071	0.2236	0.2236	46,625	
Big Spring Fire Protection District	General Revenue	14,207,482	0.2943	0.2943	41,813	
Jonesburg-High Hill Fire Prot Dist	General Revenue	48,171,084	0.2508	0.2500	120,428	
New Florence Fire Protection Dist	General Revenue	23,400,893	0.3000	0.3000	70,203	
Montgomery Volunteer Fire Prot Dist	General Revenue	79,467,747	0.2605	0.2605	207,013	
Wellsville Fire Protection District	General Revenue	26,613,192	0.2470	0.2400	63,872	
Middletown Community Fire Prot Dist	General Revenue	19,625,542	0.3000	0.3000	58,877	A

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Montgomery</u>						
Montgomery County Health Department	General Revenue	221,946,259	0.1434	0.1434	318,271	
Wellsville-Middletown R-I Sch Dist	Operating Funds-Schools	28,718,983	3.3492	3.3492	961,856	E
	Debt Service	28,718,983	0.6863	0.4800	137,851	
Montgomery Co R-II School District	Operating Funds-Schools	130,283,181	3.3007	3.3007	4,300,257	E
	Debt Service	130,283,181	0.8836	0.6500	846,841	
Montgomery County	General Revenue	221,946,259	0.3780	0.2717	603,028	
	Johnson Grass	221,946,259	0.0000	0.0000	0	
	Road & Bridge	221,946,259	0.2787	0.2787	618,564	
	Senate Bill 40	221,946,259	0.0954	0.0954	211,737	
	Special Road and Bridge	188,483,541	0.3030	0.3000	565,451	A 2017
<u>Morgan</u>						
Golden Age Nursing Home District #1	General Revenue	97,520,872	0.1879	0.1879	183,242	
Good Shepherd Nursing Home District	General Revenue	717,252,542	0.1405	0.1405	1,007,740	
Barnett Spec Road Dist #3 Morgan Co	Road & Bridge	11,229,427	0.3053	0.3053	34,283	
Gravois Spec Road Dist #8 Morgan Co	Road & Bridge	183,155,736	0.1303	0.1303	238,652	
	Special Road and Bridge	183,155,736	0.1029	0.1000	183,156	2014
City of Barnett	General Revenue	1,175,439	0.6788	0.6562	7,713	
	Water	1,175,439	0.3556	0.3438	4,041	
City of Stover	General Revenue	7,665,324	0.5516	0.5516	42,282	
City of Syracuse	General Revenue	2,229,627	0.7059	0.7059	15,739	
City of Versailles	General Revenue	27,494,154	0.6841	0.6841	188,088	
Morgan County Library District	General Revenue	478,426,312	0.0747	0.0747	357,384	
Rocky Mount Fire Protection Dist	General Revenue	109,616,712	0.3856	0.3856	422,682	
Versailles Fire Protection Dist #4	General Revenue	40,857,320	0.4720	0.4720	192,847	
Gravois Fire Protection District	General Revenue	226,598,693	0.3919	0.3919	888,040	
	Debt Service	226,598,693	0.2288	0.2288	518,458	
Stover Rural Fire Protection Dist 6	General Revenue	37,164,792	0.2612	0.2612	97,074	
Morgan County Health Center	General Revenue	478,426,312	0.0764	0.0764	365,518	
Morgan County R-I School District	Operating Funds-Schools	82,365,762	3.5213	3.4300	2,825,146	BE
Morgan County R-II School District	Operating Funds-Schools	250,824,874	2.9660	2.9000	7,273,921	BE
Morgan County	General Revenue	478,426,312	0.2076	0.1576	754,000	
	Johnson Grass	478,426,312	0.0000	0.0000	0	
	Road & Bridge	283,857,235	0.1641	0.1641	465,810	
	Senate Bill 40	478,426,312	0.0415	0.0415	198,547	
	Senior Services	478,426,312	0.0415	0.0415	198,547	
<u>New Madrid</u>						
New Madrid County Ambulance Dist	General Revenue	446,255,481	0.0230	0.0000	0	
City of Canalou	General Revenue	1,116,782	0.7677	0.7522	8,400	
Village of Catron	General Revenue	1,045,611	0.4753	0.4753	4,970	
	Additional Gen. Rev.	1,045,611	0.2376	0.2376	2,484	
City of Gideon	General Revenue	5,873,802	0.6173	0.6173	36,259	
	Parks & Recreation	5,873,802	0.1570	0.1570	9,222	
City of Howardville	General Revenue	1,238,992	1.0000	1.0000	12,390	
City of Lilbourn	General Revenue	8,366,159	0.6124	0.6124	51,234	
	Parks & Recreation	8,366,159	0.1700	0.1700	14,222	
	Library	8,366,159	0.1700	0.1700	14,222	
	Health	8,366,159	0.1700	0.1700	14,222	
	Debt Service	8,366,159	0.7014	0.4267	35,698	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>New Madrid</u>						
City of Marston	General Revenue	4,778,632	0.5738	0.5738	27,420	
City of Matthews	General Revenue	9,179,003	0.5503	0.5321	48,841	
City of Morehouse	General Revenue	5,395,606	0.7077	0.7077	38,185	
City of New Madrid	General Revenue	27,340,002	0.6066	0.6066	165,844	
	Additional Gen. Rev.	27,340,002	0.0000	0.0000	0	
Village of North Lilbourn	General Revenue	114,414	0.5000	0.5000	572	
City of Parma	General Revenue	4,824,629	0.6438	0.6438	31,061	
City of Portageville	General Revenue	33,435,615	0.5923	0.5923	198,039	
	Parks & Recreation	33,435,615	0.1342	0.1342	44,871	
	Health	33,435,615	0.1565	0.1565	52,327	
City of Risco	General Revenue	2,236,345	0.7491	0.7491	16,752	
Village of Tallapoosa	General Revenue	461,421	0.9786	0.9786	4,515	
New Madrid County Library	General Revenue	419,063,571	0.1134	0.1134	475,218	
Lilbourn Hwy D Comm Improv District	General Revenue	139,490	0.0000	0.0000	0	2039
New Madrid County Health Department	General Revenue	446,255,481	0.0900	0.0900	401,630	
Risco R-II School District	Operating Funds-Schools	10,500,037	4.7457	4.7457	498,300	E
Portageville School District	Operating Funds-Schools	49,842,903	2.8221	2.8221	1,406,617	E
	Debt Service	49,842,903	0.6779	0.6779	337,885	
Gideon 37 School District	Operating Funds-Schools	14,079,529	3.6503	3.6503	513,945	E
New Madrid Co R-I School District	Operating Funds-Schools	299,052,506	3.6711	3.4500	10,317,311	BE
	Debt Service	299,052,506	0.4283	0.2400	717,726	
New Madrid County	General Revenue	446,255,481	0.3307	0.1738	775,592	
	Johnson Grass	446,255,481	0.0100	0.0100	44,626	
	Road & Bridge	446,255,481	0.2510	0.2510	1,120,101	
	Senate Bill 40	446,255,481	0.0200	0.0200	89,251	
<u>Newton</u>						
Newton County Ambulance District	General Revenue	662,847,149	0.1930	0.1930	1,279,295	
Lost Creek Watershed Subdistrict	General Revenue	32,298,860	0.1508	0.1500	48,448	
Diamond Special Road Dist Newton Co	Road & Bridge	34,285,303	0.3218	0.3218	110,330	
	Special Road and Bridge	34,285,303	0.1758	0.1758	60,274	2015
Fairview Special Rd Dist Newton Co	Road & Bridge	10,448,016	0.2176	0.2176	22,735	
	Special Road and Bridge	10,448,016	0.1603	0.1603	16,748	2015
Midway Special Road Dist Newton Co	Road & Bridge	11,692,382	0.2219	0.2219	25,945	
	Special Road and Bridge	11,692,382	0.1745	0.1745	20,403	2015
Neosho Special Road Dist Newton Co	Road & Bridge	186,397,878	0.1959	0.1959	365,153	
	Special Road and Bridge	186,397,878	0.1561	0.1561	290,967	2015
Seneca Special Road Dist Newton Co	Road & Bridge	63,888,759	0.2018	0.2018	128,928	
	Special Road and Bridge	63,888,759	0.1561	0.1561	99,730	2015
Stella Special Road Dist Newton Co	Road & Bridge	7,022,604	0.2757	0.2757	19,361	
	Special Road and Bridge	7,022,604	0.1408	0.1408	9,888	2015
City of Diamond	General Revenue	5,387,233	0.3171	0.3171	17,083	
City of Fairview	General Revenue	2,141,904	0.3764	0.3764	8,062	
	Streets	2,141,904	0.3294	0.3294	7,055	
City of Granby	General Revenue	9,626,496	0.3615	0.3615	34,800	
	Cemetery	9,626,496	0.0836	0.0836	8,048	2015
Village of Leawood	General Revenue	7,907,500	0.2241	0.2241	17,721	
City of Neosho	General Revenue	103,100,829	0.4256	0.4043	416,837	
	Parks & Recreation	103,100,829	0.0000	0.0000	0	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Newton</u>						
Village of Newtonia	General Revenue	1,189,091	0.2151	0.2151	2,558	
Village of Ritchey	General Revenue	486,564	0.4742	0.4742	2,307	
Village of Saginaw	General Revenue	4,108,926	0.2580	0.2580	10,601	
City of Seneca	General Revenue	18,098,709	0.4519	0.4519	81,788	
	Parks & Recreation	18,098,709	0.0500	0.0500	9,049	
Village of Shoal Creek Drive	General Revenue	2,821,182	0.2084	0.2084	5,879	
Village of Stella	General Revenue	1,201,184	0.7508	0.7508	9,018	
Village of Wentworth	General Revenue	1,000,634	0.2754	0.2754	2,756	
Village of Shoal Creek Estates	General Revenue	1,114,679	0.4863	0.4863	5,421	
Town of Loma Linda	General Revenue	13,468,673	0.4761	0.4761	64,124	
	Sewer	13,468,673	0.0000	0.0000	0	
	General Revenue-Temp	13,468,673	0.3109	0.3109	41,874	2015
	Public Health and Sewer	13,468,673	0.1905	0.1905	25,658	
Neosho Newton County Library	General Revenue	685,869,344	0.0999	0.0999	685,183	
Neosho Area Fire Protection Dist	General Revenue	104,108,253	0.3898	0.3898	405,814	
Redings Mill Area Fire Prot Dist	General Revenue	160,119,328	0.7095	0.7095	1,136,047	
Diamond Area Fire Protection Dist	General Revenue	48,191,770	0.2543	0.2543	122,552	
Seneca Area Fire Protection Dist	General Revenue	40,554,626	0.2849	0.2849	115,540	
East Newton Fire Protection Dist	General Revenue	24,178,460	0.2708	0.2708	65,475	
Midway Fire Protection District	General Revenue	13,282,380	0.3823	0.3000	39,847 ^A	
Neosho Developers Comm Improv Dist	General Revenue	42,200	1.0000	1.0000	422	2057
Newton County Health Department	General Revenue	781,843,741	0.0500	0.0500	390,922	
Crowder College	General Revenue	793,359,548	0.4297	0.4297	3,409,066	
East Newton Co R-VI School District	Operating Funds-Schools	67,912,900	2.7500	2.7500	1,867,605 ^E	
	Debt Service	67,912,900	0.4691	0.4691	318,579	
Diamond R-IV School District	Operating Funds-Schools	69,669,700	2.7500	2.7500	1,915,917 ^E	
	Debt Service	69,669,700	1.3544	0.9900	689,730	
Westview C-6 School District	Operating Funds-Schools	8,325,660	2.7500	2.7500	228,956 ^F	
Seneca R-VII School District	Operating Funds-Schools	85,570,760	2.7500	2.7500	2,353,196 ^F	
	Debt Service	85,570,760	1.0833	0.8500	727,351	
Neosho R-V School District	Operating Funds-Schools	284,658,927	2.8723	2.7500	7,828,120 ^F	
	Debt Service	284,658,927	0.3610	0.3600	1,024,772	
Newton County	Common Road District	130,238,966	0.2317	0.2317	301,764	
	Mental Health	781,843,741	0.0825	0.0825	645,021	
	County Fair	781,843,741	0.0100	0.0100	78,184	
	Senate Bill 40	781,843,741	0.0601	0.0600	469,106 ^A	
<u>Nodaway</u>						
Hoover Frankum Watershed Subdist	General Revenue	1,186,682	0.3800	0.3800	4,509	
Mozingo Creek Watershed Subdistrict	General Revenue	12,003,061	0.0000	0.0000	0	
102 River Tributaries Subdistrict	General Revenue	8,521,103	0.1000	0.1000	8,521	
City of Arkoe	General Revenue	331,499	0.9146	0.9146	3,032	
City of Barnard	General Revenue	976,160	0.8764	0.8764	8,555	
	Streets	976,160	1.2562	1.2562	12,263	2014
City of Burlington Junction	General Revenue	3,361,716	1.0000	1.0000	33,617	
	General Revenue-Temp	3,361,716	0.3061	0.3000	10,085	2014
City of Clearmont	General Revenue	1,096,017	0.7174	0.7174	7,863	
Village of Clyde	General Revenue	633,875	0.4804	0.4804	3,045	
City of Conception Junction	General Revenue	1,348,908	0.8653	0.8653	11,672	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
City of Elmo	General Revenue	670,784	0.9250	0.9250	6,205	
	General Revenue-Temp	670,784	1.0000	0.0000	0 ^A	2017
	Streets-Temp	670,784	0.4500	0.4500	3,019 ^A	2017
City of Graham	General Revenue	866,612	1.0000	1.0000	8,666	
	Streets	866,612	0.0000	0.0000	0	
	Street Improvements	866,612	1.1921	1.1400	9,879 ^A	2016
Village of Guilford	General Revenue	580,477	0.9612	0.9612	5,580	
	Streets	580,477	0.4805	0.4805	2,789	2014
City of Hopkins	General Revenue	3,496,522	0.3402	0.3402	11,895	
	Lights	3,496,522	0.1916	0.1916	6,699	
	Streets	3,496,522	0.1916	0.1916	6,699	
	General Revenue-Temp	3,496,522	0.2079	0.2079	7,269	2015
	Street Improvements	3,496,522	0.7721	0.7500	26,224 ^A	2017
City of Maryville	General Revenue	128,932,126	0.3412	0.3412	439,916	
	Parks & Recreation	128,932,126	0.3000	0.3000	386,796	
	Library	128,932,126	0.1542	0.1542	198,813	
	Debt Service	128,932,126	0.1378	0.1378	177,668	
City of Parnell	General Revenue	549,057	1.0000	1.0000	5,491	
	Parks & Recreation	549,057	0.3000	0.3000	1,647	2016
	General Revenue-Temp	549,057	0.4000	0.4000	2,196	2016
Village of Pickering	General Revenue	784,719	0.8398	0.8398	6,590	
	Streets	784,719	1.0000	1.0000	7,847	2015
City of Ravenwood	General Revenue	2,665,787	0.7382	0.7382	19,679	
	Streets	2,665,787	1.2882	1.2500	33,322	2014
City of Skidmore	General Revenue	1,505,962	0.9750	0.9750	14,683	
	Streets	1,505,962	0.9750	0.9750	14,683	
Atchison Township Nodaway County	General Revenue	6,651,516	0.0477	0.0477	3,173	
	Road & Bridge	6,651,516	0.4767	0.4767	31,708	
	Special Road and Bridge	6,651,516	0.3498	0.3498	23,267	2016
	Debt Service	6,651,516	0.9043	0.9043	60,150	
Grant Township Nodaway County	General Revenue	7,575,972	0.0472	0.0472	3,576	
	Road & Bridge	7,575,972	0.4715	0.4715	35,721	
	Special Road and Bridge	7,575,972	0.3500	0.3500	26,516	2016
	Debt Service	7,575,972	0.3168	0.3168	24,001	
Green Township Nodaway County	General Revenue	6,020,895	0.0483	0.0483	2,908	
	Road & Bridge	6,020,895	0.4830	0.4830	29,081	
	Special Road and Bridge	6,020,895	0.3472	0.3472	20,905	2016
	Debt Service	6,020,895	0.5908	0.5908	35,571	
Hopkins Township Nodaway County	General Revenue	7,801,597	0.0479	0.0479	3,737	
	Road & Bridge	7,801,597	0.4792	0.4792	37,385	
	Special Road and Bridge	7,801,597	0.3509	0.3509	27,376	2016
Hughes Township Nodaway County	General Revenue	10,127,748	0.0498	0.0498	5,044	
	Road & Bridge	10,127,748	0.4975	0.4975	50,386	
	Special Road and Bridge	10,127,748	0.3512	0.3512	35,569	2016
	Debt Service	10,127,748	0.1577	0.1577	15,971	
Independence Township Nodaway Co	General Revenue	4,728,858	0.0467	0.0467	2,208	
	Road & Bridge	4,728,858	0.4681	0.4681	22,136	
	Special Road and Bridge	4,728,858	0.3520	0.3520	16,646	2016

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
Independence Township Nodaway Co	Debt Service	4,728,858	0.6455	0.6455	30,525	
Jackson Township Nodaway County	General Revenue	13,208,317	0.0494	0.0494	6,525	
	Road & Bridge	13,208,317	0.4942	0.4942	65,276	
	Special Road and Bridge	13,208,317	0.3500	0.3500	46,229	2014
	Debt Service	13,208,317	0.4474	0.4474	59,094	
Jefferson Township Nodaway County	General Revenue	10,653,481	0.0482	0.0482	5,135	
	Road & Bridge	10,653,481	0.4814	0.4814	51,286	
	Special Road and Bridge	10,653,481	0.3500	0.3500	37,287	2016
Lincoln Township Nodaway County	General Revenue	6,887,196	0.0476	0.0476	3,278	
	Road & Bridge	6,887,196	0.4760	0.4760	32,783	
	Special Road and Bridge	6,887,196	0.3439	0.3439	23,685	2014
Monroe Township Nodaway County	General Revenue	5,456,978	0.0486	0.0486	2,652	
	Road & Bridge	5,456,978	0.4745	0.4745	25,893	
	Special Road and Bridge	5,456,978	0.3481	0.3481	18,996	2016
	Debt Service	5,456,978	0.7202	0.7202	39,301	
Nodaway Township Nodaway County	General Revenue	10,437,653	0.0470	0.0470	4,906	
	Road & Bridge	10,437,653	0.4702	0.4702	49,078	
	Special Road and Bridge	10,437,653	0.3517	0.3517	36,709	2014
	Debt Service	10,437,653	0.6477	0.6477	67,605	
Polk Township Nodaway County	General Revenue	198,219,803	0.0500	0.0500	99,110	
	Road & Bridge	198,219,803	0.2900	0.2900	574,837	
	Special Road and Bridge	198,219,803	0.1516	0.1500	297,330	2016
Union Township Nodaway County	General Revenue	6,697,387	0.0487	0.0487	3,262	
	Road & Bridge	6,697,387	0.4871	0.4871	32,623	
	Special Road and Bridge	6,697,387	0.3479	0.3479	23,300	2014
	Debt Service	6,697,387	0.4352	0.4352	29,147	
Washington Township Nodaway County	General Revenue	9,876,035	0.0475	0.0475	4,691	
	Road & Bridge	9,876,035	0.4752	0.4752	46,931	
	Special Road and Bridge	9,876,035	0.3528	0.3528	34,843	2016
White Cloud Township Nodaway County	General Revenue	10,242,968	0.0429	0.0429	4,394	
	Road & Bridge	10,242,968	0.4214	0.4214	43,164	
	Special Road and Bridge	10,242,968	0.3323	0.3323	34,037	2014
	Debt Service	10,242,968	0.4794	0.4794	49,105	
Barnard Fire Protection District	General Revenue	16,197,104	0.1904	0.1904	30,839	
Graham Fire Protection District	General Revenue	10,534,630	0.1992	0.1992	20,985	
Hopkins Fire Protection District	General Revenue	10,839,882	0.2205	0.2205	23,902	
Polk Fire Protection District	General Revenue	74,947,891	0.1547	0.1547	115,944	
Clearmont Fire Protection District	General Revenue	6,254,647	0.2808	0.2808	17,563	
Skidmore Fire Protection District	General Revenue	9,466,294	0.2943	0.2943	27,859	
West Nodaway Fire Protection Dist	General Revenue	15,935,464	0.2602	0.2602	41,464	
Jackson Township Fire Prot District	General Revenue	13,207,032	0.0000	0.0000	0	
	Fire	13,207,032	0.2966	0.2966	39,172	
Union Township Fire Protection Dist	General Revenue	5,112,766	0.2955	0.2955	15,108	
Elmo Fire Protection District	General Revenue	4,831,851	0.2762	0.2762	13,346	
Parnell Fire Protection District	General Revenue	5,878,230	0.2774	0.2774	16,306	
Nodaway County Health Center	General Revenue	314,611,453	0.0500	0.0500	157,306	
Nodaway-Holt R-VII School District	Operating Funds-Schools	26,070,780	3.5182	3.5182	917,222 ^E	
	Operating Funds-Temp	26,070,780	0.9000	0.9000	234,637	2019

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
West Nodaway Co R-I School District	Operating Funds-Schools	23,808,760	3.6118	3.6118	859,925	2014
	Debt Service	23,808,760	0.6980	0.5000	119,044	
Northeast Nodaway Co R-V Sch Dist	Operating Funds-Schools	14,872,981	5.1411	5.1411	764,635	
	Operating Funds-Temp	14,872,981	0.5500	0.5500	81,801	
	Debt Service	14,872,981	0.7707	0.7707	114,626	
Jefferson C-123 School District	Operating Funds-Schools	13,874,466	5.8763	5.4996	763,040	
North Nodaway Co R-VI School Dist	Operating Funds-Schools	15,782,548	4.2011	4.2011	663,041	
	Debt Service	15,782,548	0.5905	0.5900	93,117	
Maryville R-II School District	Operating Funds-Schools	191,795,766	4.6112	4.3417	8,327,197	
	Debt Service	191,795,766	0.9571	0.7900	1,515,187	
South Nodaway Co R-IV School Dist	Operating Funds-Schools	13,927,373	5.3115	5.3115	739,752	
	Debt Service	13,927,373	0.7854	0.5900	82,172	
Nodaway County	General Revenue	314,611,453	0.3677	0.1200	377,534	
	Ambulance	314,611,453	0.1891	0.0000	0	
	Senate Bill 40	314,611,453	0.0500	0.0500	157,306	
	Senior Services	314,611,453	0.0500	0.0500	157,306	
<u>Oregon</u>						
Oregon County Ambulance District	General Revenue	89,334,286	0.0750	0.0000	0	
Thayer Special Road Dist Oregon Co	Road & Bridge	34,765,428	0.2197	0.2197	76,380	
City of Alton	General Revenue	4,812,604	0.5636	0.5636	27,124	
City of Koshkonong	General Revenue	806,828	0.9060	0.9060	7,310	
City of Thayer	General Revenue	15,118,760	0.4708	0.4708	71,179	
Oregon County Library District	General Revenue	89,334,286	0.2000	0.2000	178,669	
Oregon County Health Department	General Revenue	89,334,286	0.1000	0.1000	89,334	
Couch R-I School District	Operating Funds-Schools	10,358,396	3.9074	3.9074	404,744	E
Thayer R-II School District	Operating Funds-Schools	28,996,826	2.7500	2.7500	797,413	E
	Debt Service	28,996,826	1.0422	0.9200	266,771	
Oregon-Howell R-III School District	Operating Funds-Schools	12,806,496	2.7369	2.7117	347,274	E
	Operating Funds-Temp	12,806,496	0.6988	0.6900	88,365	2022
	Debt Service	12,806,496	1.0166	1.0000	128,065	
Alton R-IV School District	Operating Funds-Schools	33,483,227	2.7500	2.7500	920,789	E
Oregon County	General Revenue	89,334,286	0.3645	0.1310	117,028	
	Common Road District	54,713,188	0.2697	0.2697	147,561	
	Senate Bill 40	89,334,286	0.1000	0.1000	89,334	
	Senior Services	89,334,286	0.0500	0.0500	44,667	
<u>Osage</u>						
Osage Ambulance District	General Revenue	135,012,506	0.3000	0.2219	299,593	
Chamois Special Road Dist Osage Co	Road & Bridge	5,563,448	0.3500	0.3500	19,472	
Linn City Spec Road Dist Osage Co	Road & Bridge	16,627,366	0.2624	0.2624	43,630	
Westphalia Spec Road Dist Osage Co	Road & Bridge	4,465,251	0.2258	0.2258	10,083	2015
	Special Road and Bridge	4,465,251	0.1748	0.1748	7,805	
Village of Argyle	General Revenue	1,245,417	0.2912	0.2912	3,627	
City of Chamois	General Revenue	3,129,046	0.6066	0.6066	18,981	
City of Linn	General Revenue	16,401,867	0.5357	0.5357	87,865	
	Parks & Recreation	16,401,867	0.0500	0.0500	8,201	
City of Meta	General Revenue	4,715,684	0.4346	0.4346	20,494	
Osage County Library	General Revenue	199,051,371	0.1728	0.1728	343,961	
Chamois Fire Protection District	General Revenue	14,820,389	0.2614	0.2614	38,740	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Osage</u>						
Meta Fire & Rescue Fire Prot Dist	General Revenue	14,496,968	0.2901	0.2900	42,041	
Linn Fire Protection District	General Revenue	87,352,958	0.2625	0.2625	229,302	
Osage County R-I School District	Operating Funds-Schools	14,101,667	6.0232	5.0500	712,134	BE
Osage County R-II School District	Operating Funds-Schools	59,839,189	2.7500	2.7500	1,645,578	E
	Debt Service	59,839,189	1.2339	1.0500	628,311	
Osage County R-III School District	Operating Funds-Schools	85,350,658	3.5207	3.5207	3,004,941	E
Osage County	General Revenue	199,051,371	0.3152	0.0548	109,080	
	Common Road District	169,714,450	0.2150	0.2150	364,886	
	Developmentally Disabled	199,051,371	0.1000	0.1000	199,051	
<u>Ozark</u>						
Village of Bakersfield	General Revenue	1,293,163	0.2917	0.2917	3,772	
	Health	1,293,163	0.1456	0.1456	1,883	
City of Gainesville	General Revenue	8,897,414	0.4462	0.4290	38,170	
City of Theodosia	General Revenue	4,249,819	0.3111	0.3111	13,221	
Ozark County Health Center	General Revenue	105,087,561	0.0928	0.0928	97,521	
Thornfield R-I School District	Operating Funds-Schools	6,234,448	3.3420	3.2897	205,095	E
Bakersfield R-IV School District	Operating Funds-Schools	12,847,671	3.5938	3.5938	461,720	E
Gainesville R-V School District	Operating Funds-Schools	47,231,487	2.7500	2.7500	1,298,866	E
Dora R-III School District	Operating Funds-Schools	15,422,849	3.2938	3.2221	496,940	E
	Operating Funds-Temp	15,422,849	0.2188	0.2162	33,344	2017
	Debt Service	15,422,849	0.3855	0.1804	27,823	
Lutie R-VI School District	Operating Funds-Schools	22,275,011	3.7191	3.7191	828,430	E
Ozark County	General Revenue	105,087,561	0.3154	0.1800	189,158	
	Road & Bridge	105,087,561	0.2387	0.2387	250,844	
	Ambulance	105,087,561	0.0000	0.0000	0	
<u>Pemiscot</u>						
City of Bragg City	General Revenue	368,450	0.5000	0.5000	1,842	
City of Caruthersville	General Revenue	43,298,426	0.5922	0.5922	256,413	
	Sewer	43,298,426	0.2009	0.2009	86,987	
	Library	43,298,426	0.0952	0.0952	41,220	
	Health	43,298,426	0.1691	0.1691	73,218	
	Cemetery	43,298,426	0.0423	0.0423	18,315	
Town of Cooter	General Revenue	2,956,447	1.0000	1.0000	29,564	
City of Hayti	General Revenue	22,327,008	0.5746	0.5746	128,291	
	Parks & Recreation	22,327,008	0.2592	0.2592	57,872	
	Library	22,327,008	0.1916	0.1916	42,779	
	Health	22,327,008	0.1578	0.1578	35,232	
	Cemetery	22,327,008	0.0500	0.0500	11,164	
City of Hayti Heights	General Revenue	888,880	0.9221	0.9221	8,196	
	Health	888,880	0.2000	0.2000	1,778	
Village of Holland	General Revenue	938,870	0.6392	0.6392	6,001	
City of Homestown	General Revenue	207,500	0.6000	0.6000	1,245	
City of Steele	General Revenue	12,413,002	0.5815	0.5815	72,182	
	Parks & Recreation	12,413,002	0.1678	0.1678	20,829	
	Library	12,413,002	0.1678	0.1678	20,829	
	Health	12,413,002	0.1678	0.1678	20,829	
Village of Wardell	General Revenue	1,736,962	0.6839	0.6839	11,879	
	Health	1,736,962	0.1000	0.1000	1,737	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pemiscot</u>						
Pemiscot County Health Center	General Revenue	193,138,412	0.1000	0.1000	193,138	
North Pemiscot Co R-I School Dist	Operating Funds-Schools	19,400,428	3.4714	3.0000	582,013	E
Hayti R-II School District	Operating Funds-Schools	30,744,258	3.4465	3.4465	1,059,601	E
Pemiscot Co R-III School District	Operating Funds-Schools	11,614,277	3.8695	3.8695	449,414	E
	Debt Service	11,614,277	0.4469	0.3500	40,650	
Cooter R-IV School District	Operating Funds-Schools	7,987,444	3.7500	3.6931	294,984	E
South Pemiscot Co R-V School Dist	Operating Funds-Schools	30,092,903	3.6042	3.6042	1,084,608	E
Pemiscot County C-7 School District	Operating Funds-Schools	11,489,463	4.8934	4.0934	470,310	E
Caruthersville 18 School District	Operating Funds-Schools	50,197,306	3.9206	3.9206	1,968,036	E
	Debt Service	50,197,306	0.3176	0.2108	105,816	
Pemiscot Co Special School District	Operating Funds-Schools	192,480,482	0.4863	0.4863	936,033	
	Debt Service	192,480,482	0.0443	0.0443	85,269	
Pemiscot County	General Revenue	193,138,412	0.3880	0.1942	375,075	
	Johnson Grass	193,138,412	0.0500	0.0500	96,569	
	Road & Bridge	193,138,412	0.2977	0.2977	574,973	
	Hospital	193,138,412	0.4266	0.4200	811,181	B
	Senate Bill 40	193,138,412	0.1000	0.1000	193,138	
<u>Perry</u>						
City of Altenburg	General Revenue	4,101,793	0.6082	0.6082	24,947	
City of Frohna	General Revenue	4,427,437	0.6875	0.6775	29,996	
Village of Longtown	General Revenue	868,120	0.3139	0.3139	2,725	
City of Perryville	General Revenue	135,852,727	0.4034	0.4000	543,411	
	Parks & Recreation	135,852,727	0.1714	0.1700	230,950	
	Debt Service	135,852,727	0.2174	0.1900	258,120	
Perry County Library District	General Revenue	319,036,704	0.0917	0.0917	292,557	
Perry County Health Department	General Revenue	319,036,704	0.1833	0.1833	584,794	
Perry County 32 School District	Operating Funds-Schools	285,874,087	3.2338	3.2338	9,244,596	E
Altenburg 48 School District	Operating Funds-Schools	16,046,931	3.6038	3.6038	578,299	E
Perry County	General Revenue	319,036,704	0.4215	0.2200	701,881	
	Road & Bridge	319,036,704	0.3052	0.3052	973,700	
	Hospital	319,036,704	0.0917	0.0917	292,557	
	Mental Health	319,036,704	0.0917	0.0917	292,557	
	Senate Bill 40	319,036,704	0.0917	0.0917	292,557	
<u>Pettis</u>						
City of Green Ridge	General Revenue	3,340,352	0.9208	0.9208	30,758	
City of Houstonia	General Revenue	1,063,515	1.0000	1.0000	10,635	
Village of Hughesville	General Revenue	1,086,047	0.4232	0.4232	4,596	
	General Revenue-Temp	1,086,047	0.3104	0.3104	3,371	2015
City of La Monte	General Revenue	6,781,798	0.9300	0.9300	63,071	
	Parks & Recreation	6,781,798	0.0331	0.0331	2,245	
City of Sedalia	General Revenue	250,729,342	0.4565	0.4565	1,144,579	
	Parks & Recreation	250,729,342	0.1588	0.1588	398,158	
	Library	197,360,450	0.2260	0.2260	446,035	
	Police	250,729,342	0.0894	0.0894	224,152	
	Fire	250,729,342	0.0488	0.0488	122,356	
	Library-Temp	197,360,450	0.0716	0.0700	138,152	2037
City of Smithton	General Revenue	4,368,470	0.8435	0.8435	36,848	
Boonslick Regional Library	General Revenue	844,395,664	0.1399	0.1399	1,181,310	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pettis</u>						
Pettis County Fire Prot District #1	General Revenue	219,659,839	0.2802	0.2791	613,071	
Sedalia Special Business District	General Revenue	4,777,122	0.8500	0.8500	40,606	
Pettis County Health Center	General Revenue	566,653,470	0.0897	0.0897	508,288	
State Fair Community College	General Revenue	821,694,588	0.4075	0.4075	3,348,405	
Pettis County R-V School District	Operating Funds-Schools	26,231,594	3.5274	3.5274	925,293	E
	Debt Service	26,231,594	0.5645	0.4303	112,875	
La Monte R-IV School District	Operating Funds-Schools	19,432,714	3.0234	2.9500	573,265	E
	Debt Service	19,432,714	0.7623	0.7623	148,136	
Smithton R-VI School District	Operating Funds-Schools	39,682,403	3.4727	3.4727	1,378,051	E
	Debt Service	39,682,403	0.3157	0.3157	125,277	
Green Ridge R-VIII School District	Operating Funds-Schools	24,517,609	3.3906	3.3906	831,294	E
	Debt Service	24,517,609	0.4652	0.4639	113,737	
Pettis County R-XII School District	Operating Funds-Schools	55,039,119	3.0833	2.7900	1,535,591	E
Sedalia 200 School District	Operating Funds-Schools	342,515,936	3.0500	3.0500	10,446,736	E
	Operating Funds-Temp	342,515,936	0.8628	0.8628	2,955,227	2026
Pettis County	General Revenue	566,375,240	0.3911	0.0606	343,223	
	Johnson Grass	566,375,240	0.0051	0.0051	28,885	
	Road & Bridge	566,375,240	0.2844	0.2844	1,610,771	
	Developmentally Disabled	566,375,240	0.0897	0.0897	508,039	
<u>Phelps</u>						
St. James Ambulance District	General Revenue	119,665,689	0.1318	0.0000	0	
City of Doolittle	General Revenue	4,619,094	0.2762	0.2762	12,758	
City of Newburg	General Revenue	1,810,925	0.7478	0.7478	13,542	
	Library	1,810,925	0.2000	0.2000	3,622	
City of Rolla	General Revenue	205,488,079	0.4539	0.4539	932,710	
	Parks & Recreation	205,488,079	0.1118	0.1118	229,736	
	Library	205,488,079	0.1894	0.1894	389,194	
City of St. James	General Revenue	35,445,377	0.3943	0.3943	139,761	
	Parks & Recreation	35,445,377	0.0615	0.0615	21,799	
	Library	35,445,377	0.3054	0.3000	106,336	A
City of Edgar Springs	General Revenue	1,589,582	0.4721	0.4721	7,504	
Doolittle Rural Fire Prot District	General Revenue	29,407,681	0.2221	0.2221	65,314	
Rolla Rural Fire Protection Dist	General Revenue	153,071,822	0.2300	0.2300	352,065	
Duke Fire Protection District	General Revenue	5,559,264	0.2301	0.2301	12,792	
St. James Fire Protection District	General Revenue	112,151,499	0.2371	0.2371	265,911	
Edgar Springs Rural Fire Prot Dist	General Revenue	15,308,550	0.3062	0.3062	46,875	
St. James R-I School District	Operating Funds-Schools	114,326,951	2.7500	2.7500	3,143,991	E
	Debt Service	114,326,951	0.8931	0.5300	605,933	
Newburg R-II School District	Operating Funds-Schools	26,535,295	2.7500	2.7500	729,721	E
	Debt Service	26,535,295	0.4975	0.4975	132,013	
Rolla 31 School District	Operating Funds-Schools	389,000,539	3.3702	2.9612	11,519,084	
	Debt Service	389,000,539	0.3669	0.2500	972,501	
Phelps County R-III School District	Operating Funds-Schools	18,017,525	2.7500	2.7500	495,482	E
	Debt Service	18,017,525	0.3209	0.1409	25,387	
Phelps County	General Revenue	558,246,271	0.2787	0.1537	858,025	
	Road & Bridge	558,246,271	0.1991	0.0940	524,751	
	Developmentally Disabled	558,246,271	0.0717	0.0717	400,263	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pike</u>						
Village of Annada	General Revenue	404,020	0.6240	0.6240	2,521	
City of Bowling Green	General Revenue	41,188,111	0.6165	0.6165	253,925	
	Parks & Recreation	41,188,111	0.0000	0.0000	0	
	Library	41,188,111	0.1902	0.1902	78,340	
	Cemetery	41,188,111	0.0951	0.0951	39,170	
City of Clarksville	General Revenue	4,801,064	0.6465	0.6465	31,039	
City of Curryville	General Revenue	1,560,024	0.9161	0.9096	14,190	
Village of Eolia	General Revenue	4,228,201	0.3914	0.3914	16,549	
City of Frankford	General Revenue	1,842,852	1.0000	1.0000	18,429	
City of Louisiana	General Revenue	35,733,138	0.7300	0.7300	260,852	
	Library	35,733,138	0.1000	0.1000	35,733	
Buffalo Township Fire Prot District	General Revenue	48,432,356	0.2952	0.2952	142,972	
Curryville Fire Protection District	General Revenue	11,154,947	0.3052	0.3052	34,045	A
Pike Co Agency for Dev Disabilities	General Revenue	270,339,633	0.1937	0.1937	523,648	
Pike County Health Department	General Revenue	270,339,633	0.2434	0.2434	658,007	
Bowling Green R-I School District	Operating Funds-Schools	104,102,374	3.3904	3.3904	3,529,487	E
Pike County R-III School District	Operating Funds-Schools	38,622,428	4.0141	4.0141	1,550,343	E
	Debt Service	38,622,428	1.4026	1.0802	417,199	
Boncl R-X School District	Operating Funds-Schools	15,188,195	4.2978	4.0500	615,122	
Louisiana R-II School District	Operating Funds-Schools	50,167,631	3.3956	3.3956	1,703,492	E
	Debt Service	50,167,631	0.5228	0.5043	252,995	
Pike County	General Revenue	270,339,633	0.4305	0.2915	788,040	
	Road & Bridge	270,339,633	0.3120	0.3120	843,460	
	Hospital	270,339,633	0.2142	0.2142	579,067	
<u>Platte</u>						
Northland Regional Ambulance Dist	General Revenue	504,621,507	0.4346	0.4346	2,193,085	
Southern Platte County Ambulance	General Revenue	526,748,224	0.1090	0.1090	574,156	
Platte Co Drainage Ditch District 1	General Revenue	1,245,140	0.0775	0.0775	965	
Farley Special Road Dist Platte Co	Road & Bridge	17,124,254	0.3172	0.3172	54,318	
	Special Road and Bridge	17,124,254	0.3500	0.3500	59,935	2016
Parkville Spec Road Dist Platte Co	Road & Bridge	707,797,824	0.2649	0.2649	1,874,956	
Platte City Spec Rd Dist Platte Co	Road & Bridge	1,061,428,427	0.2154	0.2150	2,282,071	
Weston Special Road Dist Platte Co	Road & Bridge	66,165,686	0.2447	0.2447	161,907	
	Special Road and Bridge	66,165,686	0.3527	0.3527	233,366	2015
City of Camden Point	General Revenue	6,018,463	0.6602	0.6602	39,734	
City of Dearborn	General Revenue	5,697,492	0.4729	0.4729	26,943	
City of Edgerton	General Revenue	5,701,475	0.6828	0.6828	38,930	
Village of Farley	General Revenue	3,053,455	0.4567	0.4567	13,945	
Village of Ferrelview	General Revenue	2,441,685	0.4964	0.4964	12,121	
Village of Iatan	General Revenue	272,703	0.4964	0.4964	1,354	
City of Platte City	General Revenue	74,675,638	0.5317	0.5317	397,050	
	Debt Service	74,675,638	1.2891	0.5569	415,869	
City of Platte Woods	General Revenue	11,548,974	0.7446	0.7000	80,843	
City of Tracy	General Revenue	2,768,506	0.6749	0.6749	18,685	
	Debt Service	2,768,506	0.6059	0.6059	16,774	
City of Weatherby Lake	General Revenue	50,325,193	0.8488	0.8488	427,160	
	Parks & Recreation	50,325,193	0.1811	0.1811	91,139	
	Debt Service	50,325,193	0.7724	0.7724	388,712	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Platte</u>						
City of Weston	General Revenue	22,724,560	0.4626	0.4626	105,124	
	Parks & Recreation	22,724,560	0.1685	0.1685	38,291	
	Lights	22,724,560	0.1309	0.1309	29,746	
City of Lake Waukomis	General Revenue	18,183,944	0.6491	0.6491	118,032	
	General Revenue-Temp	18,183,944	0.5655	0.5655	102,830	2014
City of Parkville	General Revenue	195,553,232	0.4784	0.4784	935,527	
	General Revenue-Temp	195,553,232	0.1759	0.1759	343,978	2024
City of Northmoor	General Revenue	6,452,840	0.0000	0.0000	0	
Town of Ridgely	General Revenue	1,178,783	0.3206	0.3206	3,779	
City of Houston Lake	General Revenue	2,864,936	0.7015	0.7015	20,098	
	Fire	2,864,936	0.7735	0.7735	22,160	2016
Central Platte Fire Protection Dist	General Revenue	214,523,724	0.3131	0.3131	671,674	
Southern Platte Fire Prot District	General Revenue	434,756,107	0.9257	0.9257	4,024,537	
	Debt Service	434,756,107	0.0891	0.0891	387,368	
Weatherby Lake Fire Protection Dist	General Revenue	50,325,193	1.1542	1.0350	520,866	B
West Platte Fire Protection Dist	General Revenue	187,210,368	0.3900	0.3900	730,120	
	Ambulance	187,210,368	0.3900	0.3900	730,120	
Camden Point Fire Protection Dist	General Revenue	22,560,231	0.4838	0.4838	109,146	
Smithville Area Fire Prot Dist	General Revenue	229,056,550	0.2973	0.2973	680,985	
	Debt Service	229,056,550	0.1390	0.1000	229,057	
Edgerton-Trimble Fire Prot District	General Revenue	38,527,618	0.4979	0.4979	191,829	
Dearborn Area Fire Protection Dist	General Revenue	29,841,908	0.5500	0.5500	164,130	
Platte County Health Department	General Revenue	2,284,217,209	0.0800	0.0800	1,827,374	
North Platte Co R-I School District	Operating Funds-Schools	60,345,292	3.7545	3.6500	2,202,603	F
	Debt Service	60,345,292	1.0178	0.9900	597,418	
West Platte Co R-II School District	Operating Funds-Schools	194,665,501	4.1000	4.1000	7,981,286	E
Platte County R-III School District	Operating Funds-Schools	442,197,765	3.8958	3.5466	15,682,986	
	Debt Service	442,197,765	2.0059	1.0523	4,653,247	
Park Hill School District	Operating Funds-Schools	1,491,554,721	4.9543	4.9543	73,896,096	E
	Debt Service	1,491,554,721	0.6111	0.6107	9,108,925	
Platte County	General Revenue	2,284,217,209	0.3500	0.0600	1,370,530	
	Road & Bridge	426,295,927	0.3239	0.3239	1,380,773	
	Mental Health	2,284,217,209	0.1000	0.1000	2,284,217	
	Senate Bill 40	2,284,217,209	0.1300	0.1300	2,969,482	
	Senior Services	2,284,217,209	0.0500	0.0500	1,142,109	
<u>Polk</u>						
Blue Mound Spec Road Dist Polk Co	Road & Bridge	2,390,451	0.3500	0.3500	8,367	
Bolivar Special Road Dist Polk Co	Road & Bridge	97,949,945	0.2116	0.2000	195,900	
Flemington Spec Road Dist Polk Co	Road & Bridge	1,764,236	0.3474	0.3474	6,129	
Humansville Spec Road Dist Polk Co	Road & Bridge	11,386,287	0.2820	0.2820	32,109	
	Special Road and Bridge	11,386,287	0.3508	0.3508	39,943	2016
Southwest Special Road Dist Polk Co	Road & Bridge	941,393	0.3467	0.3467	3,264	
Polk County Road District	Road & Bridge	175,439,586	0.2790	0.2790	489,476	
Village of Aldrich	General Revenue	541,241	0.3650	0.3650	1,976	
City of Bolivar	General Revenue	95,389,373	0.0000	0.0000	0	
	Parks & Recreation	95,389,373	0.0000	0.0000	0	
City of Fair Play	General Revenue	2,161,292	1.0000	1.0000	21,613	
City of Humansville	General Revenue	5,254,176	0.6299	0.6299	33,096	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Polk</u>						
City of Morrisville	General Revenue	2,268,918	0.4976	0.4976	11,290	
Polk County Library District	General Revenue	289,871,898	0.0910	0.0910	263,783	
Pleasant Hope Fire Protection Dist	General Revenue	22,292,537	0.3000	0.3000	66,878	
Central Polk County Fire Prot Dist	General Revenue	49,584,056	0.2900	0.2900	143,794	
Polk County Health Center	General Revenue	289,871,898	0.1763	0.1763	511,044	
Bolivar R-I School District	Operating Funds-Schools	155,494,650	3.2932	3.2932	5,120,750	E
	Debt Service	155,494,650	0.8004	0.4668	725,849	
Fair Play R-II School District	Operating Funds-Schools	17,605,450	3.1218	3.1000	545,769	E
	Debt Service	17,605,450	1.4903	1.0000	176,055	
Halfway R-III School District	Operating Funds-Schools	17,602,670	3.5527	3.5527	625,370	E
	Debt Service	17,602,670	0.8700	0.6200	109,137	
Humansville R-IV School District	Operating Funds-Schools	20,288,916	3.0606	3.0606	620,963	E
	Debt Service	20,288,916	0.5617	0.4700	95,358	
Marion C. Early R-V School District	Operating Funds-Schools	33,709,530	3.5788	2.8100	947,238	F
	Debt Service	33,709,530	0.5374	0.4900	165,177	
Pleasant Hope R-VI School District	Operating Funds-Schools	39,196,200	2.7338	2.7338	1,071,546	E
	Capital Improvements	39,196,200	0.6700	0.6700	262,615	2016
	Debt Service	39,196,200	0.6638	0.6638	260,184	
Polk County	General Revenue	289,871,898	0.3235	0.3235	937,736	
	Senate Bill 40	289,871,898	0.0209	0.0209	60,583	
	Senior Services	289,871,898	0.0500	0.0500	144,936	
<u>Pulaski</u>						
Dixon Ambulance District	General Revenue	68,906,861	0.2867	0.2867	197,556	
Pulaski County Ambulance District	General Revenue	419,149,756	0.0000	0.0000	0	
City of Crocker	General Revenue	8,770,188	0.6868	0.6868	60,234	
	Parks & Recreation	8,770,188	0.1725	0.1725	15,129	
City of Dixon	General Revenue	13,687,114	0.4740	0.4740	64,877	
	Library	13,687,114	0.1500	0.1500	20,531	
	Debt Service	13,687,114	0.6561	0.6561	89,801	
City of St. Robert	General Revenue	88,039,169	0.3396	0.3396	298,981	
City of Waynesville	General Revenue	56,925,948	0.5596	0.5596	318,558	
City of Richland	General Revenue	14,396,293	0.6391	0.6391	92,007	
Pulaski County Library	General Revenue	448,250,489	0.1342	0.1342	601,552	
Hazeltree Fire Protection District	General Revenue	23,850,207	0.2738	0.2738	65,302	
Crocker Fire Protection District	General Revenue	32,157,048	0.2575	0.2575	82,804	
Waynesville Rural Fire Prot Dist	General Revenue	177,170,832	0.4588	0.4588	812,860	
Dixon Rural Fire Protection Dist	General Revenue	71,435,706	0.2591	0.2591	185,090	
Pulaski County Health Department	General Revenue	462,025,344	0.0708	0.0708	327,114	
Swedeborg R-III School District	Operating Funds-Schools	5,438,106	3.6211	3.4300	186,527	E
Pulaski County R-IV School District	Operating Funds-Schools	33,578,195	2.6832	2.6832	900,970	E
	Operating Funds-Temp	33,578,195	0.3727	0.3668	123,165	A
Laquey R-V School District	Operating Funds-Schools	34,622,095	2.7500	2.7500	952,108	E
	Debt Service	34,622,095	0.1603	0.1242	43,001	
Waynesville R-VI School District	Operating Funds-Schools	296,796,417	2.7500	2.7500	8,161,901	E
Dixon R-I School District	Operating Funds-Schools	61,582,965	2.7500	2.7500	1,693,532	E
	Debt Service	61,582,965	0.3334	0.2700	166,274	
Crocker R-II School District	Operating Funds-Schools	30,033,013	2.7500	2.7500	825,908	E
	Debt Service	30,033,013	0.6294	0.5764	173,110	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pulaski</u>						
Pulaski County	General Revenue	462,025,344	0.0000	0.0000	0	
	Road & Bridge	462,025,344	0.1949	0.1949	900,487	
	Senate Bill 40	462,025,344	0.0708	0.0708	327,114	
	Senior Services	462,025,344	0.0442	0.0442	204,215	
<u>Putnam</u>						
Putnam County Ambulance District	General Revenue	79,925,054	0.3816	0.3816	304,994	
Putnam County Care Center	General Revenue	79,925,054	0.2956	0.2956	236,258	
Unionville Spec Road Dist Putnam Co	Road & Bridge	13,407,607	0.2898	0.2898	38,855	
	Special Road and Bridge	13,407,607	0.3568	0.3568	47,838 ^A	2017
Lake Thunderhead Special Road Dist	Road & Bridge	16,796,374	0.3349	0.3349	56,251	
	Special Road and Bridge	16,796,374	0.3544	0.3544	59,526	2016
Village of Livonia	General Revenue	312,045	0.5000	0.5000	1,560	
Village of Lucerne	General Revenue	1,420,779	0.5000	0.5000	7,104	
Village of Powersville	General Revenue	345,579	0.5000	0.5000	1,728	
City of Unionville	General Revenue	13,035,287	0.8982	0.8982	117,083	
	Parks & Recreation	13,035,287	0.1816	0.1816	23,672	
	Fire	13,035,287	0.1816	0.1816	23,672	
Village of Worthington	General Revenue	338,834	0.4760	0.4760	1,613	
Elm Township Putnam County	Road & Bridge	7,051,924	0.4532	0.4532	31,959	
	Special Road and Bridge	7,051,924	0.3679	0.3679	25,944	2014
Grant Township Putnam County	Road & Bridge	2,150,865	0.5000	0.5000	10,754	
	Special Road and Bridge	2,150,865	0.3526	0.3526	7,584	2016
Jackson Township Putnam County	Road & Bridge	3,109,819	0.5000	0.5000	15,549	
	Special Road and Bridge	3,109,819	0.3560	0.3560	11,071	2014
Liberty Township Putnam County	Road & Bridge	3,583,601	0.5000	0.5000	17,918	
	Special Road and Bridge	3,583,601	0.3582	0.3582	12,836	2016
Lincoln Township Putnam County	Road & Bridge	5,792,076	0.5000	0.5000	28,960	
	Special Road and Bridge	5,792,076	0.3597	0.3597	20,834	2016
Medicine Township Putnam County	Road & Bridge	7,575,694	0.5000	0.5000	37,878	
	Special Road and Bridge	7,575,694	0.3621	0.3621	27,432	2016
Richland Township Putnam County	Road & Bridge	4,021,389	0.5000	0.5000	20,107	
	Special Road and Bridge	4,021,389	0.3527	0.3527	14,183	2016
Sherman Township Putnam County	Road & Bridge	2,471,238	0.5000	0.5000	12,356	
	Special Road and Bridge	2,471,238	0.3525	0.3525	8,711	2016
Union Township Putnam County	Road & Bridge	5,360,408	0.4943	0.4943	26,496	
	Special Road and Bridge	5,360,408	0.3460	0.3460	18,547	2014
Wilson Township Putnam County	Road & Bridge	4,181,537	0.4903	0.4903	20,502	
	Special Road and Bridge	4,181,537	0.3500	0.3500	14,635	2016
York Township Putnam County	Road & Bridge	4,467,905	0.4698	0.4698	20,990	
	Special Road and Bridge	4,467,905	0.3659	0.3659	16,348	2016
Elm Township Fire Protection Dist	General Revenue	7,051,924	0.2994	0.2994	21,113	
Liberty Fire Protection District	General Revenue	3,583,601	0.3000	0.3000	10,751	
Grant Township Fire Protection Dist	General Revenue	2,150,865	0.3000	0.3000	6,453	
York Township Fire Protection Dist	General Revenue	4,473,031	0.3000	0.3000	13,419	
Putnam County Health Department	General Revenue	79,925,054	0.2862	0.2862	228,746	
Putnam County R-I School District	Operating Funds-Schools	75,655,945	3.3150	3.3150	2,507,995 ^E	
	Debt Service	75,655,945	0.4675	0.3900	295,058	
Putnam County	General Revenue	79,925,054	0.4771	0.4771	381,322	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Putnam</u>						
Putnam County	Library	79,925,054	0.1430	0.1430	114,293	
	Hospital	79,925,054	0.4771	0.4771	381,322	
	Senior Services	79,925,054	0.0477	0.0477	38,124	
	Debt Service	79,925,054	0.8041	0.0000	0	
<u>Ralls</u>						
Ralls County Ambulance District #3	General Revenue	156,532,351	0.4176	0.4176	653,679	
City of Center	General Revenue	5,025,791	0.7483	0.7483	37,608	
	Fire	5,025,791	0.1943	0.1943	9,765	
City of New London	General Revenue	6,762,234	0.4836	0.4836	32,702	
City of Perry	General Revenue	7,426,053	0.5585	0.5585	41,475	
	Fire	7,426,053	0.2997	0.2997	22,256	
Ralls County Public Library	General Revenue	179,275,892	0.1011	0.1011	181,248	
Hannibal Rural Fire Protection Dist	General Revenue	95,693,571	0.1468	0.1468	140,478	
Ralls County Health Department	General Revenue	222,271,200	0.0993	0.0993	220,715	
Ralls County R-II School District	Operating Funds-Schools	73,671,058	2.7500	2.7500	2,025,954	F
	Debt Service	73,671,058	1.9252	0.7100	523,065	
Ralls County	General Revenue	222,271,200	0.3906	0.2952	656,145	
	Road & Bridge	222,271,200	0.2797	0.2797	621,693	
<u>Randolph</u>						
Randolph County Ambulance District	General Revenue	459,145,057	0.0000	0.0000	0	
Moberly Spec Road Dist Randolph Co	Special Road and Bridge	187,659,534	0.0916	0.0916	171,896	2015
Village of Cairo	General Revenue	1,909,238	0.5000	0.5000	9,546	
City of Clark	General Revenue	2,022,096	1.0000	1.0000	20,221	
City of Clifton Hill	General Revenue	840,313	0.7448	0.7448	6,259	
City of Higbee	General Revenue	2,828,069	0.8800	0.8800	24,887	
	Parks & Recreation	2,828,069	0.1500	0.1500	4,242	
City of Huntsville	General Revenue	11,497,239	0.7535	0.7535	86,632	
	Parks & Recreation	11,497,239	0.1000	0.1000	11,497	
	Fire	11,497,239	0.1400	0.1400	16,096	
	Cemetery	11,497,239	0.1857	0.1857	21,350	
Village of Jacksonville	General Revenue	517,929	0.5000	0.5000	2,590	
	Parks & Recreation	517,929	0.4000	0.4000	2,072	
City of Moberly	General Revenue	147,475,768	0.7112	0.7112	1,048,848	
	Parks & Recreation	147,475,768	0.3300	0.3300	486,670	
Village of Renick	General Revenue	1,211,626	0.4798	0.4798	5,813	
Randolph County Library	General Revenue	459,145,057	0.2461	0.2461	1,129,956	
Higbee Fire Protection District	General Revenue	24,644,856	0.2513	0.2513	61,933	
Southeastern Fire Protection Dist	General Revenue	26,001,696	0.2810	0.2810	73,065	
Randolph County Health Department	General Revenue	459,145,057	0.1476	0.1476	677,698	
Moberly Area Community College	General Revenue	185,832,739	0.3282	0.3282	609,903	
Northeast Randolph Co R-IV Sch Dist	Operating Funds-Schools	30,017,322	3.2803	3.2803	984,658	E
	Debt Service	30,017,322	0.9778	0.8700	261,151	
Renick R-V School District	Operating Funds-Schools	13,904,191	3.7502	3.7500	521,407	E
	Operating Funds-Temp	13,904,191	0.4700	0.4700	65,350	2025
Higbee R-VIII School District	Operating Funds-Schools	11,055,317	3.7176	3.7159	410,805	E
	Debt Service	11,055,317	1.0317	1.0000	110,553	
Westran R-I School District	Operating Funds-Schools	160,698,462	3.7466	3.7466	6,020,729	
Moberly School District	Operating Funds-Schools	167,792,970	3.4859	3.4859	5,849,095	E

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Randolph</u>						
Moberly School District	Debt Service	167,792,970	1.3924	1.1340	1,902,772	
Randolph County	General Revenue	459,145,057	0.3693	0.2228	1,022,975	
	Road & Bridge	459,145,057	0.1973	0.1973	905,893	
	Sheltered Workshop	459,145,057	0.1465	0.1465	672,648	
<u>Ray</u>						
Ray County Ambulance District	General Revenue	240,262,364	0.2974	0.1693	406,764	
Senior Citizen's Nursing Home Dist	General Revenue	290,455,222	0.1458	0.1458	423,484	
Willow Creek Watershed Subdistrict	General Revenue	15,056,000	0.1962	0.1962	29,540	
Camden Special Road Dist Ray Co	Road & Bridge	10,700,509	0.3500	0.3500	37,452	
	Special Road and Bridge	10,700,509	0.2349	0.2349	25,135	2015
Hardin Special Road Dist Ray Co	Road & Bridge	13,827,595	0.2457	0.2457	33,974	
Henrietta Special Road Dist Ray Co	Road & Bridge	7,545,107	0.3019	0.3019	22,779	
Lawson Special Road District Ray Co	Road & Bridge	34,446,497	0.2578	0.2578	88,803	
	Special Road and Bridge	34,446,497	0.3125	0.3125	107,645	2015
Orrick Special Road District Ray Co	Road & Bridge	19,423,534	0.3322	0.3322	64,525	
Richmond Special Road Dist Ray Co	Road & Bridge	87,162,477	0.2575	0.2575	224,443	
Ray County Special Road District	Road & Bridge	115,572,358	0.2669	0.2669	308,463	
	Special Road and Bridge	111,987,153	0.2419	0.2419	270,897 ^A	2017
City of Camden	General Revenue	1,429,444	0.6460	0.6460	9,234	
	Streets	1,429,444	0.0100	0.0100	143	
	Fire	1,429,444	0.1500	0.1500	2,144	
	Fire-Temp	1,429,444	0.0898	0.0898	1,284	2016
	Streets-Temp	1,429,444	1.3067	1.3067	18,679	2016
Village of Elmira	General Revenue	530,146	0.4631	0.4631	2,455	
City of Hardin	General Revenue	5,490,738	1.0000	1.0000	54,907	
City of Henrietta	General Revenue	3,455,466	1.0000	1.0000	34,555	
	Parks & Recreation	3,455,466	0.1055	0.1055	3,646	
	Fire	3,455,466	0.3164	0.3164	10,933	2016
	Streets	3,455,466	0.3032	0.3032	10,477 ^A	2017
City of Orrick	General Revenue	7,341,433	0.8103	0.8103	59,488	
City of Richmond	General Revenue	57,272,911	0.6475	0.6475	370,842	
	Parks & Recreation	57,272,911	0.1616	0.1616	92,553	
	Debt Service	57,272,911	0.4135	0.4135	236,823	
City of Wood Heights	General Revenue	7,435,987	0.3854	0.3854	28,658	
City of Homestead Village	General Revenue	868,848	0.4788	0.4788	4,160	
	General Revenue-Temp	868,848	0.3187	0.3187	2,769	2015
City of Excelsior Estates	General Revenue	538,522	0.9132	0.9132	4,918	
City of Crystal Lakes	General Revenue	3,628,896	1.0000	1.0000	36,289	
	Parks & Recreation	3,628,896	0.0207	0.0207	751	
	Streets	3,628,896	0.3116	0.3116	11,308 ^A	2017
City of Lawson	General Revenue	22,808,009	0.7183	0.7183	163,830	
	Debt Service	22,808,009	2.3517	1.8530	422,632	
Ray County Library District	General Revenue	291,720,677	0.1071	0.1071	312,433	
Orrick Fire Protection District	General Revenue	31,837,969	0.2946	0.2022	64,376	
Wood Heights Fire Protection Dist	General Revenue	42,572,378	0.2921	0.2921	124,354	
Lawson Community Fire & Rescue Dist	General Revenue	81,983,266	0.2984	0.2984	244,638	
	Ambulance	81,983,266	0.6815	0.6815	558,716	
Hardin Fire Protection District	General Revenue	20,071,204	0.2827	0.2827	56,741	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Ray</u>						
Stet Fire Protection District	Fire	19,001,500	0.1474	0.1474	28,008	
Ray County Health Department	General Revenue	291,720,677	0.0979	0.0979	285,595	
Lawson R-XIV School District	Operating Funds-Schools	65,357,592	3.2365	3.2365	2,115,298	E
	Debt Service	65,357,592	1.1206	0.9500	620,897	
Orrick R-XI School District	Operating Funds-Schools	22,034,286	3.9825	3.9825	877,515	E
	Debt Service	22,034,286	0.7785	0.7500	165,257	
Hardin-Central C-2 School District	Operating Funds-Schools	17,100,696	4.5790	4.5790	783,041	E
Richmond R-XVI School District	Operating Funds-Schools	103,154,666	4.0622	4.0622	4,190,349	E
Ray County	General Revenue	291,720,677	0.4226	0.0000	0	
	Hospital	291,720,677	0.1857	0.1857	541,725	
	Mental Health	291,720,677	0.0978	0.0978	285,303	
	Senate Bill 40	291,720,677	0.1857	0.1857	541,725	
	Senior Services	291,720,677	0.0500	0.0500	145,860	
	Noxious Weed	291,720,677	0.0489	0.0489	142,651	
<u>Reynolds</u>						
Reynolds County Ambulance District	General Revenue	183,494,573	0.1500	0.1500	275,242	
City of Bunker	General Revenue	1,657,530	0.5991	0.5991	9,930	
City of Centerville	General Revenue	891,163	0.3807	0.3807	3,393	
Reynolds County Library District	General Revenue	181,492,548	0.1100	0.1100	199,642	
Garwood Fire Protection District	General Revenue	2,618,544	0.3000	0.3000	7,856	
Northern Reynolds County Fire Prot	General Revenue	65,703,532	0.2023	0.2000	131,407	
Reynolds County Health Center	General Revenue	181,492,548	0.1000	0.1000	181,493	
Centerville R-I School District	Operating Funds-Schools	6,126,509	4.1830	4.1830	256,272	E
Southern Reynolds Co R-II Sch Dist	Operating Funds-Schools	35,572,647	3.2808	2.7500	978,248	
	Debt Service	35,572,647	1.1885	0.7900	281,024	
Bunker R-III School District	Operating Funds-Schools	72,459,963	2.7500	2.7500	1,992,649	
Lesterville R-IV School District	Operating Funds-Schools	60,535,966	3.4850	3.4300	2,076,384	E
Reynolds County	General Revenue	181,492,548	0.4428	0.3900	707,821	
	Road & Bridge	181,492,548	0.3258	0.3258	591,303	
	Senate Bill 40	181,492,548	0.1000	0.1000	181,493	
	Senior Services	181,492,548	0.0300	0.0300	54,448	
<u>Ripley</u>						
Ripley County Ambulance District	General Revenue	81,047,930	0.2805	0.2805	227,339	
Fourche Creek Watershed Subdistrict	General Revenue	4,665,340	0.1401	0.1401	6,536	
Bennett Special Road Dist Ripley Co	Road & Bridge	348,591	0.2319	0.2319	808	
Current River Sp Rd Dist Ripley Co	Road & Bridge	870,851	0.2204	0.2204	1,919	
Doniphan Spec Road Dist Ripley Co	Road & Bridge	46,913,332	0.2134	0.2134	100,113	
	Special Road and Bridge	46,913,332	0.1502	0.1502	70,464	2014
Fairdealing Spec Rd Dist Ripley Co	Road & Bridge	5,155,223	0.1872	0.1872	9,651	
Flatwoods Spec Road Dist Ripley Co	Road & Bridge	2,403,347	0.3277	0.3277	7,876	
Jordan Special Road Dist Ripley Co	Road & Bridge	8,633,013	0.1918	0.1918	16,558	
Little Black Spec Rd Dist Ripley Co	Road & Bridge	1,689,382	0.3296	0.3296	5,568	
Logan Creek Spec Rd Dist Ripley Co	Road & Bridge	4,765,393	0.1940	0.1940	9,245	
Mabrey Bay Spec Road Dist Ripley Co	Road & Bridge	222,987	0.2112	0.2112	471	
Naylor Special Road Dist Ripley Co	Road & Bridge	5,437,980	0.3371	0.3371	18,331	
	Special Road and Bridge	5,437,980	0.5030	0.5030	27,353	2015
Oxly Special Road Dist Ripley Co	Road & Bridge	3,020,369	0.3143	0.3143	9,493	
Pine Bardley Spec Rd Dist Ripley Co	Road & Bridge	2,858,457	0.1774	0.1774	5,071	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Ripley</u>						
Ponder Gatewood Road Dist Ripley Co	Road & Bridge	6,499,321	0.1503	0.1503	9,768	
	Special Road and Bridge	6,499,321	0.3428	0.3428	22,280	2015
Poynor Special Road Dist Ripley Co	Road & Bridge	2,099,449	0.1858	0.1858	3,901	
Pratt Special Road Dist Ripley Co	Road & Bridge	501,307	0.2321	0.2321	1,164	
Purman Special Road Dist Ripley Co	Road & Bridge	2,843,811	0.1587	0.1587	4,513	
	Special Road and Bridge	2,843,811	0.3000	0.3000	8,531	2015
Running Water Sp Rd Dist Ripley Co	Road & Bridge	333,316	0.2439	0.2439	813	
Tucker Bay Spec Road Dist Ripley Co	Road & Bridge	397,038	0.1555	0.1555	617	
Wolfe Creek Spec Rd Dist Ripley Co	Road & Bridge	898,422	0.2667	0.2667	2,396	
	Special Road and Bridge	898,422	0.0999	0.0999	898	2015
City of Doniphan	General Revenue	18,240,494	0.3777	0.3777	68,894	
	Debt Service	18,240,494	0.2818	0.0000	0	
City of Naylor	General Revenue	1,856,740	0.9140	0.9140	16,971	
Doniphan-Ripley County Library	General Revenue	95,891,589	0.1714	0.1714	164,358	
	Debt Service	95,891,589	0.0178	0.0178	17,069	
Ripley County Public Health Center	General Revenue	95,891,589	0.1413	0.1413	135,495	
Naylor R-II School District	Operating Funds-Schools	10,276,276	3.3202	3.3202	341,193	E
Doniphan R-I School District	Operating Funds-Schools	71,315,514	2.7500	2.7500	1,961,177	E
Ripley County R-IV School District	Operating Funds-Schools	6,140,522	2.7500	2.7500	168,864	F
Ripley County R-III School District	Operating Funds-Schools	5,894,482	2.7500	2.7500	162,098	E
Ripley County	General Revenue	95,891,589	0.2955	0.0000	0	
	Senate Bill 40	95,891,589	0.0942	0.0942	90,330	
	Senior Services	95,891,589	0.0471	0.0471	45,165	
<u>St. Charles</u>						
St. Charles County Ambulance Dist	General Revenue	7,091,284,279	0.2496	0.2496	17,699,846	B
	Debt Service	7,091,284,279	0.0132	0.0132	936,050	
Town of Augusta	General Revenue	6,666,249	0.2102	0.2102	14,012	
	Lights	6,666,249	0.1049	0.1049	6,993	
City of Lake St. Louis	General Revenue	301,300,722	0.6195	0.5951	1,793,041	
	Debt Service	301,300,722	0.6826	0.4700	1,416,113	
City of O'Fallon	General Revenue	1,528,032,711	0.3704	0.3562	5,442,853	
	Parks & Recreation	1,528,032,711	0.0000	0.0000	0	
	Debt Service	1,528,032,711	0.3778	0.1950	2,979,664	
City of Portage Des Sioux	General Revenue	4,536,289	0.6900	0.6900	31,300	
	Debt Service	4,536,289	0.3731	0.3731	16,925	
City of St. Charles	General Revenue	1,239,994,787	0.5380	0.5380	6,671,172	
	Parks & Recreation	1,239,994,787	0.2407	0.2319	2,875,548	
	Debt Service	1,239,994,787	0.2388	0.1613	2,000,112	
City of St. Peters	General Revenue	1,024,251,891	0.6282	0.6282	6,434,350	
	Debt Service	1,024,251,891	0.5907	0.1418	1,452,389	
City of Wentzville	General Revenue	614,834,490	0.7559	0.7198	4,425,579	
	Parks & Recreation	614,834,490	0.0739	0.0704	432,843	
City of St. Paul	General Revenue	37,919,453	0.2500	0.2500	94,799	
Town of Weldon Springs Heights	General Revenue	1,930,195	0.4819	0.4481	8,649	
City of New Melle	General Revenue	13,168,811	0.5409	0.5139	67,675	
City of Cottleville	General Revenue	91,740,345	0.3416	0.3416	313,385	
City of Dardenne Prairie	General Revenue	246,712,565	0.1211	0.1159	285,940	
St. Charles City-County Library	General Revenue	7,091,284,279	0.2270	0.2270	16,097,215	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Charles</u>						
Cottleville Com Fire Prot District	General Revenue	1,134,414,836	0.8241	0.8241	9,348,713	
	Pension	1,134,414,836	0.0926	0.0926	1,050,468	
	Debt Service	1,134,414,836	0.0541	0.0330	374,357	
Lake St. Louis Fire Protection Dist	General Revenue	243,906,042	0.5371	0.5371	1,310,019	
	Pension	243,906,042	0.0282	0.0282	68,782	
O'Fallon Fire Protection District	General Revenue	1,328,193,453	0.5963	0.5963	7,920,018	
	Pension	1,328,193,453	0.0430	0.0430	571,123	
	Debt Service	1,328,193,453	0.0724	0.0611	811,526	
Wentzville Fire Protection Dist 13	General Revenue	1,305,652,141	0.5080	0.5080	6,632,713	
Augusta Fire Protection District	General Revenue	49,315,226	0.2418	0.2418	119,244	
New Melle Fire Protection District	General Revenue	203,049,177	0.7203	0.7203	1,462,563	
Orchard Farm Fire Protection Dist	General Revenue	34,094,750	0.4353	0.4353	148,414	
	General Revenue	1,490,035,118	0.7637	0.7637	11,379,398	
	Pension	1,490,035,118	0.0467	0.0467	695,846	
Central County Fire and Rescue	Debt Service	1,490,035,118	0.0860	0.0860	1,281,430	
	Fire	60,473,667	0.2643	0.2643	159,832	
Rivers Pointe Fire Protection Dist	General Revenue	7,049,219,337	0.1796	0.1796	12,660,398	
	Debt Service	7,049,219,337	0.0978	0.0400	2,819,688	
Fort Zumwalt R-II School District	Operating Funds-Schools	2,016,580,516	4.1538	4.1538	83,764,721	E
	Debt Service	2,016,580,516	0.6900	0.6900	13,914,406	
Francis Howell R-III School Dist	Operating Funds-Schools	2,202,089,894	4.5217	4.5217	99,571,899	E
	Debt Service	2,202,089,894	0.6713	0.6713	14,782,629	
Wentzville R-IV School District	Operating Funds-Schools	1,480,196,571	3.9191	3.9191	58,010,384	E
	Operating Funds-Temp	1,480,196,571	0.3137	0.3000	4,440,590	2030
	Debt Service	1,480,196,571	1.1198	0.7700	11,397,514	
St. Charles R-VI School District	Operating Funds-Schools	876,935,831	4.8320	4.8320	42,373,539	BE
	Debt Service	876,935,831	1.2666	0.7500	6,577,019	
St. Charles Co R-V School District	Operating Funds-Schools	272,276,756	4.2944	4.0949	11,149,461	
	Debt Service	272,276,756	0.8180	0.7300	1,987,620	
St. Charles County	General Revenue	7,091,284,279	0.1630	0.0016	113,461	
	Johnson Grass	7,091,284,279	0.0000	0.0000	0	
	Road & Bridge	7,091,284,279	0.2108	0.2025	14,359,851	
	Senate Bill 40	7,091,284,279	0.1455	0.1455	10,317,819	
	Dispatch	7,091,284,279	0.0406	0.0390	2,765,601	
<u>St. Clair</u>						
Ellett Memorial Hospital District	General Revenue	40,615,606	0.4913	0.4913	199,544	
St. Clair County Hospital Dist #1	General Revenue	76,229,707	0.4786	0.4786	364,835	2019
Chloe Spec Road Dist St. Clair Co	Special Road and Bridge	2,716,216	0.2824	0.2824	7,671	2015
Collins Spec Road Dist St. Clair Co	Special Road and Bridge	7,494,907	0.2813	0.2800	20,986	A 2017
Hillsdale Spec Rd Dist St. Clair Co	Special Road and Bridge	1,632,667	0.3569	0.3500	5,714	2016
Lowry City Sp Rd Dist St. Clair Co	Special Road and Bridge	4,489,745	0.3402	0.3402	15,274	2014
Osceola Spec Road Dist St. Clair Co	Special Road and Bridge	16,588,249	0.3164	0.3164	52,485	2014
Vista Spec Road Dist St. Clair Co	Special Road and Bridge	3,968,257	0.5410	0.4910	19,484	2015
City of Appleton City	General Revenue	8,281,222	0.6912	0.6912	57,240	
	Parks & Recreation	8,281,222	0.3500	0.3500	28,984	
	Library	8,281,222	0.2000	0.2000	16,562	
	Police & Fire	8,281,222	0.2100	0.2100	17,391	
City of Lowry City	General Revenue	4,478,043	0.6308	0.6308	28,247	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Clair</u>						
City of Lowry City	Lights	4,478,043	0.1957	0.1957	8,764	
	Health	4,478,043	0.0000	0.0000	0	
City of Osceola	General Revenue	6,132,387	0.7182	0.7176	44,006	
	Parks & Recreation	6,132,387	0.1000	0.1000	6,132	
Village of Roscoe	General Revenue	755,690	0.4281	0.4281	3,235	
St. Clair County Library	General Revenue	100,349,386	0.1900	0.1900	190,664	
Iconium Fire Protection District	General Revenue	10,790,909	0.3000	0.3000	32,373	
Sac Osage Fire Protection District	General Revenue	30,253,832	0.2439	0.2439	73,789	
St. Clair County Health Center	General Revenue	108,622,131	0.2052	0.2052	222,893	
Appleton City R-II School District	Operating Funds-Schools	25,793,076	3.8404	3.8404	990,557	E
Roscoe C-1 School District	Operating Funds-Schools	6,243,981	3.4707	3.4707	216,710	E
	Debt Service	6,243,981	0.8312	0.8312	51,900	
Lakeland R-III School District	Operating Funds-Schools	30,373,949	3.0996	3.0996	941,471	E
	Debt Service	30,373,949	1.0923	0.7831	237,858	
Osceola School District	Operating Funds-Schools	30,104,932	2.1868	2.1868	658,335	E
	Building-Temporary	30,104,932	1.5970	1.5970	480,776	2026
St. Clair County	General Revenue	108,622,131	0.4730	0.3385	367,686	
	Road & Bridge	108,622,131	0.2800	0.2800	304,142	
	Common Road District	57,998,417	0.3200	0.3200	185,595	2014
<u>St. Francois</u>						
Flat River Sp Rd #2 St. Francois Co	Road & Bridge	32,065,905	0.2319	0.2319	74,361	
City of Bismarck	General Revenue	9,385,830	0.5001	0.5001	46,939	
	Health	9,385,830	0.1534	0.1534	14,398	
City of Desloge	General Revenue	36,945,887	0.4212	0.4212	155,616	
City of Farmington	General Revenue	191,923,888	0.4471	0.4471	858,092	
City of Leadington	General Revenue	9,127,445	0.3551	0.3551	32,412	
City of Leadwood	General Revenue	4,976,755	0.8673	0.8673	43,163	
	Debt Service	4,976,755	1.5598	0.3144	15,647	
City of Iron Mountain Lake	General Revenue	2,876,387	0.7415	0.7415	21,328	
	Debt Service	2,876,387	1.0082	1.0082	29,000	
City of Park Hills	General Revenue	52,068,868	0.6222	0.6222	323,972	
Leadwood Fire Protection District	General Revenue	15,009,963	0.5313	0.5313	79,748	
Doe Run Fire Protection District	General Revenue	52,974,126	0.3134	0.3134	166,021	
St. Francois County Health Center	General Revenue	702,616,433	0.0908	0.0908	637,976	
Mineral Area College	General Revenue	852,215,872	0.3472	0.3472	2,958,894	
	Debt Service	852,215,872	0.2059	0.1300	1,107,881	
Bismarck R-V School District	Operating Funds-Schools	28,357,345	3.2446	3.2446	920,082	E
	Debt Service	28,357,345	0.7289	0.6900	195,666	
Farmington R-VII School District	Operating Funds-Schools	332,307,539	2.8560	2.8560	9,490,703	E
	Debt Service	332,307,539	0.9586	0.9000	2,990,768	
North St. Francois Co R-I Sch Dist	Operating Funds-Schools	162,229,970	3.3248	3.2400	5,256,251	E
	Debt Service	162,229,970	1.7884	1.1836	1,920,154	
Central R-III School District	Operating Funds-Schools	96,307,312	3.1687	3.1378	3,021,931	E
	Debt Service	96,307,312	1.3153	1.0905	1,050,231	
West St. Francois Co R-IV Sch Dist	Operating Funds-Schools	44,853,300	3.0917	3.0917	1,386,729	E
	Debt Service	44,853,300	1.9857	0.9583	429,829	
St. Francois County	General Revenue	702,616,433	0.3267	0.0777	545,933	
	Road & Bridge	670,577,878	0.2460	0.2460	1,649,622	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Francois</u>						
St. Francois County	Ambulance	702,616,433	0.0000	0.0000	0	
	Developmentally Disabled	702,616,433	0.0908	0.0908	637,976	
	Senior Services	702,616,433	0.0492	0.0492	345,687	
<u>Ste. Genevieve</u>						
City of Bloomsdale	General Revenue	9,964,465	0.3058	0.3058	30,471	
City of St. Mary	General Revenue	4,459,543	1.0000	1.0000	44,595	
City of Ste. Genevieve	General Revenue	58,824,793	0.4789	0.4789	281,712	
	Parks & Recreation	58,824,793	0.1245	0.1245	73,237	
	Band	58,824,793	0.0769	0.0769	45,236	
	Cemetery	58,824,793	0.0478	0.0478	28,118	
Ste. Genevieve County Library	General Revenue	414,828,180	0.0964	0.0964	399,894	
Ste. Genevieve County Health Dept	General Revenue	414,828,180	0.0964	0.0964	399,894	
Ste. Genevieve Co R-II School Dist	Operating Funds-Schools	344,411,588	3.0424	3.0424	10,478,378	^E
	Debt Service	344,411,588	0.3943	0.2600	895,470	
Ste. Genevieve County	General Revenue	414,828,180	0.3588	0.2528	1,048,686	
	Road & Bridge	414,828,180	0.2525	0.2519	1,044,952	
	Hospital	414,828,180	0.1618	0.1618	671,192	
	Ambulance	415,024,300	0.1330	0.0325	134,883	
	Mental Health	414,828,180	0.0964	0.0964	399,894	
	Senate Bill 40	414,828,180	0.0602	0.0600	248,897	
	Senior Services	414,828,180	0.0301	0.0301	124,863	
<u>St. Louis</u>						
Eureka Fire Protection District	General Revenue	362,934,642	0.6926	0.6926	2,513,685	
	Ambulance	362,934,642	0.2789	0.2789	1,012,225	
	Pension	362,934,642	0.0931	0.0931	337,892	
	Dispatch	362,934,642	0.0277	0.0277	100,533	
	Debt Service	362,934,642	0.1500	0.1500	544,402	
Metropolitan Sewer Dist St Louis Co	Gen Revenue-Gen Adm	25,848,807,804	0.0197	0.0197	5,092,215	
	General Revenue-Storm	15,148,657,901	0.0682	0.0682	10,331,385	
Metro Zoological Park & Museum Dist	Art Museum	25,888,344,582	0.0800	0.0800	20,710,676	
	Botanical Garden	25,888,344,582	0.0399	0.0399	10,329,449	
	Museum of Mo. History	25,888,344,582	0.0399	0.0399	10,329,449	
	Museum of Nat. History	25,888,344,582	0.0399	0.0399	10,329,449	
	Zoological Park	25,888,344,582	0.0800	0.0800	20,710,676	
Rockwood R-VI School District	Operating Funds-Schools	3,256,717,803	3.8942	4.0440	131,701,668	^{EC}
	Debt Service	3,256,717,803	0.8602	0.6800	22,145,681	
Special School Dist of St. Louis Co	Operating Funds-Schools	21,903,947,098	1.2522	1.2609	276,186,869	^C
<u>Saline</u>						
Saline Co Ambulance Dist No 3	General Revenue	228,028,275	0.1990	0.1990	453,776	
Slater Ambulance District No 1	General Revenue	52,141,296	0.3349	0.3349	174,621	
Sweet Springs Ambulance District	General Revenue	62,338,133	0.3102	0.3102	193,373	
Blackburn Elmwood Spec Rd Saline Co	Road & Bridge	9,623,214	0.2876	0.2876	27,676	
	Special Road and Bridge	9,623,214	0.3638	0.3638	35,009	^A 2017
Gilliam Special Road Dist Saline Co	Road & Bridge	10,574,780	0.2862	0.2862	30,265	
	Special Road and Bridge	10,574,780	0.2852	0.2852	30,159	2016
Grand Pass Spec Road Dist Saline Co	Road & Bridge	5,904,370	0.2696	0.2696	15,918	
	Special Road and Bridge	5,904,370	0.3453	0.3453	20,388	2014

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Saline</u>						
Marshall Spec Road Dist Saline Co	Road & Bridge	155,516,040	0.2549	0.2549	396,410	
	Special Road and Bridge	155,516,040	0.2720	0.2720	423,004	2014
Slater Special Road Dist Saline Co	Road & Bridge	30,927,234	0.3125	0.3125	96,648	
	Special Road and Bridge	30,927,234	0.3574	0.3574	110,534 ^A	2017
Sweet Springs Sp Rd Dist Saline Co	Road & Bridge	25,087,681	0.3137	0.3137	78,700	
	Special Road and Bridge	25,087,681	0.3033	0.3033	76,091	2016
Malta Bend Spec Road Dist Saline Co	Road & Bridge	16,894,815	0.2781	0.2781	46,984	
	Special Road and Bridge	16,894,815	0.3477	0.3477	58,743	2016
Village of Arrow Rock	General Revenue	1,316,691	0.2515	0.2515	3,311	
	General Revenue-Temp	1,316,691	0.3093	0.3093	4,073	2015
City of Blackburn	General Revenue	1,957,440	0.5946	0.5946	11,639	
	Lights	1,957,440	0.1208	0.1208	2,365	
	General Revenue-Temp	1,957,440	0.2905	0.2905	5,686 ^A	2017
City of Gilliam	General Revenue	992,238	0.7382	0.7382	7,325	
	Lights	992,238	0.3938	0.3938	3,907	
Village of Grand Pass	General Revenue	469,724	0.4622	0.4622	2,171	
City of Malta Bend	General Revenue	1,727,250	0.7426	0.7426	12,827	
City of Marshall	General Revenue	131,236,323	0.6560	0.6560	860,910	
	Parks & Recreation	131,236,323	0.2836	0.2836	372,186	
	Library	131,236,323	0.1684	0.1684	221,002	
	Band	131,236,323	0.0439	0.0439	57,613	
City of Miami	General Revenue	1,127,445	0.4947	0.4947	5,577	
	Streets	1,127,445	0.6431	0.6431	7,251	
Village of Mount Leonard	General Revenue	316,170	1.0000	1.0000	3,162	
City of Nelson	General Revenue	1,068,155	0.7399	0.7399	7,903	
City of Slater	General Revenue	13,965,913	0.7701	0.7701	107,551	
	Parks & Recreation	13,965,913	0.2000	0.2000	27,932	
	Library	13,965,913	0.2407	0.2407	33,616	
City of Sweet Springs	General Revenue	12,427,411	0.7285	0.7285	90,534	
	Parks & Recreation	12,427,411	0.3462	0.3462	43,024	
	Library	12,427,411	0.1800	0.1800	22,369	
	Debt Service	12,427,411	0.1497	0.1497	18,604	
City of Emma	General Revenue	2,005,592	0.5000	0.5000	10,028	
Malta Bend Fire Protection District	General Revenue	16,547,623	0.2375	0.2375	39,301	
West Central Fire Protection Dist	General Revenue	43,825,027	0.2978	0.2978	130,511	
Slater Rural Fire Protection Dist	General Revenue	18,307,718	0.3039	0.3039	55,637	
Saline County Rural Fire Prot Dist	General Revenue	38,342,153	0.3001	0.3001	115,065	
Saline County Health Department	General Revenue	330,637,033	0.1307	0.1307	432,143	
Miami R-I School District	Operating Funds-Schools	13,747,232	3.7757	3.7757	519,054 ^E	
Orearville R-IV School District	Operating Funds-Schools	6,755,509	5.1900	5.1900	350,611 ^E	
	Operating Funds-Temp	6,755,509	0.3003	0.3003	20,287	2016
Malta Bend R-V School District	Operating Funds-Schools	13,727,141	4.5130	4.5130	619,506 ^E	
	Debt Service	13,727,141	0.6328	0.6328	86,865	
Hardeman R-X School District	Operating Funds-Schools	8,237,546	4.8221	4.8221	397,223 ^E	
Gilliam C-4 School District	Operating Funds-Schools	3,244,712	4.5924	4.5924	149,010 ^E	
Marshall School District	Operating Funds-Schools	160,659,608	3.1275	3.1275	5,024,629 ^E	
Slater School District	Operating Funds-Schools	22,154,701	3.9035	3.8835	860,378 ^E	
	Debt Service	22,154,701	0.5662	0.5612	124,332	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Saline</u>						
Sweet Springs R-VII School District	Operating Funds-Schools	30,338,241	3.5687	3.4900	1,058,805 ^E	
	Debt Service	30,338,241	1.6270	0.6400	194,165	
Saline County	General Revenue	330,637,033	0.1867	0.1688	558,115	
	Common Road District	75,623,026	0.2652	0.2652	200,552	
	Special Road and Bridge	75,623,026	0.3577	0.3577	270,504	2014
	Senate Bill 40	330,637,033	0.0584	0.0584	193,092	
	Common Road-Temp	75,623,026	0.3570	0.3570	269,974 ^A	2017
<u>Schuyler</u>						
Schuyler County Ambulance District	General Revenue	43,785,480	0.4000	0.4000	175,142	
Schuyler County Nursing Home Dist	General Revenue	43,785,480	0.1500	0.1500	65,678	
City of Downing	General Revenue	1,779,920	1.0000	1.0000	17,799	
Village of Glenwood	General Revenue	1,096,413	0.5000	0.5000	5,482	
City of Greentop	General Revenue	2,631,628	0.9951	0.9951	26,187	
City of Lancaster	General Revenue	4,650,821	0.9606	0.9606	44,676	
	Parks & Recreation	4,650,821	0.2000	0.2000	9,302	
City of Queen City	General Revenue	3,266,415	0.9890	0.9890	32,305	
Schuyler County Library	General Revenue	43,785,480	0.1500	0.1500	65,678	
Schuyler County Health Department	General Revenue	43,785,480	0.3000	0.3000	131,356	
Schuyler County R-I School District	Operating Funds-Schools	39,535,201	3.4300	3.4300	1,356,057 ^E	
	Debt Service	39,535,201	0.9197	0.7700	304,421	
Schuyler County	General Revenue	43,785,480	0.5000	0.3041	133,152	
	Common Road District	43,785,480	0.4793	0.4793	209,864	
	Special Road and Bridge	43,785,480	0.2600	0.2600	113,842	2015
	Senior Services	43,785,480	0.0500	0.0500	21,893	
<u>Scotland</u>						
Scotland County Ambulance District	General Revenue	67,781,450	0.2477	0.2477	167,895	
Scotland County Memorial Hosp Dist	General Revenue	67,781,450	0.4954	0.4954	335,789	
Scotland County Nursing Home Dist	General Revenue	67,781,450	0.2973	0.2973	201,514	
Bear Creek Watershed Subdistrict	General Revenue	1,162,932	0.4000	0.4000	4,652	
Village of Arbela	General Revenue	185,045	0.4999	0.4999	925	
Village of Granger	General Revenue	231,775	0.6791	0.6791	1,574	
City of Memphis	General Revenue	14,652,546	0.3099	0.3099	45,408	
	Streets	14,652,546	0.3545	0.3545	51,943	
	Fire	14,652,546	0.1356	0.1356	19,869	
	Cemetery	14,652,546	0.0536	0.0536	7,854	
	Swimming Pool	14,652,546	0.1892	0.1892	27,723	
Village of Rutledge	General Revenue	620,219	0.4021	0.4021	2,494	
City of South Gorin	General Revenue	780,711	0.7666	0.7666	5,985	
	Fire	780,711	0.1915	0.1915	1,495	
Scotland County Library District	General Revenue	67,781,450	0.1883	0.1883	127,632	
Scotland County Health Department	General Revenue	67,781,450	0.1486	0.1486	100,723	
Gorin R-III School District	Operating Funds-Schools	4,633,733	4.9721	4.3744	202,698	
Scotland County R-I School District	Operating Funds-Schools	55,751,489	3.6156	3.4300	1,912,276 ^E	
Scotland County	General Revenue	67,781,450	0.4954	0.4954	335,789	
	Road & Bridge	67,781,450	0.3469	0.3469	235,134	
	Special Road and Bridge	67,781,450	0.3199	0.3199	216,833	2015

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Scott						
Southern Scott Co Ambulance Dist	General Revenue	253,432,985	0.3000	0.3000	760,299	
North Scott Co Ambulance District	General Revenue	193,697,849	0.2988	0.2988	578,769	
Illmo Special Road Dist Scott Co	Road & Bridge	62,577,334	0.3410	0.3410	213,389	
Sikeston Special Road Dist Scott Co	Road & Bridge	214,088,741	0.1800	0.1800	385,360	
City of Benton	General Revenue	8,357,319	0.6175	0.6175	51,606	
	Parks & Recreation	8,357,319	0.1918	0.1918	16,029	
Village of Blodgett	General Revenue	1,348,594	0.2752	0.2752	3,711	
City of Chaffee	General Revenue	19,558,390	0.7975	0.7975	155,978	
	Parks & Recreation	19,558,390	0.1700	0.1700	33,249	
	Library	19,558,390	0.1700	0.1700	33,249	
Village of Commerce	General Revenue	635,260	0.5000	0.5000	3,176	
Village of Diehlstadt	General Revenue	531,255	0.3471	0.3471	1,844	
Village of Haywood City	General Revenue	539,767	0.5000	0.5000	2,699	
Village of Kelso	General Revenue	6,085,530	0.5000	0.5000	30,428	
	Fire	6,085,530	0.1320	0.1300	7,911 ^A	2017
City of Miner	General Revenue	21,830,324	0.3162	0.3000	65,491	
City of Morley	General Revenue	4,242,459	0.6771	0.6557	27,818	
City of Oran	General Revenue	8,616,686	0.6752	0.6752	58,180	
	Parks & Recreation	8,616,686	0.2000	0.2000	17,233	
City of Scott City	General Revenue	47,339,604	0.5127	0.5127	242,710	
	Parks & Recreation	47,339,604	0.1831	0.1831	86,679	
	Cemetery	47,339,604	0.0500	0.0500	23,670	
	Debt Service	47,339,604	0.3130	0.3130	148,173	
Village of Vanduser	General Revenue	1,338,712	0.4335	0.4335	5,803	
	Fire	1,338,712	0.1000	0.0000	0	
City of Sikeston	General Revenue	210,603,015	0.4002	0.4002	842,833	
	Parks & Recreation	210,603,015	0.1744	0.1744	367,292	
	Library	210,603,015	0.1744	0.1744	367,292	
Scott County Library	General Revenue	313,062,330	0.0959	0.0959	300,227	
Sikeston Fire Protection District	General Revenue	47,291,824	0.1269	0.1269	60,013	
NBC Fire Protection District	General Revenue	45,827,398	0.3000	0.3000	137,482	
Scott County Rural Fire Prot Dist	General Revenue	42,507,171	0.8172	0.6172	262,354 ^B	
Oran Fire Protection District	General Revenue	16,631,077	0.4019	0.4019	66,840	
Scott County Health Department	General Revenue	447,130,832	0.1000	0.1000	447,131	
Scott City R-I School District	Operating Funds-Schools	57,120,530	3.2866	3.2866	1,877,323 ^E	
	Debt Service	57,120,530	0.5110	0.4900	279,891	
Chaffee R-II School District	Operating Funds-Schools	25,214,460	2.7562	2.7562	694,961 ^E	
	Debt Service	25,214,460	1.2678	1.2500	315,181	
Scott County R-IV School District	Operating Funds-Schools	59,105,620	2.7500	2.7500	1,625,405 ^E	
	Debt Service	59,105,620	0.6582	0.4200	248,244	
Scott County R-V School District	Operating Funds-Schools	16,475,810	3.7500	3.6686	604,432 ^E	
	Debt Service	16,475,810	0.7666	0.7000	115,331	
Sikeston R-VI School District	Operating Funds-Schools	238,314,755	3.6025	3.6025	8,585,289 ^E	
	Debt Service	238,314,755	0.2293	0.2100	500,461	
Kelso C-7 School District	Operating Funds-Schools	25,530,590	2.9356	2.9356	749,476 ^E	
Oran R-III School District	Operating Funds-Schools	20,814,530	3.1872	3.1000	645,250 ^E	
	Debt Service	20,814,530	1.1746	0.5500	114,480	
Scott County	General Revenue	447,130,832	0.3445	0.0000	0	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Scott</u>						
Scott County	Johnson Grass	447,130,832	0.0100	0.0100	44,713	
	Common Road District	170,464,758	0.3036	0.3036	517,531	
	Senate Bill 40	447,130,832	0.0400	0.0400	178,852	
<u>Shannon</u>						
Shannon County Ambulance District	General Revenue	56,464,341	0.1348	0.1348	76,114	
City of Birch Tree	General Revenue	3,262,555	0.4673	0.4673	15,246	
Timber Community Fire Prot District	General Revenue	4,377,328	0.2991	0.2991	13,093	
Shannon County Health Department	General Revenue	72,234,453	0.0998	0.0998	72,090	
Winona R-III School District	Operating Funds-Schools	17,250,393	2.7500	2.7500	474,386	F
Eminence R-I School District	Operating Funds-Schools	20,969,116	2.3937	2.3242	487,364	E
	Operating Funds-Temp	20,969,116	1.1058	1.1058	231,876	2017
	Debt Service	20,969,116	0.3265	0.0100	2,097	
Shannon County	General Revenue	72,234,453	0.3229	0.1920	138,690	
	Road & Bridge	72,234,453	0.2421	0.2421	174,880	
	Senate Bill 40	72,234,453	0.0971	0.0971	70,140	
	Senior Services	72,234,453	0.0499	0.0499	36,045	
<u>Shelby</u>						
Salt River Ambulance District	General Revenue	116,331,000	0.2500	0.1419	165,074	
Clarence Nursing Home District	General Revenue	27,564,960	0.2200	0.2200	60,643	
Salt River Nursing Home District	General Revenue	103,680,713	0.3000	0.3000	311,042	
Shelbina Special Rd Dist Shelby Co	Road & Bridge	26,555,030	0.4700	0.4700	124,809	
Village of Bethel	General Revenue	704,329	0.7500	0.7500	5,282	
	Lights	704,329	0.2500	0.2500	1,761	
City of Clarence	General Revenue	5,278,996	1.0000	1.0000	52,790	
	Library	5,278,996	0.1000	0.1000	5,279	
	Streets	5,278,996	0.2000	0.2000	10,558	
City of Hunnewell	General Revenue	1,060,955	0.8991	0.8991	9,539	
Village of Leonard	General Revenue	720,052	0.5000	0.5000	3,600	
City of Shelbina	General Revenue	19,560,198	0.8897	0.8897	174,027	
	Library	19,560,198	0.2500	0.2500	48,900	
City of Shelbyville	General Revenue	3,860,777	0.8771	0.8771	33,863	
	General Revenue-Temp	3,860,777	0.3060	0.3060	11,814	A 2017
Shelbina Fire Protection District	General Revenue	68,172,348	0.2493	0.2493	169,954	
Shelby County Health Department	General Revenue	123,293,241	0.2500	0.2500	308,233	
North Shelby School District	Operating Funds-Schools	36,476,663	4.1300	3.5750	1,304,041	E
	Debt Service	36,476,663	0.2637	0.2550	93,015	
Shelby County R-IV School District	Operating Funds-Schools	81,398,727	3.7559	3.7500	3,052,452	E
Shelby County	General Revenue	123,293,241	0.4945	0.3500	431,526	
	Road & Bridge	96,738,217	0.3500	0.3500	338,584	
<u>Stoddard</u>						
Stoddard County Ambulance District	General Revenue	429,257,415	0.2050	0.2050	879,978	
Bluff Special Road Dist Stoddard Co	Johnson Grass	9,358,981	0.0500	0.0500	4,679	
	Road & Bridge	9,358,981	0.1757	0.1757	16,444	
	Special Road and Bridge	9,358,981	0.3777	0.3777	35,349	A 2017
Crowder Zeta Sp Rd Dist Stoddard Co	Johnson Grass	2,890,231	0.0500	0.0500	1,445	
	Road & Bridge	2,890,231	0.3080	0.3080	8,902	
Dudley Spec Road Dist Stoddard Co	Johnson Grass	18,322,207	0.0500	0.0500	9,161	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Stoddard</u>						
Dudley Spec Road Dist Stoddard Co	Road & Bridge	18,322,207	0.2711	0.2711	49,672	2014
	Special Road and Bridge	18,322,207	0.3533	0.3533	64,732	
Essex Special Road Dist Stoddard Co	Johnson Grass	17,289,849	0.0487	0.0487	8,420	2016
	Road & Bridge	17,289,849	0.2368	0.2368	40,942	
	Special Road and Bridge	17,289,849	0.3506	0.3506	60,618	
Gray Ridge Spec Rd Dist Stoddard Co	Road & Bridge	10,013,819	0.3196	0.3196	32,004	
Lavalle Spec Road Dist Stoddard Co	Road & Bridge	2,901,210	0.3432	0.3432	9,957	
City of Bell City	General Revenue	2,304,794	0.7217	0.7217	16,634	
City of Bernie	General Revenue	13,967,520	0.5412	0.5412	75,592	
	Parks & Recreation	13,967,520	0.0900	0.0900	12,571	
City of Bloomfield	General Revenue	12,513,275	0.5227	0.5226	65,394	
	Library	12,513,275	0.1524	0.1524	19,070	
	Debt Service	12,513,275	0.8388	0.5226	65,394	
City of Dexter	General Revenue	100,121,703	0.5433	0.5433	543,961	
	Library	100,121,703	0.1521	0.1521	152,285	
City of Dudley	General Revenue	9,452,061	0.5959	0.5959	56,325	
City of Essex	General Revenue	3,445,890	0.4157	0.4157	14,325	
City of Puxico	General Revenue	7,518,394	0.5257	0.5257	39,524	
	Parks & Recreation	7,518,394	0.2253	0.2253	16,939	
	Library	7,518,394	0.0752	0.0752	5,654	
	Health	7,518,394	0.1072	0.1072	8,060	
	Cemetery	7,518,394	0.1072	0.1072	8,060	
Village of Pendermon	General Revenue	156,097	0.4760	0.4760	743	
Castor Township Stoddard County	General Revenue	61,773,628	0.0727	0.0727	44,909	
	Road & Bridge	52,414,586	0.2310	0.2310	121,078	
	Special Road and Bridge	52,414,586	0.3524	0.3524	184,709	2016
Duck Creek Township Stoddard County	General Revenue	47,028,759	0.1000	0.1000	47,029	
	Johnson Grass	47,028,759	0.0381	0.0381	17,918	
	Road & Bridge	28,706,553	0.2680	0.2680	76,934	
	Special Road and Bridge	28,706,553	0.3500	0.3500	100,473	2015
Elk Township Stoddard County	General Revenue	15,376,356	0.1000	0.1000	15,376	
	Road & Bridge	12,475,146	0.5056	0.5056	63,074 ^B	
	Special Road and Bridge	12,475,146	0.3547	0.3547	44,249	2014
Liberty Township Stoddard County	General Revenue	203,504,652	0.0808	0.0808	164,432	
	Johnson Grass	203,504,652	0.0500	0.0500	101,752	
	Road & Bridge	203,504,652	0.1514	0.1514	308,106	
	Special Road and Bridge	203,504,652	0.3527	0.3527	717,761	2014
New Lisbon Township Stoddard County	General Revenue	11,044,247	0.0870	0.0870	9,608	
	Johnson Grass	11,044,247	0.0500	0.0500	5,522	
	Road & Bridge	11,044,247	0.2500	0.2500	27,611	
	Special Road and Bridge	11,044,247	0.3548	0.3548	39,185	2016
Pike Township Stoddard County	General Revenue	61,153,400	0.1000	0.1000	61,153	
	Johnson Grass	61,153,400	0.0500	0.0500	30,577	
	Road & Bridge	57,094,070	0.2440	0.2440	139,310	
Richland Township Stoddard County	General Revenue	29,376,373	0.0815	0.0815	23,942	
	Road & Bridge	3,241,864	0.3500	0.3500	11,347	
Stoddard County Public Health	General Revenue	429,257,415	0.1000	0.1000	429,257	
Richland R-I School District	Operating Funds-Schools	24,486,176	4.1083	4.0000	979,447 ^E	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Stoddard</u>						
Richland R-I School District	Debt Service	24,486,176	0.4856	0.3333	81,612	
Bell City R-II School District	Operating Funds-Schools	31,207,795	3.1543	3.1500	983,046	E
Advance R-IV School District	Operating Funds-Schools	32,269,417	2.9887	2.9887	964,436	E
	Debt Service	32,269,417	0.3815	0.3774	121,785	
Puxico R-VIII School District	Operating Funds-Schools	43,608,796	2.7500	2.7500	1,199,242	E
	Debt Service	43,608,796	0.8989	0.7900	344,509	
Bloomfield R-XIV School District	Operating Funds-Schools	46,730,250	2.9811	2.7500	1,285,082	F
	Debt Service	46,730,250	0.3681	0.2600	121,499	
Dexter R-XI School District	Operating Funds-Schools	178,893,440	2.7883	2.7800	4,973,238	E
	Debt Service	178,893,440	0.8790	0.5700	1,019,693	
Bernie R-XIII School District	Operating Funds-Schools	35,334,527	2.9941	2.9941	1,057,951	E
	Debt Service	35,334,527	0.3847	0.3000	106,004	
Stoddard County	General Revenue	429,257,415	0.0000	0.0000	0	
	Johnson Grass	429,257,415	0.0000	0.0000	0	
	Senate Bill 40	429,257,415	0.0805	0.0805	345,552	
<u>Stone</u>						
City of Crane	General Revenue	9,330,096	0.8335	0.8335	77,766	
	Parks & Recreation	9,330,096	0.1330	0.1330	12,409	
	Library	9,330,096	0.0000	0.0000	0	
City of Galena	General Revenue	2,877,753	0.5304	0.5304	15,264	
City of Hurley	General Revenue	802,546	0.7137	0.7137	5,728	
City of Kimberling City	General Revenue	41,673,732	0.4400	0.4400	183,364	
City of Reeds Spring	General Revenue	7,575,266	0.6140	0.6140	46,512	
Village of McCord Bend	General Revenue	850,207	0.5000	0.5000	4,251	
Stone County Library	General Revenue	564,408,662	0.1000	0.1000	564,409	
Southern Stone Co Fire Prot Dist	General Revenue	449,145,815	0.2676	0.0000	0	
Hurley Fire Protection District	General Revenue	15,854,627	0.3300	0.3300	52,320	
North Stone-Northeast Barry FPD	General Revenue	34,893,294	0.2711	0.2711	94,596	
Stone County Health Department	General Revenue	564,408,662	0.0785	0.0785	443,061	
Hurley R-I School District	Operating Funds-Schools	10,893,090	3.8941	3.8941	424,188	E
	Debt Service	10,893,090	0.6589	0.6589	71,775	
Galena R-II School District	Operating Funds-Schools	30,727,951	3.3696	3.3696	1,035,409	E
	Debt Service	30,727,951	0.6950	0.6154	189,100	
Crane R-III School District	Operating Funds-Schools	26,088,997	3.2745	3.2745	854,284	E
	Debt Service	26,088,997	1.0867	0.9800	255,672	
Reeds Spring R-IV School District	Operating Funds-Schools	348,703,246	3.0342	3.0107	10,498,409	E
	Debt Service	348,703,246	1.1497	0.7400	2,580,404	
Blue Eye R-V School District	Operating Funds-Schools	107,178,090	4.0265	4.0261	4,315,097	E
Stone County	General Revenue	564,408,662	0.2847	0.1233	695,916	
	Road & Bridge	564,408,662	0.1455	0.0000	0	
	Senior Services	564,408,662	0.0482	0.0482	272,045	
<u>Sullivan</u>						
Sullivan County Ambulance District	General Revenue	86,479,017	0.4899	0.4500	389,156	
Locust Creek Watershed Subdistrict	General Revenue	28,420,513	0.4000	0.4000	113,682	
Harris Spec Road Dist Sullivan Co	Road & Bridge	598,000	0.3263	0.3263	1,951	
Milan Special Road Dist Sullivan Co	Road & Bridge	11,755,331	0.3267	0.3267	38,405	
West Buchanan Road Dist Sullivan Co	Road & Bridge	2,859,613	0.3500	0.3500	10,009	
City of Green Castle	General Revenue	1,155,970	0.5604	0.5604	6,478	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Sullivan</u>						
City of Green City	General Revenue	4,684,807	0.4898	0.4898	22,946	
	Lights	4,684,807	0.1730	0.1730	8,105	
	Fire	4,684,807	0.2978	0.2978	13,951	
City of Harris	General Revenue	175,653	0.9000	0.9000	1,581	
Village of Humphreys	General Revenue	225,600	0.7500	0.7500	1,692	
	Parks & Recreation	225,600	0.5000	0.5000	1,128	
	Lights	225,600	1.5000	1.5000	3,384	
	Streets	225,600	1.0000	1.0000	2,256	
City of Milan	General Revenue	11,754,784	0.7926	0.7926	93,168	
	Park	11,754,784	0.0933	0.0933	10,967	
	Recreation	11,754,784	0.0466	0.0466	5,478	
Village of Newtown	General Revenue	835,817	0.9917	0.9917	8,289	
	Parks & Recreation	835,817	0.1983	0.1983	1,657	
	General Revenue-Temp	835,817	0.3174	0.3174	2,653 ^A	2017
Village of Osgood	General Revenue	132,957	0.9764	0.9764	1,298	
Village of Pollock	General Revenue-Temp	143,110	0.5362	0.5362	767	2016
Sullivan County Library	General Revenue	86,479,017	0.0977	0.0977	84,490	
Bowman Township Sullivan County	General Revenue	6,064,233	0.1000	0.1000	6,064	
	Road & Bridge	6,064,233	0.5000	0.5000	30,321	
	Special Road and Bridge	6,064,233	0.3540	0.3540	21,467	2016
Buchanan Township Sullivan County	General Revenue	4,197,518	0.1000	0.1000	4,198	
	Road & Bridge	4,197,518	0.5000	0.5000	20,988	
	Special Road and Bridge	4,197,518	0.3610	0.3610	15,153	2016
Clay Township Sullivan County	General Revenue	6,132,209	0.1000	0.1000	6,132	
	Road & Bridge	6,132,209	0.5000	0.5000	30,661	
	Special Road and Bridge	6,132,209	0.3500	0.3500	21,463	2014
Duncan Township Sullivan County	General Revenue	3,940,726	0.1000	0.1000	3,941	
	Road & Bridge	3,940,726	0.5000	0.5000	19,704	
	Special Road and Bridge	3,940,726	0.3500	0.3500	13,793	2014
Jackson Township Sullivan County	General Revenue	5,039,485	0.0987	0.0987	4,974	
	Road & Bridge	5,039,485	0.4937	0.4937	24,880	
	Special Road and Bridge	5,039,485	0.3646	0.3646	18,374	2016
Liberty Township Sullivan County	General Revenue	3,909,879	0.0938	0.0938	3,667	
	Road & Bridge	3,909,879	0.4690	0.4690	18,337	
	Special Road and Bridge	3,909,879	0.3512	0.3512	13,731	2015
Morris Township Sullivan County	General Revenue	3,570,906	0.0983	0.0983	3,510	
	Road & Bridge	3,570,906	0.4914	0.4914	17,547	
	Special Road and Bridge	3,570,906	0.3541	0.3541	12,645	2016
Penn Township Sullivan County	General Revenue	12,651,342	0.0966	0.0966	12,221	
	Road & Bridge	12,651,342	0.4832	0.4832	61,131	
Pleasant Hill Township Sullivan Co	General Revenue	4,036,662	0.1000	0.1000	4,037	
	Road & Bridge	4,036,662	0.5000	0.5000	20,183	
	Special Road and Bridge	4,036,662	0.3794	0.3794	15,315	2014
Polk Township Sullivan County	General Revenue	29,608,978	0.0956	0.0956	28,306	
	Road & Bridge	29,608,978	0.4777	0.4777	141,442	
	Special Road and Bridge	29,608,978	0.3607	0.3607	106,800	2015
Taylor Township Sullivan County	General Revenue	1,931,563	0.0998	0.0998	1,928	
	Road & Bridge	1,931,563	0.4990	0.4990	9,638	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Sullivan</u>						
Taylor Township Sullivan County	Special Road and Bridge	1,931,563	0.3500	0.3500	6,760	2014
Union Township Sullivan County	General Revenue	5,323,597	0.1000	0.1000	5,324	2014
	Road & Bridge	5,323,597	0.5000	0.5000	26,618	
	Special Road and Bridge	5,323,597	0.3500	0.3500	18,633	
Medicine Creek Fire Protection Dist	General Revenue	22,822,516	0.3000	0.3000	68,468	
Galt Fire Protection District	General Revenue	13,316,349	0.3000	0.3000	39,949	
Sullivan County Health Department	General Revenue	86,479,017	0.2446	0.2446	211,528	
Green City R-I School District	Operating Funds-Schools	23,148,127	4.4484	3.8573	892,893	
	Debt Service	23,148,127	1.4326	0.6389	147,893	
Milan C-2 School District	Operating Funds-Schools	42,692,778	3.5211	3.5211	1,503,255 ^E	
Newtown-Harris R-III School Dist	Operating Funds-Schools	10,108,337	6.9500	6.4685	653,858	
Sullivan County	General Revenue	86,479,017	0.3908	0.2264	195,788	
	Hospital	86,479,017	0.4201	0.4201	363,298	
<u>Taney</u>						
Taney County Ambulance District	General Revenue	990,225,921	0.0000	0.0000	0	
City of Branson	General Revenue	457,420,506	0.5739	0.5739	2,625,136	
City of Forsyth	General Revenue	28,179,906	0.5457	0.5457	153,778	
City of Hollister	General Revenue	48,892,985	0.5917	0.5917	289,300	
City of Rockaway Beach	General Revenue	6,552,826	0.7342	0.7342	48,111	
Village of Merriam Woods	General Revenue	9,771,449	0.4843	0.4843	47,323	
Village of Bull Creek	General Revenue	1,289,867	0.5000	0.5000	6,449	
Western Taney County Fire Prot Dist	General Revenue	364,436,564	0.3678	0.3678	1,340,398	
Central Taney County Fire Prot Dist	General Revenue	74,475,558	0.4100	0.4100	305,350	
Cedarcreek Fire Protection District	General Revenue	4,980,958	0.3000	0.3000	14,943	
Protem Fire Protection District	General Revenue	6,800,444	0.3000	0.3000	20,401	
Taney County Health Department	General Revenue	990,225,921	0.1404	0.1404	1,390,277	
Bradleyville R-I School District	Operating Funds-Schools	8,159,572	3.9124	3.9124	319,235 ^E	
Taneyville R-II School District	Operating Funds-Schools	10,854,580	3.5516	3.5516	385,511 ^E	
	Debt Service	10,854,580	1.9877	1.1100	120,486	
Forsyth R-III School District	Operating Funds-Schools	74,013,814	3.3932	3.3932	2,511,437 ^E	
	Debt Service	74,013,814	1.2569	0.7500	555,104	
Branson R-IV School District	Operating Funds-Schools	637,172,438	3.4489	3.4489	21,975,440 ^E	
	Debt Service	637,172,438	1.4820	0.7000	4,460,207	
Hollister R-V School District	Operating Funds-Schools	185,367,684	3.5150	3.5085	6,503,625 ^E	
	Debt Service	185,367,684	0.8236	0.8207	1,521,313	
Kirbyville R-VI School District	Operating Funds-Schools	37,164,558	3.4073	3.4073	1,266,308 ^E	
	Debt Service	37,164,558	1.0869	0.9000	334,481	
Mark Twain R-VIII School District	Operating Funds-Schools	6,797,098	4.0497	4.0497	275,262 ^E	
Taney County	General Revenue	990,225,921	0.2670	0.0000	0	
	Road & Bridge	989,935,581	0.2005	0.0000	0	
	Developmentally Disabled	989,935,581	0.0926	0.0926	916,680	
	Senior Services	989,935,581	0.0500	0.0500	494,968	
<u>Texas</u>						
City of Cabool	General Revenue	18,083,721	0.8176	0.8176	147,853	
City of Houston	General Revenue	24,453,111	0.3221	0.3221	78,763	
City of Licking	General Revenue	11,666,615	0.4393	0.4393	51,251	
Village of Raymondville	General Revenue	2,107,262	0.4360	0.4360	9,188	
City of Summersville	General Revenue	3,302,370	0.6507	0.6507	21,489	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Texas						
Texas County Library District	General Revenue	208,468,633	0.0977	0.0977	203,674	
Boone Township Texas County	General Revenue	2,444,177	0.0750	0.0750	1,833	
	Road & Bridge	2,444,177	0.2467	0.2467	6,030	
Burdine Township Texas County	General Revenue	30,718,510	0.0944	0.0944	28,998	
	Road & Bridge	30,718,510	0.3146	0.3146	96,640	
Carroll Township Texas County	General Revenue	8,056,171	0.1000	0.1000	8,056	
	Road & Bridge	8,056,171	0.3729	0.3729	30,041	
Cass Township Texas County	General Revenue	9,898,536	0.1000	0.1000	9,899	
	Road & Bridge	9,898,536	0.3428	0.3428	33,932	
Clinton Township Texas County	General Revenue	16,136,116	0.0984	0.0984	15,878	
	Road & Bridge	16,136,116	0.4925	0.4925	79,470	
Current Township Texas County	General Revenue	1,952,862	0.0993	0.0993	1,939	
	Road & Bridge	1,952,862	0.3017	0.3017	5,892	
Date Township Texas County	General Revenue	3,776,203	0.0974	0.0974	3,678	
	Road & Bridge	3,776,203	0.3031	0.3031	11,446	
Jackson Township Texas County	General Revenue	9,798,012	0.0980	0.0980	9,602	
	Road & Bridge	9,798,012	0.3549	0.3549	34,773	
Lynch Township Texas County	General Revenue	11,374,981	0.0957	0.0957	10,886	
	Road & Bridge	11,374,981	0.3011	0.3011	34,250	
Morris Township Texas County	General Revenue	6,927,695	0.1000	0.1000	6,928	
	Road & Bridge	6,927,695	0.5224	0.5000	34,638	
Ozark Township Texas County	General Revenue	4,088,125	0.1000	0.1000	4,088	
	Road & Bridge	4,088,125	0.3716	0.3716	15,191	
Pierce Township Texas County	General Revenue	3,737,677	0.1000	0.1000	3,738	
	Road & Bridge	3,737,677	0.3381	0.3381	12,637	
Piney Township Texas County	General Revenue	45,583,147	0.0950	0.0950	43,304	
	Road & Bridge	45,583,147	0.2966	0.2966	135,200	
Roubidoux Township Texas County	General Revenue	16,523,394	0.0896	0.0896	14,805	
	Road & Bridge	16,523,394	0.2678	0.2678	44,250	
Sargent Township Texas County	General Revenue	3,436,386	0.0688	0.0688	2,364	
	Road & Bridge	3,436,386	0.2751	0.2751	9,453	
Sherrill Township Texas County	General Revenue	28,165,371	0.0983	0.0983	27,687	
	Road & Bridge	28,165,371	0.3473	0.3473	97,818	
Upton Township Texas County	General Revenue	5,999,819	0.1000	0.1000	6,000	
	Road & Bridge	5,999,819	0.3187	0.3187	19,121	
Texas County Health Department	General Revenue	208,468,633	0.0977	0.0977	203,674	
Success R-VI School District	Operating Funds-Schools	7,786,390	2.7500	2.7500	214,126	E
Houston R-I School District	Operating Funds-Schools	54,697,773	2.7500	2.7500	1,504,189	E
	Debt Service	54,697,773	1.3489	0.8000	437,582	
Summersville R-II School District	Operating Funds-Schools	26,513,047	3.0000	3.0000	795,391	E
Licking R-VIII School District	Operating Funds-Schools	37,308,233	2.7500	2.7500	1,025,976	E
Cabool R-IV School District	Operating Funds-Schools	44,062,733	2.7739	2.7739	1,222,256	E
	Operating Funds-Temp	44,062,733	0.4405	0.4405	194,096	2014
Plato R-V School District	Operating Funds-Schools	31,792,962	2.8746	2.8746	913,920	E
Raymondville R-VII School District	Operating Funds-Schools	9,045,507	3.1213	3.1213	282,337	E
	Operating Funds-Temp	9,045,507	0.4924	0.4800	43,418	A 2018
Texas County	General Revenue	208,468,633	0.2710	0.0225	46,905	
	Senate Bill 40	208,468,633	0.0977	0.0977	203,674	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Vernon</u>						
Vernon County Ambulance District	General Revenue	248,482,570	0.1500	0.1500	372,724	
City of Bronaugh	General Revenue	982,637	0.1633	0.1527	1,500	
	Streets	982,637	0.3682	0.3435	3,375	
Village of Deerfield	General Revenue	739,691	0.2977	0.2977	2,202	
Village of Harwood	General Revenue	296,267	0.9757	0.9750	2,889	
City of Metz	General Revenue	464,186	0.5968	0.5968	2,770	
Village of Milo	General Revenue	259,911	0.7499	0.7499	1,949	
Village of Moundville	General Revenue	505,075	0.4751	0.4751	2,400	
	Parks & Recreation	505,075	0.2000	0.2000	1,010	
	General Revenue	97,097,104	0.6778	0.6778	658,124	
City of Nevada	Parks & Recreation	97,097,104	0.2000	0.0000	0	
	Library	97,097,104	0.2000	0.2000	194,194	
	General Revenue	409,548	0.5000	0.5000	2,048	
City of Richards	Streets	409,548	0.2500	0.2500	1,024	
	General Revenue	1,045,954	0.8217	0.8217	8,595	
City of Schell City	General Revenue	2,538,678	0.5433	0.5433	13,793	
City of Sheldon	Streets	2,538,678	0.1740	0.1740	4,417	
	General Revenue	67,384	0.3250	0.3250	219	
Village of Stotesbury	Lights	67,384	0.0935	0.0935	63	
	Streets	67,384	0.0475	0.0475	32	
	General Revenue	1,349,035	0.6243	0.6243	8,422	
City of Walker	Lights	1,349,035	0.0500	0.0500	675	
	Streets	1,349,035	0.1500	0.1500	2,024	
	General Revenue	6,013,373	0.0972	0.0972	5,845	
Bacon Township Vernon County	Road & Bridge	6,013,373	0.3884	0.3884	23,356	
	Special Road and Bridge	6,013,373	0.1700	0.1700	10,223	2016
	General Revenue	5,434,163	0.1000	0.1000	5,434	
Badger Township Vernon County	Road & Bridge	5,434,163	0.3500	0.3500	19,020	
	Special Road and Bridge	5,434,163	0.3396	0.3396	18,454	2016
	General Revenue	3,696,341	0.1000	0.1000	3,696	
Blue Mound Township Vernon County	Road & Bridge	3,696,341	0.2752	0.2752	10,172	
	Special Road and Bridge	3,696,341	0.1907	0.1907	7,049	2016
	General Revenue	118,461,247	0.1000	0.1000	118,461	
Center Township Vernon County	Road & Bridge	118,461,247	0.3366	0.3366	398,741	
	General Revenue	6,031,026	0.0994	0.0994	5,995	
	Road & Bridge	6,031,026	0.3633	0.3633	21,911	
Clear Creek Township Vernon County	Special Road and Bridge	6,031,026	0.3560	0.3560	21,470	2014
	General Revenue	5,462,380	0.0898	0.0898	4,905	
	Road & Bridge	5,462,380	0.3142	0.3142	17,163	
Coal Township Vernon County	Special Road and Bridge	5,462,380	0.3500	0.3500	19,118	2016
	General Revenue	11,371,468	0.0916	0.0916	10,416	
	Road & Bridge	11,371,468	0.3305	0.3305	37,583	
Deerfield Township Vernon County	Special Road and Bridge	11,371,468	0.3337	0.3337	37,947	2016
	General Revenue	5,530,024	0.1000	0.1000	5,530	
	Road & Bridge	5,530,024	0.2783	0.2783	15,390	
Dover Township Vernon County	Special Road and Bridge	5,530,024	0.3645	0.3645	20,157	2014
	General Revenue	11,257,902	0.0982	0.0982	11,055	
	Road & Bridge	11,257,902	0.2894	0.2894	32,580	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Vernon</u>						
Drywood Township Vernon County	Special Road and Bridge	11,257,902	0.3466	0.3466	39,020	2014
Harrison Township Vernon County	General Revenue	5,275,830	0.0990	0.0990	5,223	
	Road & Bridge	5,275,830	0.3462	0.3462	18,265	
	Special Road and Bridge	5,275,830	0.3437	0.3437	18,133	2016
Henry Township Vernon County	General Revenue	4,625,515	0.0986	0.0986	4,561	
	Road & Bridge	4,625,515	0.3448	0.3448	15,949	
	Special Road and Bridge	4,625,515	0.3500	0.3500	16,189	2016
Lake Township Vernon County	General Revenue	3,073,419	0.1000	0.1000	3,073	
	Road & Bridge	3,073,419	0.5000	0.5000	15,367	
	Special Road and Bridge	3,073,419	0.3711	0.3711	11,405	2016
Metz Township Vernon County	General Revenue	4,511,573	0.1000	0.1000	4,512	
	Road & Bridge	4,511,573	0.3500	0.3500	15,791	
	Special Road and Bridge	4,511,573	0.3477	0.3477	15,687	2014
Montevallo Township Vernon County	General Revenue	5,193,752	0.1000	0.1000	5,194	
	Road & Bridge	5,193,752	0.3500	0.3500	18,178	
Moundville Township Vernon County	General Revenue	6,728,719	0.0994	0.0994	6,688	
	Road & Bridge	6,728,719	0.3480	0.3480	23,416	
	Special Road and Bridge	6,728,719	0.3500	0.3500	23,551	2016
Osage Township Vernon County	General Revenue	4,462,841	0.0926	0.0926	4,133	
	Road & Bridge	4,462,841	0.3243	0.3243	14,473	
	Special Road and Bridge	4,462,841	0.3362	0.3362	15,004	2014
Richland Township Vernon County	General Revenue	3,491,820	0.0954	0.0954	3,331	
	Road & Bridge	3,491,820	0.3340	0.3340	11,663	
	Special Road and Bridge	3,491,820	0.3434	0.3434	11,991	2014
Virgil Township Vernon County	General Revenue	4,529,596	0.0854	0.0854	3,868	
	Road & Bridge	4,529,596	0.3096	0.3096	14,024	
Walker Township Vernon County	General Revenue	6,236,176	0.0946	0.0946	5,899	
	Road & Bridge	6,236,176	0.3147	0.3147	19,625	
	Special Road and Bridge	6,236,176	0.3500	0.3500	21,827	2014
Washington Township Vernon County	General Revenue	27,095,405	0.0995	0.0995	26,960	
	Road & Bridge	27,095,405	0.3482	0.3482	94,346	
	Special Road and Bridge	27,095,405	0.3417	0.3417	92,585	2016
Vernon County Health Department	General Revenue	248,482,570	0.1000	0.1000	248,483	
Nevada R-V School District	Operating Funds-Schools	169,763,729	3.4748	3.4748	5,898,950 ^E	
	Debt Service	169,763,729	0.1586	0.1352	229,521	
Bronaugh R-VII School District	Operating Funds-Schools	12,565,358	3.6339	3.6339	456,613 ^E	
Sheldon R-VIII School District	Operating Funds-Schools	11,131,031	4.1399	4.1399	460,814 ^E	
Northeast Vernon County R-I	Operating Funds-Schools	17,269,840	4.6558	4.2200	728,787 ^E	
Vernon County	General Revenue	248,482,570	0.3693	0.1661	412,730	
<u>Warren</u>						
Marthasville Community Amb District	General Revenue	95,005,160	0.1567	0.1567	148,873	
	Ambulance	95,005,160	0.1371	0.1371	130,252	
Warren County Ambulance District	General Revenue	443,366,657	0.4991	0.4991	2,212,843 ^B	
City of Marthasville	General Revenue	15,928,201	0.5608	0.5608	89,325	
	Lights	15,928,201	0.1280	0.1280	20,388	
City of Truesdale	General Revenue	21,510,950	0.8012	0.8012	172,346	
City of Warrenton	General Revenue	100,158,587	0.2884	0.2884	288,857	
	Parks & Recreation	100,158,587	0.1707	0.1707	170,971	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Warren</u>						
City of Wright City	General Revenue	49,493,651	0.4864	0.4864	240,737	
	Parks & Recreation	49,493,651	0.0903	0.0903	44,693	
	Lights	49,493,651	0.1807	0.1807	89,435	
	Debt Service	49,493,651	0.0641	0.0641	31,725	
Village of Innsbrook	General Revenue	58,823,656	0.1267	0.1267	74,530	
Village of Pendleton	General Revenue	363,102	0.5000	0.5000	1,816	
Warren County Library District	General Revenue	543,433,731	0.2025	0.2008	1,091,215	^B
Wright City Fire Protection Dist	General Revenue	192,319,958	0.4098	0.4098	788,127	
Marthasville Fire Protection Dist	General Revenue	73,133,397	0.4105	0.3946	288,584	
Warrenton Fire Protection District	General Revenue	249,648,533	0.4497	0.4497	1,122,669	
Wright City R-II Sch Dist Warren Co	Operating Funds-Schools	181,594,215	3.0955	3.0955	5,621,249	^E
	Debt Service	181,594,215	1.5064	1.0970	1,992,089	
Warren County R-III School District	Operating Funds-Schools	265,196,477	3.5256	3.5256	9,349,767	^E
	Debt Service	265,196,477	0.7625	0.6189	1,641,301	
Warren County	General Revenue	543,433,731	0.2443	0.1233	670,054	
	Road & Bridge	543,433,731	0.1760	0.1760	956,443	
	Developmentally Disabled	543,433,731	0.1603	0.1603	871,124	
<u>Washington</u>						
Washington County Ambulance Dist	General Revenue	242,400,708	0.2362	0.0947	229,553	
Village of Caledonia	General Revenue	1,222,383	0.1697	0.1697	2,074	
City of Irondale	General Revenue	2,282,036	0.4827	0.4827	11,015	
Village of Mineral Point	General Revenue	1,215,911	0.2743	0.2743	3,335	
City of Potosi	General Revenue	26,073,324	0.6197	0.6197	161,576	
Washington County Library District	General Revenue	242,400,708	0.1891	0.1891	458,380	
Potosi Fire Protection District	General Revenue	158,303,892	0.2392	0.2392	378,663	
Richwoods Fire Protection District	General Revenue	15,949,246	0.2704	0.2704	43,127	
Irondale Fire Protection District	General Revenue	11,181,807	0.4751	0.4751	53,125	
Caledonia Fire Protection District	General Revenue	5,860,345	0.3725	0.3725	21,830	
Washington County Health Department	General Revenue	242,400,708	0.1417	0.1417	343,482	
Kingston K-14 School District	Operating Funds-Schools	28,881,916	3.0610	2.9499	851,988	^E
	Debt Service	28,881,916	0.9903	0.9895	285,787	
Potosi R-III School District	Operating Funds-Schools	84,799,999	2.7500	2.7500	2,332,000	^F
	Debt Service	84,799,999	0.5272	0.5000	424,000	
Richwoods R-VII School District	Operating Funds-Schools	12,621,520	3.2673	3.2673	412,383	^E
Valley R-VI School District	Operating Funds-Schools	23,430,072	3.6874	3.6874	863,960	^E
Washington County	General Revenue	242,400,708	0.3686	0.2065	500,557	
	Road & Bridge	242,400,708	0.2591	0.2591	628,060	
	Hospital	242,400,708	0.1891	0.1891	458,380	
	Senate Bill 40	242,400,708	0.1891	0.1891	458,380	
	Senior Services	242,400,708	0.0472	0.0472	114,413	
<u>Wayne</u>						
East Wayne County Ambulance Dist	General Revenue	58,518,271	0.3000	0.3000	175,555	
Clearwater Ambulance District	General Revenue	72,387,458	0.2857	0.2857	206,811	
Village of Mill Spring	General Revenue	503,363	0.6834	0.6834	3,440	
City of Piedmont	General Revenue	19,327,921	0.2200	0.2200	42,521	
	Lights	19,327,921	0.1300	0.1300	25,126	
	Library	19,327,921	0.1000	0.1000	19,328	
	Cemetery	19,327,921	0.0300	0.0300	5,798	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Wayne</u>						
Clearwater Fire Protection District	General Revenue	52,473,868	0.2954	0.2954	155,008	
Wayne County Health Center	General Revenue	133,357,612	0.0985	0.0985	131,357	
Greenville R-II School District	Operating Funds-Schools	42,259,876	2.7500	2.7500	1,162,147	E
	Debt Service	42,259,876	1.3323	0.3600	152,136	
Clearwater R-I School District	Operating Funds-Schools	66,695,865	2.7500	2.7500	1,834,136	E
	Debt Service	66,695,865	0.5116	0.3500	233,436	
Wayne County	General Revenue	133,357,612	0.2977	0.0000	0	
	Road & Bridge	133,357,612	0.1410	0.1100	146,693	
	Senate Bill 40	133,357,612	0.0800	0.0800	106,686	
<u>Webster</u>						
Village of Diggins	General Revenue	2,241,125	0.2116	0.2100	4,706	
City of Fordland	General Revenue	4,756,448	0.3968	0.3968	18,874	
City of Marshfield	Parks & Recreation	76,250,457	0.1145	0.1145	87,307	
	Cemetery	76,250,457	0.1355	0.1355	103,319	
	Debt Service	76,250,457	1.3239	0.3700	282,127	
City of Niangua	General Revenue	1,727,324	0.2801	0.2801	4,838	
City of Rogersville	General Revenue	33,668,577	0.3166	0.3166	106,595	
	Debt Service	33,668,577	0.4633	0.4633	155,987	
City of Seymour	General Revenue	16,619,236	0.3724	0.3724	61,890	
	Parks & Recreation	16,619,236	0.0827	0.0827	13,744	
	Library	7,195,015	0.0630	0.0630	4,533	
	Cemetery	16,619,236	0.0521	0.0521	8,659	
Webster County Library District	General Revenue	354,026,628	0.1188	0.1188	420,584	
Southern Webster Co Fire Prot Dist	General Revenue	68,180,137	0.2973	0.2973	202,700	
Marshfield Fire Protection District	General Revenue	91,880,423	0.3000	0.3000	275,641	
Niangua Fire Protection District	General Revenue	14,289,219	0.3000	0.3000	42,868	
Webster County Health Unit	General Revenue	361,204,135	0.1387	0.1387	500,990	
Niangua R-V School District	Operating Funds-Schools	14,529,239	3.3179	3.3179	482,066	E
Fordland R-III School District	Operating Funds-Schools	30,947,590	2.7500	2.7500	851,059	F
	Debt Service	30,947,590	0.1089	0.1089	33,702	
Marshfield R-I School District	Operating Funds-Schools	178,833,461	2.7500	2.7500	4,917,920	E
	Debt Service	178,833,461	1.2479	0.6000	1,073,001	
Seymour R-II School District	Operating Funds-Schools	45,232,404	2.7500	2.7500	1,243,891	F
Webster County	General Revenue	361,204,135	0.0000	0.0000	0	
	Road & Bridge	361,204,135	0.1882	0.1882	679,786	
	Senate Bill 40	361,204,135	0.0793	0.0793	286,435	
	Senior Services	361,204,135	0.0500	0.0500	180,602	
<u>Worth</u>						
Worth County Ambulance District	General Revenue	30,594,403	0.1495	0.1495	45,739	
Worth Co Convalescent Center Dist	General Revenue	30,594,403	0.3487	0.3487	106,683	
East Fork of Grand River Watershed	General Revenue	2,715,220	0.2000	0.2000	5,430	
Village of Allendale	General Revenue	624,953	0.4000	0.4000	2,500	
	General Revenue-Temp	624,953	0.2042	0.2042	1,276	A 2017
Village of Denver	General Revenue	261,138	0.7426	0.7426	1,939	
City of Grant City	General Revenue	5,117,702	0.9951	0.9951	50,926	
	Health	5,117,702	0.1791	0.1791	9,166	
	Special Fund	5,117,702	0.2985	0.2985	15,276	
City of Sheridan	General Revenue	1,152,443	1.0000	1.0000	11,524	

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Worth</u>						
Village of Worth	General Revenue	192,663	0.8000	0.8000	1,541	
Sheridan Fire Protection District	General Revenue	5,994,489	0.1710	0.1710	10,251	
Worth County Fire Protection Dist	General Revenue	22,476,572	0.1935	0.1935	43,492	
Worth County R-III School District	Operating Funds-Schools	26,840,570	3.3839	3.3703	904,608	E
	Debt Service	26,840,570	0.3430	0.2500	67,101	
Worth County	General Revenue	30,594,403	0.4982	0.4982	152,421	
	Library	30,594,403	0.0997	0.0997	30,503	
	Road & Bridge	30,594,403	0.4982	0.4982	152,421	
	Senior Services	30,594,403	0.0499	0.0499	15,267	
	General Revenue-Temp	30,594,403	0.3490	0.3490	106,774	2014
	Special Road and Bridge	30,594,403	0.3540	0.3540	108,304	A 2017
<u>Wright</u>						
City of Hartville	General Revenue	4,244,232	0.5240	0.5240	22,240	
City of Mansfield	General Revenue	11,075,034	0.5065	0.5065	56,095	
	Streets	11,075,034	0.1541	0.1541	17,067	
	Cemetery	11,075,034	0.1000	0.1000	11,075	
City of Mountain Grove	General Revenue	44,017,409	0.0000	0.0000	0	
	Parks & Recreation	44,017,409	0.0000	0.0000	0	
City of Norwood	General Revenue	3,527,409	0.3900	0.3900	13,757	
	Water	3,527,409	0.6220	0.6220	21,940	
Wright County Library	General Revenue	171,135,732	0.1414	0.1414	241,986	
Wright County Health Department	General Revenue	171,135,732	0.0807	0.0807	138,107	
Norwood R-I School District	Operating Funds-Schools	18,834,903	3.3240	3.3240	626,072	E
Hartville R-II School District	Operating Funds-Schools	34,608,417	3.0437	3.0250	1,046,905	E
	Debt Service	34,608,417	0.6654	0.5188	179,548	
Mountain Grove R-III School Dist	Operating Funds-Schools	88,122,370	2.7500	2.7500	2,423,365	E
Mansfield R-IV School District	Operating Funds-Schools	35,027,708	3.3969	3.0300	1,061,340	E
	Debt Service	35,027,708	1.1116	1.0700	374,796	
Manes R-V School District	Operating Funds-Schools	4,743,912	3.6910	3.6910	175,098	E
Wright County	General Revenue	171,135,732	0.3133	0.0861	147,348	
	Developmentally Disabled	171,135,732	0.0807	0.0807	138,107	
<u>St. Louis City</u>						
St. Louis Public Libraries	General Revenue	4,073,879,986	0.5600	0.5600	22,813,728	
Baden Market Centre Spec Bus Dist	General Revenue	1,889,290	0.8032	0.8032	15,175	
Cherokee Station Special Bus Dist	General Revenue	3,056,780	0.6518	0.6518	19,924	
Kingsway Center Special Bus Dist	General Revenue	2,448,430	0.7487	0.7487	18,331	
Locust Central Business District	General Revenue	46,930,870	0.8229	0.8229	386,194	
Central West End South Spec Bus Dis	General Revenue	45,037,530	0.5074	0.5074	228,520	
Central West End North Spec Bus Dis	General Revenue	60,944,960	0.8500	0.8500	518,032	2018
Soulard Special Business District	General Revenue	56,931,280	0.5401	0.5401	307,486	
Waterman/Lake Special Business Dist	General Revenue	6,000,030	0.7312	0.7312	43,872	2014
Westminister/Lake Special Bus Dist	General Revenue	7,942,880	0.8500	0.8500	67,514	2014
Washington Place Special Bus Dist	General Revenue	5,067,990	0.7307	0.7307	37,032	2014
East Loop/Parkview Gardens SBD	General Revenue	8,383,870	0.5589	0.5589	46,857	
Cathedral Square Special Bus Dist	General Revenue	24,604,970	0.8056	0.8056	198,218	2018
Central West End Southeast SBD	General Revenue	58,852,690	0.4233	0.4233	249,123	2018
Cherokee-Lemp Special Business Dist	General Revenue	2,235,110	0.5495	0.5495	12,282	
Gardenside Special Business Dist	General Revenue	13,622,030	0.5397	0.5397	73,518	2022

APPENDIX VII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Louis City</u>						
Tower Grove South Concern Citiz SBD	General Revenue-Temp	16,915,660	0.7721	0.7721	130,606	2018
St. Louis Community College	General Revenue	26,307,163,602	0.2200	0.2200	57,875,760	
St. Louis City School District	Operating Funds-Schools	3,983,884,378	3.7500	3.7500	149,395,664 ^E	
	Debt Service	3,983,884,378	0.7320	0.6211	24,743,906	
City of St. Louis	Parks & Recreation	3,828,434,627	0.0200	0.0200	765,687	
	Health	3,828,434,627	0.0200	0.0200	765,687	
	Hospital	3,828,434,627	0.1000	0.1000	3,828,435	
	Developmentally Disabled	4,073,879,986	0.1500	0.1500	6,110,820	
	Mental Health	4,073,879,986	0.0900	0.0900	3,666,492	
	Community Child Service	4,073,879,986	0.1900	0.1900	7,740,372	
	County Purposes	3,828,434,627	0.3500	0.3500	13,399,521	
	General Revenue No. 1	4,073,879,986	0.1600	0.1600	6,518,208	
	General Revenue No. 2	3,828,434,627	0.8233	0.8233	31,519,502	
	Debt Service	3,828,434,627	0.1330	0.1330	5,091,818	
Total Revenue					<u>\$ 5,027,480,557</u>	

LEGEND:

- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase or decrease to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section.
- E School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G Article X, Section 11(g) of the Missouri Constitution allows the Kansas City 33 School District School Board to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was \$4.96). The rate so established may be changed from year to year by the School Board.

NOTES:

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VIII for a listing of 2014 taxing authorities that calculated separate tax rates for each subclass of property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both the taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
<u>Clay</u>														
City of Gladstone	General Revenue	226,477,770	0.9290	0.9290	61,430	0.9290	0.9290	58,278,776	0.9290	0.9290	55,411,750	0.9290	0.9290	\$ 3,160,734
<u>St. Louis</u>														
City of Bellefontaine Neighbors	General Revenue	46,549,730	0.2500	0.2500	299,100	0.0000	0.0000	11,621,193	0.2500	0.2500	14,678,561	0.2350	0.2350	179,922
	Debt Service	46,549,730	0.6030	0.6030	299,100	0.6030	0.6030	11,621,193	0.6030	0.6030	14,678,561	0.6030	0.6030	441,087
Village of Bellerive Acres	General Revenue	2,507,100	0.8240	0.8240	0	0.0000	0.0000	346,470	0.5150	0.5150	1,010,304	0.7900	0.7900	30,424
Village of Bel Nor	General Revenue	12,790,243	0.4960	0.4960	0	0.0000	0.0000	453,800	0.4430	0.4430	2,659,554	0.5530	0.5530	80,157
Village of Bel Ridge	General Revenue	7,504,850	0.3500	0.3500	0	0.0000	0.0000	4,354,640	0.3500	0.3500	0	0.0000	0.0000	41,508
	Debt Service	7,504,850	0.7660	0.7660	0	0.7660	0.7660	4,354,640	0.7660	0.7660	0	0.7660	0.7660	90,844
City of Berkeley	General Revenue	36,409,520	0.9890	0.9890	5,580	1.0000	1.0000	96,188,128	1.0000	1.0000	50,331,038	0.9200	0.9200	1,785,073
	Pension	36,409,520	0.1100	0.1100	5,580	0.1100	0.1100	96,188,128	0.1100	0.1100	50,331,038	0.1100	0.1100	201,227
	Debt Service	36,409,520	0.1330	0.1325	5,580	0.1330	0.1325	96,188,128	0.1330	0.1325	50,331,038	0.1330	0.1325	242,388
City of Beverly Hills	General Revenue	2,031,690	0.2500	0.2500	0	0.0000	0.0000	1,226,412	0.2500	0.2500	640,365	0.2320	0.2320	9,631
City of Black Jack	Debt Service	48,738,460	0.5650	0.5650	2,650	0.5650	0.5650	3,762,313	0.5650	0.5650	10,631,913	0.5650	0.5650	356,714
City of Breckenridge Hills	General Revenue	18,760,690	0.2380	0.2380	0	0.0000	0.0000	8,455,047	0.2180	0.2180	4,304,760	0.0000	0.0000	63,082
City of Brentwood	General Revenue	131,496,620	0.0000	0.0000	0	0.0000	0.0000	108,114,606	0.2000	0.2000	33,881,545	0.2070	0.2070	286,364
	Library	131,496,620	0.2140	0.2140	0	0.0000	0.0000	108,114,606	0.2200	0.2200	33,881,545	0.2290	0.2290	596,844
	Pension	131,496,620	0.3880	0.3880	0	0.0000	0.0000	108,114,606	0.4110	0.4110	33,881,545	0.3850	0.3850	1,085,002
City of Bridgeton	General Revenue	97,184,040	0.2060	0.1600	122,760	0.0000	0.0000	249,636,058	0.2500	0.2500	83,288,657	0.0000	0.0000	779,584
Village of Calverton Park	General Revenue	7,799,140	0.3320	0.3320	0	0.0000	0.0000	532,087	0.3340	0.3340	1,444,629	0.2980	0.2980	31,975
City of Charlack	General Revenue	5,948,740	0.2510	0.2510	0	0.0000	0.0000	2,566,977	0.2410	0.2410	1,715,963	0.2570	0.2570	25,527
City of Clarkson Valley	General Revenue	90,715,650	0.1290	0.1290	4,080	0.1960	0.1960	12,008,230	0.1270	0.1270	10,921,840	0.1530	0.1530	148,991
City of Clayton	General Revenue	450,528,930	0.6460	0.6460	0	0.0000	0.0000	335,834,920	0.7170	0.7170	78,799,950	0.7070	0.7070	5,875,469
	Police	450,528,930	0.1280	0.1280	0	0.0000	0.0000	335,834,920	0.1280	0.1280	78,799,950	0.1230	0.1230	1,103,470
	Debt Service	450,528,930	0.1240	0.1240	0	0.1240	0.1240	335,834,920	0.1240	0.1240	78,799,950	0.1240	0.1240	1,072,803
City of Cool Valley	General Revenue	5,144,500	0.3180	0.3180	0	0.0000	0.0000	5,784,674	0.3500	0.3500	2,246,285	0.1650	0.1650	40,312
City of Country Club Hills	General Revenue	4,140,770	0.8480	0.8480	0	0.0000	0.0000	926,170	0.8430	0.8430	979,326	0.7150	0.7150	49,924
	Parks & Recreation	4,140,770	0.3780	0.3780	0	0.0000	0.0000	926,170	0.4000	0.4000	979,326	0.3300	0.3300	22,589
	Health	4,140,770	0.2000	0.2000	0	0.0000	0.0000	926,170	0.2000	0.2000	979,326	0.1880	0.1880	11,975
Village of Country Life Acres	General Revenue	6,299,890	0.3790	0.3790	240	0.0000	0.0000	81,296	0.3950	0.3950	639,680	0.4200	0.4200	26,885
City of Crestwood	General Revenue	160,432,460	0.2560	0.2560	0	0.0000	0.0000	59,662,160	0.4310	0.4310	29,575,143	0.2780	0.2780	750,070
City of Creve Coeur	General Revenue	433,077,430	0.0720	0.0720	2,180	0.0920	0.0920	336,124,382	0.0790	0.0790	0	0.0000	0.0000	577,356
City of Crystal Lake Park	General Revenue	13,567,150	0.7390	0.7390	0	0.0000	0.0000	145,279	0.3410	0.3410	1,335,311	0.8080	0.8080	111,545
City of Dellwood	General Revenue	20,426,100	0.2790	0.2790	0	0.0000	0.0000	7,375,370	0.2440	0.2440	6,665,893	0.2350	0.2350	90,650

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
City of Des Peres	General Revenue	213,847,180	0.0000	0.0000	48,350	0.0000	0.0000	150,254,039	0.0000	0.0000	44,786,091	0.0000	0.0000	0
	Debt Service	213,847,180	0.3690	0.0000	48,350	0.3690	0.0000	150,254,039	0.3690	0.0000	44,786,091	0.3690	0.0000	0
City of Edmundson	General Revenue	3,830,260	0.0000	0.0000	0	0.0000	0.0000	18,330,570	0.5000	0.5000	0	0.0000	0.0000	91,653
City of Ellisville	General Revenue	136,206,060	0.1620	0.1500	800	0.1250	0.1250	90,999,584	0.1570	0.1500	0	0.0000	0.0000	340,809
City of Eureka	General Revenue	132,811,820	0.3940	0.3900	107,440	0.4220	0.4220	53,414,113	0.4130	0.4130	34,003,604	0.3880	0.3880	870,953
City of Ferguson	General Revenue	97,754,330	0.8310	0.8310	7,360	0.8270	0.8270	37,612,510	0.8240	0.8240	35,128,880	0.8240	0.8240	1,411,788
	Parks & Recreation	97,754,330	0.2000	0.2000	7,360	0.2000	0.2000	37,612,510	0.2000	0.2000	35,128,880	0.1980	0.1980	340,304
	Debt Service	97,754,330	0.3670	0.3670	7,360	0.3670	0.3670	37,612,510	0.3670	0.3670	35,128,880	0.3670	0.3670	625,746
City of Flordell Hills	General Revenue	2,419,010	0.7820	0.7820	0	0.0000	0.0000	752,702	0.8820	0.8820	562,332	0.0000	0.0000	25,556
City of Frontenac	General Revenue	175,444,540	0.4980	0.4980	0	0.0000	0.0000	40,815,870	0.5440	0.5440	19,648,610	0.5530	0.5530	1,204,409
Village of Glen Echo Park	General Revenue	888,969	0.5000	0.5000	0	0.0000	0.0000	12,430	0.3140	0.3140	175,550	0.5000	0.5000	5,362
City of Glendale	General Revenue	135,082,860	0.4220	0.4220	0	0.0000	0.0000	5,808,853	0.4420	0.4420	15,703,313	0.5190	0.5190	677,225
	Pension	135,082,860	0.0810	0.0810	0	0.0000	0.0000	5,808,853	0.0880	0.0880	15,703,313	0.1000	0.1000	130,232
Town of Grantwood Village	General Revenue	19,855,390	0.2370	0.2370	45,110	0.5000	0.5000	1,356,793	0.1820	0.1820	2,426,449	0.2610	0.2610	56,085
City of Greendale	General Revenue	4,300,000	0.6000	0.6000	0	0.0000	0.0000	131,370	0.6000	0.6000	0	0.0000	0.0000	26,588
Village of Hanley Hills	General Revenue	9,518,510	0.5000	0.5000	0	0.0000	0.0000	299,880	0.5000	0.5000	12,255,301	0.4500	0.4500	104,241
City of Hazelwood	General Revenue	168,726,960	0.7670	0.7670	185,490	0.7780	0.7780	191,705,489	0.7700	0.7700	127,089,349	0.7540	0.7540	3,729,965
	Debt Service	168,726,960	0.2220	0.2220	185,490	0.2220	0.2220	191,705,489	0.2220	0.2220	127,089,349	0.2220	0.2220	1,082,710
Village of Hillsdale	General Revenue	3,092,970	0.5000	0.5000	0	0.0000	0.0000	2,325,389	0.5000	0.5000	7,640,760	0.5000	0.5000	65,296
City of Huntleigh	General Revenue	37,992,690	0.2150	0.2000	5,490	0.3100	0.3100	459,305	0.2390	0.2390	3,323,764	0.2190	0.2000	83,748
City of Jennings	General Revenue	52,812,900	1.0000	1.0000	0	0.0000	0.0000	16,145,654	1.0000	1.0000	13,662,930	1.0000	1.0000	826,215
	Pension	52,812,900	0.2450	0.2450	0	0.0000	0.0000	16,145,654	0.2450	0.2450	13,662,930	0.2450	0.2450	202,423
City of Kinloch	General Revenue	1,086,590	1.0000	1.0000	0	0.0000	0.0000	875,300	0.9820	0.9820	350,640	1.0000	1.0000	22,967
City of Kirkwood	General Revenue	536,217,130	0.2980	0.2970	0	0.0000	0.0000	105,249,540	0.3160	0.3060	74,944,260	0.2640	0.2640	2,112,482
	Parks & Recreation	536,217,130	0.1340	0.1330	0	0.0000	0.0000	105,249,540	0.1430	0.1380	74,944,260	0.1210	0.1210	949,096
	Library	530,524,470	0.1910	0.1820	0	0.0000	0.0000	89,426,400	0.2270	0.2240	71,421,980	0.2350	0.2350	1,333,712
	Pension	536,217,130	0.1190	0.1190	0	0.0000	0.0000	105,249,540	0.1500	0.1450	74,944,260	0.1720	0.1720	919,614
	Library-Temp	530,524,470	0.1200	0.1200	0	0.0000	0.0000	89,426,400	0.1200	0.1200	71,421,980	0.1200	0.1200	829,647
	Debt Service	536,217,130	0.0750	0.0650	0	0.0750	0.0650	105,249,540	0.0750	0.0650	74,944,260	0.0750	0.0650	465,667
City of Ladue	General Revenue	531,912,600	0.7290	0.7290	1,090	1.0000	1.0000	42,110,691	0.7500	0.7500	44,688,100	0.7560	0.7560	4,531,326
City of Lakeshire	General Revenue	14,778,860	0.3750	0.3750	0	0.0000	0.0000	217,205	0.3750	0.3750	0	0.0000	0.0000	56,236
Village of Mackenzie	General Revenue	1,563,250	0.1610	0.1610	0	0.0000	0.0000	44,855	0.1980	0.1980	262,276	0.1850	0.1850	3,091
City of Manchester	General Revenue	236,170,980	0.0470	0.0450	0	0.0000	0.0000	45,032,910	0.0620	0.0450	42,592,930	0.0500	0.0500	147,838
	Debt Service	236,170,980	0.3090	0.1930	0	0.3090	0.1930	45,032,910	0.3090	0.1930	42,592,930	0.3090	0.1930	624,928
City of Maplewood	General Revenue	71,415,070	0.2100	0.1900	0	0.0000	0.0000	68,431,831	0.5100	0.5100	20,564,261	0.5670	0.5670	601,290

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
City of Maplewood	Pension	71,415,070	0.3920	0.3920	0	0.0000	0.0000	68,431,831	0.4260	0.4260	20,564,261	0.4450	0.4450	662,978
	Solid Waste	71,415,070	0.1620	0.1620	0	0.0000	0.0000	68,431,831	0.1730	0.1730	20,564,261	0.2180	0.2180	278,909
Village of Marlborough	General Revenue	13,179,850	0.1110	0.1110	0	0.0000	0.0000	8,059,702	0.1170	0.1170	4,500,472	0.1110	0.1110	29,056
City of Moline Acres	Debt Service	9,190,290	2.3711	1.4000	0	2.3711	1.4000	2,911,693	2.3711	1.4000	2,704,262	2.3711	1.4000	207,288
City of Normandy	General Revenue	15,042,610	0.4000	0.4000	0	0.0000	0.0000	4,483,437	0.4000	0.4000	4,323,185	0.4000	0.4000	95,397
City of Northwoods	General Revenue	16,131,140	0.5000	0.4200	0	0.0000	0.0000	4,670,436	0.3130	0.3130	4,156,190	0.3600	0.3600	97,331
	Debt Service	16,131,140	1.4203	1.4203	0	1.4203	1.4203	4,670,436	1.4203	1.4203	4,156,190	1.4203	1.4203	354,475
Village of Norwood Court	General Revenue	2,971,490	0.0000	0.0000	0	0.0000	0.0000	202,530	0.0000	0.0000	666,730	0.0000	0.0000	0
City of Oakland	General Revenue	23,591,860	0.2020	0.2020	0	0.0000	0.0000	2,607,188	0.2520	0.2520	2,953,180	0.2370	0.2370	61,225
City of Olivette	General Revenue	150,170,040	0.6700	0.6700	0	0.0000	0.0000	53,821,965	0.7590	0.7590	28,161,886	0.7710	0.7710	1,631,776
	Pension	150,170,040	0.2440	0.2440	0	0.0000	0.0000	53,821,965	0.2500	0.2500	28,161,886	0.2500	0.2500	571,375
	Debt Service	150,170,040	0.8440	0.4200	0	0.8440	0.4200	53,821,965	0.8440	0.4200	28,161,886	0.8440	0.4200	975,046
City of Overland	General Revenue	94,544,380	0.0770	0.0680	0	0.0000	0.0000	76,797,010	0.0870	0.0830	36,168,231	0.0970	0.0970	163,115
	Pension	94,544,380	0.1200	0.1200	0	0.0000	0.0000	76,797,010	0.1200	0.1200	36,168,231	0.1200	0.1200	249,011
City of Pagedale	General Revenue	10,842,420	0.2640	0.2640	0	0.0000	0.0000	11,446,030	0.3410	0.3410	49,385,910	0.3500	0.3500 J	240,506
City of Pasadena Hills	General Revenue	9,212,610	0.3390	0.3386	0	0.0000	0.0000	105,890	0.5000	0.5000	1,608,713	0.3100	0.3100	36,710
	Debt Service	9,212,610	1.1636	1.1636	0	1.1636	1.1636	105,890	1.1636	1.1636	1,608,713	1.1636	1.1636	127,149
Village of Pasadena Park	General Revenue	3,250,248	0.3770	0.3770	0	0.0000	0.0000	37,360	0.0000	0.0000	723,870	0.3090	0.3090	14,490
City of Pine Lawn	General Revenue	9,385,150	0.3000	0.3000	0	0.0000	0.0000	3,708,067	0.3000	0.3000	2,355,051	0.2570	0.2570	45,331
City of Richmond Heights	General Revenue	167,966,960	0.3050	0.2900	0	0.0000	0.0000	114,647,281	0.3060	0.2900	28,620,574	0.2900	0.2900	902,581
	Pension	167,966,960	0.3330	0.3200	0	0.0000	0.0000	114,647,281	0.3340	0.3200	28,620,574	0.3190	0.3190	995,665
Village of Riverview	General Revenue	9,734,300	0.4210	0.4180	0	0.0000	0.0000	1,931,662	0.3430	0.2950	2,233,779	0.3120	0.3110	53,334
City of Rock Hill	General Revenue	61,745,410	0.2890	0.2890	0	0.0000	0.0000	22,594,800	0.3050	0.3050	12,017,660	0.3400	0.3400	288,218
	Library	61,745,410	0.2910	0.2910	0	0.0000	0.0000	22,594,800	0.3190	0.3190	12,017,660	0.3550	0.3550	294,419
	Debt Service	61,745,410	0.4780	0.3800	0	0.4780	0.3800	22,594,800	0.4780	0.3800	12,017,660	0.4780	0.3800	366,160
City of St. Ann	General Revenue	77,017,900	0.2000	0.2000	0	0.0000	0.0000	26,610,484	0.2000	0.2000	17,523,450	0.1930	0.1930	241,077
	General Revenue-Temp	77,017,900	0.3160	0.3000	0	0.0000	0.0000	26,610,484	0.2740	0.2740	17,523,450	0.2830	0.0000	303,967
City of St. John	General Revenue	35,640,930	0.5000	0.5000	0	0.0000	0.0000	16,468,020	0.5000	0.5000	9,814,650	0.4500	0.4500	304,711
City of Shrewsbury	General Revenue	66,510,190	0.4830	0.4830	0	0.0000	0.0000	27,982,187	0.4790	0.4790	17,309,192	0.5770	0.5770	555,153
	Debt Service	66,510,190	0.5160	0.5160	0	0.5160	0.5160	27,982,187	0.5160	0.5160	17,309,192	0.5160	0.5160	576,896
City of Sunset Hills	General Revenue	203,765,970	0.0560	0.0560	113,480	0.0680	0.0600	91,478,690	0.0610	0.0580	41,969,999	0.0600	0.0600	192,417
Village of Sycamore Hills	General Revenue	4,121,110	0.2580	0.2580	0	0.0000	0.0000	488,004	0.2530	0.2530	1,178,535	0.2510	0.2510	14,825
	Health	4,121,110	0.1200	0.1200	0	0.0000	0.0000	488,004	0.1160	0.1160	1,178,535	0.1170	0.1170	6,890
City of Town and Country	General Revenue	447,672,140	0.0000	0.0000	28,520	0.0000	0.0000	188,828,810	0.0000	0.0000	79,421,443	0.0000	0.0000	0
	Dispatch	447,672,140	0.0000	0.0000	28,520	0.0000	0.0000	188,828,810	0.0000	0.0000	79,421,443	0.0000	0.0000	0

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Village of Twin Oaks	General Revenue	4,803,540	0.0000	0.0000	0	0.0000	0.0000	8,211,080	0.3420	0.3420	1,367,390	0.0000	0.0000	28,082
City of University City	General Revenue	449,640,570	0.6040	0.5790	0	0.0000	0.0000	59,107,622	0.5670	0.5670	61,133,679	0.6800	0.6800	3,354,268
	Library	449,640,570	0.2660	0.2660	0	0.0000	0.0000	59,107,622	0.2510	0.2510	61,133,679	0.2800	0.2800	1,515,578
	Pension	449,640,570	0.1700	0.1700	0	0.0000	0.0000	59,107,622	0.1600	0.1600	61,133,679	0.1950	0.1950	978,172
	Debt Service	449,640,570	0.0040	0.0040	0	0.0040	0.0040	59,107,622	0.0040	0.0040	61,133,679	0.0040	0.0040	22,795
Village of Uplands Park	General Revenue	1,756,670	0.4540	0.4540	0	0.0000	0.0000	88,286	0.5000	0.5000	423,538	0.3910	0.3910	10,072
City of Valley Park	General Revenue	68,733,500	0.4850	0.4840	74,490	0.0000	0.0000	36,622,033	0.6680	0.6680	17,968,544	0.5700	0.5700	679,726
City of Velda City	General Revenue	4,757,360	0.4640	0.4640	0	0.0000	0.0000	71,930	0.4810	0.4810	5,027,524	0.3800	0.3800	41,525
	Debt Service	4,757,360	1.2543	1.2543	0	1.2543	1.2543	71,930	1.2543	1.2543	5,027,524	1.2543	1.2543	123,634
Village of Velda Village Hills	General Revenue	3,840,730	0.4250	0.4050	0	0.0000	0.0000	157,050	0.4480	0.5000 D	978,745	0.3780	0.3780	20,040
City of Vinita Park	General Revenue	6,907,390	0.2810	0.2810	0	0.0000	0.0000	28,452,750	0.2510	0.2510	7,511,240	0.2300	0.2300	108,102
	Debt Service	6,907,390	0.2260	0.2260	0	0.2260	0.2260	28,452,750	0.2260	0.2260	7,511,240	0.2260	0.2260	96,889
Village of Vinita Terrace	General Revenue	1,550,760	0.0480	0.0470	0	0.0000	0.0000	495,250	0.0500	0.0500	0	0.0000	0.0000	977
	Health	1,559,760	0.1390	0.1390	0	0.0000	0.0000	495,250	0.2000	0.2000	0	0.0000	0.0000	3,159
City of Warson Woods	General Revenue	49,907,580	0.3750	0.3750	0	0.0000	0.0000	7,011,375	0.4410	0.4410	6,225,300	0.0000	0.0000	218,073
City of Webster Groves	General Revenue	391,166,740	0.2390	0.2390	0	0.0000	0.0000	52,583,069	0.2310	0.2310	52,726,815	0.2800	0.2800	1,203,991
	Library	391,166,740	0.1540	0.1540	0	0.0000	0.0000	52,583,069	0.1480	0.1480	52,947,785	0.1800	0.1800	775,526
	Streets	391,166,740	0.1540	0.1540	0	0.0000	0.0000	52,583,069	0.1500	0.1500	52,726,815	0.1810	0.1810	776,708
	Pension	391,166,740	0.1230	0.1230	0	0.0000	0.0000	52,583,069	0.1190	0.1190	52,726,815	0.1450	0.1450	620,163
	Library-Temp	391,166,740	0.1350	0.1350	0	0.0000	0.0000	52,583,069	0.1340	0.1340	52,947,785	0.1350	0.1350	670,016
	Debt Service	391,166,740	0.2960	0.2600	0	0.2960	0.2600	52,583,069	0.2960	0.2600	52,726,815	0.2960	0.2600	1,290,840
City of Wellston	General Revenue	3,753,620	0.5880	0.5880	0	0.0000	0.0000	6,226,290	0.5640	0.5640	2,871,511	0.6000	0.6000	74,416
Village of Westwood	General Revenue	18,275,380	0.0590	0.0590	0	0.0000	0.0000	236,136	0.1000	0.1000	0	0.0000	0.0000	11,018
City of Winchester	General Revenue	13,406,140	0.2160	0.2160	0	0.0000	0.0000	2,947,803	0.1760	0.1760	2,628,789	0.2610	0.2610	41,006
City of Woodson Terrace	General Revenue	19,753,760	0.3330	0.3330	0	0.0000	0.0000	19,275,172	0.3140	0.3140	36,236,255	0.2510	0.2510	217,257
City of Chesterfield	Debt Service	1,053,207,720	0.0520	0.0300	461,910	0.0520	0.0300	493,909,725	0.0520	0.0300	241,825,806	0.0520	0.0300	536,822
Ferguson Municipal Pub Library Dist	General Revenue	97,750,470	0.2200	0.2200	7,360	0.0000	0.0000	42,836,536	0.2200	0.2200	37,144,768	0.2200	0.2200	391,009
Maplewood Public Library	General Revenue	71,323,200	0.2670	0.2670	0	0.0000	0.0000	61,624,017	0.3100	0.3100	23,324,612	0.3020	0.3020	451,907
	Debt Service	71,323,200	0.1750	0.1750	0	0.1750	0.1750	61,624,017	0.1750	0.1750	23,324,612	0.1750	0.1750	273,476
Richmond Heights Mem Pub Library	General Revenue	167,966,960	0.1890	0.1890	0	0.0000	0.0000	114,647,281	0.2350	0.2350	28,621,244	0.2120	0.2120	647,556
St. Louis County Library	General Revenue	10,963,888,310	0.2770	0.2500	4,442,970	0.2790	0.2790	5,078,292,633	0.2640	0.2640	2,968,475,299	0.2750	0.2250	47,507,879
Valley Park Community Library	General Revenue	27,074,790	0.1660	0.1660	16,300	0.0240	0.0240	16,589,207	0.0930	0.0930	9,779,749	0.1700	0.1700	77,002
Affton Fire Protection District	General Revenue	356,197,180	1.0187	1.0187	240	1.2500	1.2500	58,378,369	1.1149	1.1149	71,501,356	1.0856	1.0856	5,055,663
	Ambulance	356,197,180	0.1400	0.1400	240	0.0000	0.0000	58,378,369	0.1400	0.1400	71,501,356	0.1400	0.1400	680,508
	Pension	356,197,180	0.0600	0.0600	240	0.0000	0.0000	58,378,369	0.0670	0.0670	71,501,356	0.0640	0.0640	298,593

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Aftton Fire Protection District	Dispatch	356,197,180	0.0260	0.0260	240	0.0000	0.0000	58,378,369	0.0290	0.0290	71,501,356	0.0270	0.0270	128,846
Metro West Fire Protection District	General Revenue	1,283,037,370	0.5080	0.5080	687,860	0.5800	0.5800	220,485,444	0.5560	0.5560	214,103,047	0.5610	0.5610	8,948,837
	Ambulance	1,283,037,370	0.2630	0.2630	687,860	0.3000	0.3000	220,485,444	0.2810	0.2810	214,103,047	0.2900	0.2900	4,616,915
	Pension	1,283,037,370	0.0970	0.0970	687,860	0.1100	0.1100	220,485,444	0.1040	0.1040	214,103,047	0.1060	0.1060	1,701,557
	Dispatch	1,283,037,370	0.0450	0.0450	687,860	0.0480	0.0480	220,485,444	0.0460	0.0460	214,103,047	0.0480	0.0480	781,889
	Debt Service	1,283,037,370	0.1440	0.1440	687,860	0.1440	0.1440	220,485,444	0.1440	0.1440	214,103,047	0.1440	0.1440	2,474,372
Black Jack Fire Protection District	General Revenue	368,565,500	0.9910	0.9910	115,870	1.0000	1.0000	50,129,617	1.0000	1.0000	81,378,053	1.0000	1.0000	4,968,720
	Pension	368,565,500	0.1000	0.1000	115,870	0.1000	0.1000	50,129,617	0.1000	0.1000	81,378,053	0.1000	0.1000	500,190
	NCCFA System	368,565,500	0.0500	0.0500	115,870	0.0500	0.0500	50,129,617	0.0500	0.0500	81,378,053	0.0500	0.0500	250,095
	Emergency Medical Service	368,565,500	0.4066	0.4000 A	115,870	0.6033	0.4000 A	50,129,617	0.4211	0.4000 A	81,378,053	0.4060	0.4000 A	2,000,755
	Debt Service	368,565,500	0.2680	0.2680	115,870	0.2680	0.2680	50,129,617	0.2680	0.2680	81,378,053	0.2680	0.2680	1,340,507
Monarch Fire Protection District	General Revenue	1,382,973,376	0.4490	0.4330	826,740	0.4650	0.4050	495,919,880	0.5240	0.5240	289,927,412	0.5300	0.5300	10,126,858
	Ambulance	1,382,973,376	0.2820	0.2720	826,740	0.2890	0.2520	495,919,880	0.3150	0.3150	289,927,412	0.3300	0.3300	6,282,679
	Pension	1,382,973,376	0.0840	0.0810	826,740	0.0870	0.0760	495,919,880	0.0960	0.0960	289,927,412	0.1000	0.1000	1,886,846
	Dispatch	1,382,973,376	0.0450	0.0430	826,740	0.0420	0.0370	495,919,880	0.0480	0.0480	289,927,412	0.0480	0.0480	972,192
Community Fire Protection District	General Revenue	242,152,940	1.0000	1.0000	0	0.0000	0.0000	168,314,669	1.0000	1.0000	130,663,048	1.0000	1.0000	5,411,306
	Ambulance	242,152,940	0.5000	0.5000	0	0.0000	0.0000	168,314,669	0.5000	0.5000	130,663,048	0.5000	0.5000	2,705,653
	Pension	242,152,940	0.2500	0.2500	0	0.0000	0.0000	168,314,669	0.2500	0.2500	130,663,048	0.2500	0.2500	1,352,827
	Dispatch	242,152,940	0.0300	0.0300	0	0.0000	0.0000	168,314,669	0.0300	0.0300	130,663,048	0.0300	0.0300	162,339
	Debt Service	242,152,940	0.2700	0.2700	0	0.2700	0.2700	168,314,669	0.2700	0.2700	130,663,048	0.2700	0.2700	1,461,053
Creve Coeur Fire Protection Dist	General Revenue	636,208,040	0.5400	0.5400	3,220	0.5400	0.5400	435,477,006	0.5400	0.5400	191,267,384	0.5400	0.5400	6,819,960
	Ambulance	636,208,040	0.4260	0.4200 B	3,220	0.4050	0.4050 B	435,477,006	0.4330	0.4200 B	191,267,384	0.4260	0.4200 B	5,304,413
	Pension	636,208,040	0.1460	0.1460	3,220	0.1500	0.1500	435,477,006	0.1500	0.1500	191,267,384	0.1500	0.1500	1,868,986
	Dispatch	636,208,040	0.0490	0.0490	3,220	0.0500	0.0500	435,477,006	0.0500	0.0500	191,267,384	0.0500	0.0500	625,117
	Debt Service	636,208,040	0.0610	0.0325	3,220	0.0610	0.0325	435,477,006	0.0610	0.0325	191,267,384	0.0610	0.0325	410,461
Fenton Fire Protection District	General Revenue	420,740,550	0.6010	0.6010	87,170	0.6500	0.6500	333,847,907	0.5540	0.5540	138,255,813	0.5080	0.5080	5,081,075
	Ambulance	420,740,550	0.3000	0.3000	87,170	0.3000	0.3000	333,847,907	0.2920	0.2920	138,255,813	0.3000	0.3000	2,652,087
	Pension	420,740,550	0.1000	0.1000	87,170	0.1000	0.1000	333,847,907	0.0970	0.0970	138,255,813	0.1000	0.1000	882,916
	Dispatch	420,740,550	0.0500	0.0500	87,170	0.0500	0.0500	333,847,907	0.0480	0.0480	138,255,813	0.0500	0.0500	439,789
Florissant Valley Fire Prot Dist	General Revenue	480,538,690	0.6900	0.6900	130,590	0.6900	0.6900	135,449,946	0.6900	0.6900	114,903,198	0.6900	0.6900	5,044,055
	Ambulance	480,538,690	0.4370	0.4370	130,590	0.4400	0.4400	135,449,946	0.4390	0.4390	114,903,198	0.4400	0.4400	3,200,728
	Pension	480,538,690	0.1000	0.1000	130,590	0.1000	0.1000	135,449,946	0.1000	0.1000	114,903,198	0.1000	0.1000	731,023
	Dispatch	480,538,690	0.0300	0.0300	130,590	0.0300	0.0300	135,449,946	0.0300	0.0300	114,903,198	0.0300	0.0300	219,307
	Debt Service	480,538,690	0.2340	0.2330	130,590	0.2340	0.2330	135,449,946	0.2340	0.2330	114,903,198	0.2340	0.2330	1,703,281
Kinloch Fire Protection District	General Revenue	1,086,590	0.8810	0.8810	0	0.0000	0.0000	874,950	0.8480	0.8480	512,035	0.8700	0.8700	21,448

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Kinloch Fire Protection District	Dispatch	1,086,590	0.0000	0.0000	0	0.0000	0.0000	874,950	0.0000	0.0000	512,035	0.0000	0.0000	0
Lemay Fire Protection District	General Revenue	111,754,470	0.9570	0.9570	1,280	0.1560	0.1560	104,260,349	0.9790	0.9790	48,141,624	0.9900	0.9900	2,566,803
	Ambulance	111,754,470	0.2050	0.2050	1,280	0.0780	0.0780	104,260,349	0.2370	0.2370	48,141,624	0.2500	0.2050	574,885
	Pension	111,754,470	0.0970	0.0970	1,280	0.0000	0.0000	104,260,349	0.0990	0.0990	48,141,624	0.1000	0.1000	259,762
	Central Alarm Fund	111,754,470	0.0480	0.0480	1,280	0.0000	0.0000	104,260,349	0.0500	0.0500	48,141,624	0.0500	0.0480	128,880
West County EMS & Fire Prot Dist	General Revenue	506,898,080	0.4280	0.4280	226,790	0.4400	0.4400	128,975,512	0.4400	0.4400	92,174,543	0.4400	0.4400	3,143,582
	Ambulance	506,898,080	0.1800	0.1800	226,790	0.2000	0.2000	128,975,512	0.1890	0.1890	92,174,543	0.1940	0.1940	1,335,454
	Pension	506,898,080	0.0890	0.0890	226,790	0.1000	0.1000	128,975,512	0.0950	0.0950	92,174,543	0.0970	0.0970	663,302
	Dispatch	506,898,080	0.0450	0.0450	226,790	0.0490	0.0490	128,975,512	0.0460	0.0460	92,174,543	0.0490	0.0490	332,710
	Debt Service	506,898,080	0.4260	0.2200	226,790	0.4260	0.2200	128,975,512	0.4260	0.2200	92,174,543	0.4260	0.2200	1,602,205
Maryland Heights Fire Prot District	General Revenue	213,262,240	0.8000	0.8000	3,170	0.7890	0.7890	246,707,058	0.8000	0.8000	146,342,088	0.8000	0.8000	4,850,516
	Ambulance	213,262,240	0.3630	0.3630	3,170	0.3470	0.3470	246,707,058	0.3620	0.3620	146,342,088	0.3680	0.3680	2,205,772
	Pension	213,262,240	0.1300	0.1300	3,170	0.1260	0.1260	246,707,058	0.1300	0.1300	146,342,088	0.1300	0.1300	788,209
	Dispatch	213,262,240	0.0500	0.0500	3,170	0.0500	0.0500	246,707,058	0.0500	0.0500	146,342,088	0.0500	0.0500	303,158
Mehlville Fire Protection District	General Revenue	1,480,331,800	0.5740	0.5740	449,240	0.9580	0.9580	443,956,026	0.7010	0.7010	315,981,008	0.7570	0.7570	14,005,517
	Ambulance	1,480,331,800	0.0000	0.0000	449,240	0.0000	0.0000	443,956,026	0.0000	0.0000	315,981,008	0.0000	0.0000	0
	Pension	1,480,331,800	0.0350	0.0350	449,240	0.0600	0.0600	443,956,026	0.0380	0.0380	315,981,008	0.0560	0.0560	864,038
	Alarm Fund	1,480,331,800	0.0450	0.0450	449,240	0.0500	0.0500	443,956,026	0.0460	0.0460	315,981,008	0.0480	0.0480	1,022,265
Metro-North Fire Protection Dist	General Revenue	64,341,760	2.0468	2.0000 B	0	0.3900	0.0000 B	16,057,427	1.9965	1.9965 B	17,277,307	2.1724	2.0000 B	1,952,968
	Pension	64,341,760	0.2440	0.2440	0	0.0000	0.0000	16,057,427	0.2430	0.2430	17,277,307	0.2490	0.2490	239,034
	Dispatch	64,341,760	0.0520	0.0500	0	0.0000	0.0000	16,057,427	0.0520	0.0500	17,277,307	0.0500	0.0500	48,839
	Debt Service	64,341,760	0.5620	0.3400	0	0.5620	0.3400	16,057,427	0.5620	0.3400	17,277,307	0.5620	0.3400	332,100
Northeast Ambulance & Fire Prot Dis	General Revenue	108,304,260	1.5078	1.5078	5,760	1.5078	1.5078	27,709,904	1.5078	1.5078	34,396,196	1.5000	1.5000	2,566,852
	Ambulance	108,304,260	0.2900	0.2900	5,760	0.2900	0.2900	27,709,904	0.2900	0.2900	34,396,196	0.2900	0.2900	494,207
	Pension	108,304,260	0.1000	0.1000	5,760	0.1000	0.1000	27,709,904	0.1000	0.1000	34,396,196	0.1000	0.1000	170,416
	Dispatch	108,304,260	0.0500	0.0500	5,760	0.0500	0.0500	27,709,904	0.0480	0.0480	34,396,196	0.0400	0.0400	81,214
Pattonville Fire Protection Dist	General Revenue	118,713,520	0.9830	0.9830	352,090	0.9830	0.9830	503,785,568	0.9830	0.9830	149,121,788	0.9830	0.9830	7,588,494
	Ambulance	118,713,520	0.7100	0.7000 B	352,090	0.7090	0.7000 B	503,785,568	0.7070	0.7000 B	149,121,788	0.7890	0.7000 B	5,403,812
	Pension	118,713,520	0.1500	0.1500	352,090	0.1500	0.1500	503,785,568	0.1500	0.1500	149,121,788	0.1500	0.1500	1,157,959
	Dispatch	118,713,520	0.0500	0.0500	352,090	0.0500	0.0500	503,785,568	0.0500	0.0500	149,121,788	0.0500	0.0500	385,987
	Debt Service	118,713,520	0.3210	0.2500	352,090	0.3210	0.2500	503,785,568	0.3210	0.2500	149,121,788	0.3210	0.2500	1,929,932
Riverview Fire Protection District	General Revenue	127,809,200	2.0167	2.0000 B	301,300	1.5149	1.5149 B	30,658,684	3.0477	2.0000 B	35,341,607	1.9837	1.9837 B	3,874,993
	Pension	127,809,200	0.2500	0.2500	301,300	0.2500	0.2500	30,658,684	0.2500	0.2500	35,341,607	0.2500	0.2500	485,277
	Dispatch	127,809,200	0.0500	0.0500	301,300	0.0000	0.0000	30,658,684	0.0500	0.0500	35,341,607	0.0500	0.0500	96,905
	Debt Service	127,809,200	0.1740	0.1740	301,300	0.1740	0.1740	30,658,684	0.1740	0.1740	35,341,607	0.1740	0.1740	337,752

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Robertson Fire Protection District	General Revenue	33,565,800	1.4182	1.3900 B	219,500	1.4109	1.3900 B	169,039,090	1.4099	1.3900 B	97,086,054	1.4109	1.3900 B	4,168,755
	Ambulance	33,565,800	0.6630	0.6630	219,500	0.7000	0.7000	169,039,090	0.6980	0.6980	97,086,054	0.7000	0.7000	2,083,573
	Pension	33,565,800	0.2000	0.2000	219,500	0.2000	0.2000	169,039,090	0.2000	0.2000	97,086,054	0.2000	0.2000	599,821
	Dispatch	33,565,800	0.0500	0.0500	219,500	0.0500	0.0500	169,039,090	0.0500	0.0500	97,086,054	0.0500	0.0500	149,956
	Debt Service	33,565,800	0.3200	0.2090	219,500	0.3200	0.2090	169,039,090	0.3200	0.2090	97,086,054	0.3200	0.2090	626,814
Spanish Lake Fire Protection Dist	General Revenue	103,546,190	2.1125	2.0000	67,790	2.5018	2.0000	24,999,642	2.0218	2.0000	24,527,462	2.0859	2.0000	3,062,822
	Pension	103,546,190	0.1500	0.1500	67,790	0.1500	0.1500	24,999,642	0.1500	0.1500	24,527,462	0.1500	0.1500	229,711
	Dispatch	103,546,190	0.0500	0.0500	67,790	0.0500	0.0500	24,999,642	0.0500	0.0500	24,527,462	0.0500	0.0500	76,571
	Debt Service	103,546,190	0.1650	0.1640	67,790	0.1650	0.1640	24,999,642	0.1650	0.1640	24,527,462	0.1650	0.1640	251,151
Valley Park Fire Protection Dist	General Revenue	141,026,130	0.8570	0.8570	147,490	0.8010	0.8010	53,677,025	0.8540	0.8540	43,682,163	0.8800	0.8800	2,052,580
	Ambulance	141,026,130	0.2930	0.2930	147,490	0.2760	0.2760	53,677,025	0.2910	0.2910	43,682,163	0.3000	0.3000	700,860
	Pension	141,026,130	0.0980	0.0980	147,490	0.0910	0.0910	53,677,025	0.0960	0.0960	43,682,163	0.1000	0.1000	233,552
	Dispatch	141,026,130	0.0300	0.0300	147,490	0.0260	0.0260	53,677,025	0.0270	0.0270	43,682,163	0.0300	0.0300	69,944
Mid-County Fire Protection District	General Revenue	40,376,970	1.7507	1.7507	0	0.0000	0.0000	52,270,812	1.8304	1.8304	30,406,634	1.8500	1.8500	2,226,168
	Ambulance	40,376,970	0.6330	0.5500	0	0.0000	0.0000	52,270,812	0.5710	0.5500	30,406,634	0.5980	0.5500	676,798
	Pension	40,376,970	0.2500	0.2500	0	0.0000	0.0000	52,270,812	0.2500	0.2500	30,406,634	0.2500	0.2500	307,636
	Dispatch	40,376,970	0.0300	0.0300	0	0.0000	0.0000	52,270,812	0.0300	0.0300	30,406,634	0.0300	0.0300	36,916
	Debt Service	40,376,970	0.4440	0.3500	0	0.4440	0.3500	52,270,812	0.4440	0.3500	30,406,634	0.4440	0.3500	430,690
West Overland Fire Protection Dist	General Revenue	47,492,430	1.0438	1.0100	0	0.0000	0.0000	64,921,114	1.0737	1.0100	24,101,170	1.0100	1.0100	1,378,799
	Ambulance	47,492,430	0.6250	0.6250	0	0.0000	0.0000	64,921,114	0.6300	0.6300	24,101,170	0.6500	0.6500	862,489
	Pension	47,492,430	0.1500	0.1500	0	0.0000	0.0000	64,921,114	0.1500	0.1500	24,101,170	0.1500	0.1500	204,773
	Dispatch	47,492,430	0.0500	0.0500	0	0.0000	0.0000	64,921,114	0.0500	0.0500	24,101,170	0.0500	0.0500	68,258
	Debt Service	47,492,430	0.1830	0.1820	0	0.1830	0.1820	64,921,114	0.1830	0.1820	24,101,170	0.1830	0.1820	248,456
Black Creek Sewer	General Revenue	749,903,040	0.0000	0.0000	0	0.0000	0.0000	609,212,019	0.0000	0.0000	143,867,269	0.0000	0.0000	0
Clayton Central Sewer	General Revenue	58,940,760	0.0000	0.0000	0	0.0000	0.0000	287,128,900	0.0000	0.0000	40,762,830	0.0000	0.0000	0
Coldwater Creek Sewer	General Revenue	891,785,370	0.1000	0.1000	26,180	0.1000	0.1000	505,581,146	0.1000	0.1000	419,361,786	0.1000	0.1000	1,816,754
Creve Coeur-Frontenac Sewer	General Revenue	313,697,770	0.0000	0.0000	0	0.0000	0.0000	185,274,065	0.0000	0.0000	62,000,926	0.0000	0.0000	0
Deer Creek Sewer	General Revenue	2,503,813,120	0.0860	0.0860	52,740	0.0990	0.0990	1,069,198,582	0.0870	0.0870	402,990,839	0.0930	0.0930	3,458,315
Fountain Creek Sewer	General Revenue	83,726,880	0.0010	0.0000	0	0.0000	0.0000	21,370,218	0.0000	0.0000	18,669,734	0.0000	0.0000	0
Gravois Creek Sewer	General Revenue	953,722,780	0.0820	0.0820	154,070	0.1000	0.1000	430,143,455	0.0860	0.0860	219,533,506	0.0860	0.0860	1,340,929
Loretta-Joplin Sewer	General Revenue	20,496,710	0.0790	0.0790	0	0.0000	0.0000	2,108,506	0.0770	0.0770	4,141,986	0.0900	0.0900	21,544
Maline Creek Sewer	General Revenue	313,493,340	0.1000	0.1000	342,360	0.1000	0.1000	194,708,193	0.1000	0.1000	128,799,020	0.1000	0.1000	637,342
Meramec River Basin Sewer	General Revenue	2,015,797,190	0.0000	0.0000	825,960	0.0000	0.0000	781,707,413	0.0000	0.0000	433,737,022	0.0000	0.0000	0
Missouri River-Bonfils Sewer	General Revenue	123,501,800	0.0000	0.0000	119,880	0.0000	0.0000	531,573,858	0.0000	0.0000	192,473,553	0.0000	0.0000	0
North Affton Sewer	General Revenue	58,116,700	0.0820	0.0820	0	0.0000	0.0000	5,237,802	0.0640	0.0640	10,173,502	0.0850	0.0850	59,655

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Seminary Branch RDP Sewer	General Revenue	218,895,960	0.0710	0.0710	0	0.0000	0.0000	45,096,326	0.0780	0.0780	41,498,194	0.0760	0.0760	222,130
Shrewsbury Branch RDP Sewer	General Revenue	20,182,640	0.0650	0.0650	0	0.0000	0.0000	4,502,977	0.0660	0.0660	4,302,381	0.0820	0.0820	19,619
Sugar Creek Sewer	General Revenue	291,748,700	0.0550	0.0550	130	0.0000	0.0000	72,056,619	0.1000	0.1000	43,403,219	0.0690	0.0690	262,467
University City Branch RDP Sewer	General Revenue	472,497,470	0.0930	0.0930	3,220	0.0000	0.0000	262,002,256	0.0990	0.0990	146,314,614	0.0940	0.0940	836,341
Watkins Creek Sewer	General Revenue	90,443,870	0.1000	0.1000	5,820	0.1000	0.1000	35,301,767	0.1000	0.1000	24,786,938	0.0990	0.0990	150,291
Wellston Sewer	General Revenue	11,868,790	0.1000	0.1000	0	0.0000	0.0000	12,247,518	0.1000	0.1000	6,808,894	0.1000	0.1000	30,926
Hancock Street Light Dist St. Louis	General Revenue	44,586,680	0.1100	0.1100	0	0.0000	0.0000	85,831,140	0.2000	0.2000	29,559,690	0.1700	0.1700	270,958
Wheaton Cook Lyndhurst Light Dist	General Revenue	4,621,850	0.2000	0.2000	0	0.0000	0.0000	1,232,370	0.2000	0.2000	1,110,590	0.2000	0.2000	13,930
Castle Point Street Light District	General Revenue	6,446,780	0.1900	0.1900	0	0.0000	0.0000	209,140	0.1900	0.1900	1,390,200	0.1850	0.1850	15,218
Glasgow Village Street Light Dist	General Revenue	14,951,770	0.1600	0.1600	0	0.0000	0.0000	357,040	0.1600	0.1600	2,397,130	0.1580	0.1580	28,281
Elmwood Park Street Light District	General Revenue	951,680	0.0000	0.1000 D	0	0.0000	0.0000	156,140	0.0000	0.1000 D	392,040	0.0000	0.1000 D	1,500
Clayton Special Business District	General Revenue	51,198,120	0.1210	0.1210	0	0.0000	0.0000	282,412,910	0.1350	0.1350	0	0.0000	0.0000	443,207
Maplewood Special Business District	General Revenue	503,230	0.1560	0.1560	0	0.0000	0.0000	16,680,720	0.3000	0.3000	0	0.0000	0.0000	50,827
University City Spec Bus Dist BD57	General Revenue	1,090,590	0.5650	0.5650	0	0.0000	0.0000	6,950,890	0.5300	0.5300	0	0.0000	0.0000	43,002
Webster Groves-Old Webster Bus Dist	General Revenue	2,654,710	0.6840	0.1940	0	0.0000	0.0000	11,625,800	0.3160	0.3160	0	0.0000	0.0000	41,888
Webster Groves-Old Orchard Bus Dist	General Revenue	164,670	0.3840	0.3600	0	0.0000	0.0000	7,989,110	0.3610	0.3610	0	0.0000	0.0000	29,434
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	29,784,400	0.4600	0.4600	0	0.0000	0.0000	137,008
Jennings Special Business District	General Revenue	38,430	0.4290	0.4290	0	0.0000	0.0000	1,812,760	0.4300	0.4300	0	0.0000	0.0000	7,960
Productive Living Board	General Revenue	12,893,704,050	0.0900	0.0900	4,466,760	0.0900	0.0900	5,648,586,601	0.0900	0.0900	3,305,593,434	0.0900	0.0900	19,667,116
Parkview Gardens Spec Bus Dist BD39	General Revenue	11,318,360	0.6800	0.6800	0	0.0000	0.0000	1,883,380	0.8500	0.8500	0	0.0000	0.0000	92,974
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,164,380	0.3900	0.3900	0	0.0000	0.0000	16,241
Robinwood West Community Imp Dist	General Revenue	14,041,270	0.7880	0.7880	0	0.0000	0.0000	51,360	0.0000	0.0000	0	0.0000	0.0000	110,645
Crestwood Point Community Imp Dist	Debt Service	0	4.4120	3.0000	0	4.4120	3.0000	1,799,990	4.4120	3.0000	0	4.4120	3.0000	54,000
Crossings Community Imp District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,509,150	1.9613	1.9613	0	0.0000	0.0000	88,438
Crestwood Market Community Imp Dist	Debt Service	0	7.0999	5.0000	0	7.0999	5.0000	1,467,830	7.0999	5.0000	0	7.0999	5.0000	73,392
Hazelwood R-I School District	Operating Funds-Schools	822,015,590	5.2804	5.2804 E	744,780	4.6719	4.6719 E	420,336,050	5.4277	5.4277 E	359,714,790	5.4050	5.4050 E	85,697,670
	Debt Service	822,015,590	2.2218	0.9400	744,780	2.2218	0.9400	420,336,050	2.2218	0.9400	359,714,790	2.2218	0.9400	15,066,426
Ferguson-Florissant R-II Sch Dist	Operating Funds-Schools	392,482,910	5.3384	5.2400 H	16,490	5.2400	5.2400 H	272,395,630	5.3868	5.2400 H	230,320,170	5.3186	5.2400 H	46,909,276
	Debt Service	392,482,910	0.3000	0.3000	16,490	0.3000	0.3000	272,395,630	0.3000	0.3000	230,320,170	0.3000	0.3000	2,685,646
Pattonville R-III School District	Operating Funds-Schools	379,219,290	5.1907	4.3900 B	161,570	5.1841	5.0054 B	665,739,560	5.1951	5.1691 I	258,997,100	5.2863	5.1076 B	64,297,094
	Debt Service	379,219,290	0.6430	0.4900	161,570	0.6430	0.4900	665,739,560	0.6430	0.4900	258,997,100	0.6430	0.4900	6,390,177
Kirkwood R-VII School District	Operating Funds-Schools	861,246,470	3.1554	3.1554 E	51,740	5.3112	5.3112 E	258,015,430	4.3737	4.4466 G	139,388,280	3.7875	3.7875 E	43,930,764
	Operating Funds-Temp	861,246,470	0.7320	0.7320	51,740	0.7320	0.7320	258,015,430	0.7320	0.7320	139,388,280	0.7320	0.7320	9,213,698
	Debt Service	861,246,470	0.3650	0.3650	51,740	0.3650	0.3650	258,015,430	0.3650	0.3650	139,388,280	0.3650	0.3650	4,594,262
Lindbergh R-VIII School District	Operating Funds-Schools	727,345,710	3.6076	3.6076 E	184,620	5.7261	5.7261 E	322,467,230	4.1500	4.2197 G	147,770,910	3.9096	3.9096 E	45,634,697

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Lindbergh R-VIII School District	Debt Service	727,345,710	0.6830	0.6830	184,620	0.6830	0.6830	322,467,230	0.6830	0.6830	147,770,910	0.6830	0.6830	8,180,758
Mehlville R-IX School District	Operating Funds-Schools	1,128,455,780	3.7301	3.7301 E	293,110	4.0599	4.0599 E	285,069,070	3.6321	3.6321 E	246,776,370	3.9761	3.9761 E	62,270,498
	Debt Service	1,128,455,780	0.0320	0.0320	293,110	0.0320	0.0320	285,069,070	0.0320	0.0320	246,776,370	0.0320	0.0320	531,390
Parkway C-2 School District	Operating Funds-Schools	2,584,261,170	3.9726	3.7343 E	587,850	5.1200	5.1200 E	1,032,162,400	4.3502	4.6066 G	539,197,230	3.7379	3.7879 G	164,506,008
	Debt Service	2,584,261,170	0.3400	0.3400	587,850	0.3400	0.3400	1,032,162,400	0.3400	0.3400	539,197,230	0.3400	0.3400	14,131,110
Aftton 101 School District	Operating Funds-Schools	259,103,780	5.3680	5.3680 E	0	0.0000	0.0000 E	59,407,390	5.6189	5.6189 E	56,322,520	5.5131	5.5131 E	20,351,850
Bayless School District	Operating Funds-Schools	108,553,890	4.2442	4.2442 E	0	0.0000	0.0000 E	12,627,670	4.3308	4.3308 E	22,633,550	4.9131	4.9131 E	6,266,132
	Debt Service	108,553,890	0.6010	0.5240	0	0.6010	0.5240	12,627,670	0.6010	0.5240	22,633,550	0.6010	0.5240	753,591
Brentwood School District	Operating Funds-Schools	136,706,050	4.5439	4.3395	0	0.0000	0.0000	105,940,790	4.9418	4.8374	37,912,390	4.2012	4.0968	12,610,334
	Debt Service	136,706,050	0.5620	0.3100	0	0.5620	0.3100	105,940,790	0.5620	0.3100	37,912,390	0.5620	0.3100	869,733
Clayton School District	Operating Funds-Schools	488,234,570	3.4568	3.4797 C	0	0.0000	0.0000	423,093,260	3.7338	3.9855 C	93,815,350	3.4503	3.3744 C	37,017,185
	Debt Service	488,234,570	0.8910	0.6230	0	0.8910	0.6230	423,093,260	0.8910	0.6230	93,815,350	0.8910	0.6230	6,262,042
Hancock Place School District	Operating Funds-Schools	43,940,350	3.7437	3.8064 G	0	0.0000	0.0000 E	85,707,850	4.3000	4.7562 G	29,408,180	4.3000	4.3000 E	7,013,534
	Debt Service	43,940,350	1.2436	1.0100	0	1.2436	1.0100	85,707,850	1.2436	1.0100	29,408,180	1.2436	1.0100	1,606,470
Jennings School District	Operating Funds-Schools	59,624,480	5.5500	5.5500 E	0	0.0000	0.0000 E	15,128,160	5.5500	5.5500 E	21,548,890	4.8034	4.8034 E	5,183,851
	Debt Service	59,624,480	1.4887	0.9900	0	1.4887	0.9900	15,128,160	1.4887	0.9900	21,548,890	1.4887	0.9900	953,385
Ladue School District	Operating Funds-Schools	1,063,954,170	3.3324	3.3100 E	4,310	3.5267	3.3100 E	220,120,340	3.3917	3.3100 E	135,094,220	3.2400	3.2400 E	46,880,062
	Debt Service	1,063,954,170	0.7990	0.3900	4,310	0.7990	0.3900	220,120,340	0.7990	0.3900	135,094,220	0.7990	0.3900	5,534,774
Maplewood-Richmond Heights Sch Dist	Operating Funds-Schools	160,902,360	4.3500	4.3500 E	0	0.0000	0.0000 E	69,032,980	4.3500	4.3500 E	33,613,100	4.9158	4.9158 E	11,654,541
	Debt Service	160,902,360	1.3726	1.2000	0	1.3726	1.2000	69,032,980	1.3726	1.2000	33,613,100	1.3726	1.2000	3,162,581
Normandy School District	Operating Funds-Schools	137,637,240	4.6600	4.4861 F	5,760	4.6600	4.4861 F	46,435,340	4.6600	4.4861 F	48,500,890	4.6600	4.4861 F	10,433,736
	Debt Service	137,637,240	2.0862	1.7825	5,760	2.0862	1.7825	46,435,340	2.0862	1.7825	48,500,890	2.0862	1.7825	4,145,725
Ritenour School District	Operating Funds-Schools	233,910,810	4.5628	4.5628 E	0	0.0000	0.0000 E	168,037,520	4.3526	4.3526 E	137,309,340	4.0096	4.0096 E	23,492,438
	Debt Service	233,910,810	1.6632	0.9100	0	1.6632	0.9100	168,037,520	1.6632	0.9100	137,309,340	1.6632	0.9100	4,907,244
Riverview Gardens School District	Operating Funds-Schools	138,862,470	4.3500	4.3500 E	89,000	0.0000	0.0000 E	22,077,050	4.3500	4.3500 E	34,740,240	4.1177	4.1177 E	8,431,368
	Debt Service	138,862,470	1.7399	1.2700	89,000	1.7399	1.2700	22,077,050	1.7399	1.2700	34,740,240	1.7399	1.2700	2,486,263
University City School District	Operating Funds-Schools	451,621,640	4.4395	4.4395 E	0	0.0000	0.0000 E	58,287,080	4.7082	4.7082 E	65,305,220	5.1824	5.1824 E	26,178,393
	Debt Service	451,621,640	1.0654	0.7380	0	1.0654	0.7380	58,287,080	1.0654	0.7380	65,305,220	1.0654	0.7380	4,245,080
Valley Park School District	Operating Funds-Schools	88,278,350	4.6500	4.6500 E	17,170	4.6500	4.6500 E	38,912,650	4.6500	4.6500 E	29,976,500	4.6500	4.6500 E	7,309,086
	Debt Service	88,278,350	0.9980	0.9410	17,170	0.9980	0.9410	38,912,650	0.9980	0.9410	29,976,500	0.9980	0.9410	1,479,108
Webster Groves School District	Operating Funds-Schools	538,637,040	5.2885	5.2885 E	0	0.0000	0.0000 E	81,773,670	5.6617	5.6617 E	79,617,790	5.9100	5.9100 E	37,821,011
	Debt Service	538,637,040	0.8150	0.5699	0	0.8150	0.5699	81,773,670	0.8150	0.5699	79,617,790	0.8150	0.5699	3,989,462
St. Louis County	General Revenue	12,893,524,980	0.2760	0.2090	4,456,940	0.3500	0.2090	5,627,897,921	0.2910	0.2090	3,305,593,434	0.2810	0.2090	45,627,779
	Parks & Recreation	12,893,524,980	0.0700	0.0500	4,456,940	0.0700	0.0500	5,627,897,921	0.0700	0.0500	3,305,593,434	0.0700	0.0500	10,915,736
	Road & Bridge	12,893,524,980	0.1790	0.1050	4,456,940	0.1800	0.1050	5,627,897,921	0.1800	0.1050	3,305,593,434	0.1800	0.1050	22,923,047

APPENDIX VIII

2014 PROPERTY TAX RATES

LISTING OF 2014 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
St. Louis County	Health	12,893,524,980	0.2370	0.1400	4,456,940	0.3000	0.1400	5,627,897,921	0.2500	0.1400	3,305,593,434	0.2410	0.1400	30,564,063
	Debt Service	12,893,524,980	0.0190	0.0190	4,456,940	0.0190	0.0190	5,627,897,921	0.0190	0.0190	3,305,593,434	0.0190	0.0190	4,147,981
														<u>\$ 1,318,528,622</u>

LEGEND:

A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.

B A voter approved increase or decrease to an existing levy.

C Levy includes a recoupment rate authorized by state law.

D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section.

E School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.

F School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.

G Levy includes a recoupment rate authorized by state law. School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.

H A voter approved increase or decrease to an existing levy. School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.

I A voter approved increase or decrease to an existing levy. Levy includes a recoupment rate authorized by state law.

J The City of Pagedale reported the personal property assessed value as \$49,385,910 when it should have been reported as \$4,938,591. This overstatement of the personal property assessed value also, results in the revenue amount being overstated.

NOTES:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VII for a listing of 2014 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both the taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.



Thomas A. Schweich
Missouri State Auditor

Early Childhood Development, Education, and Care Fund



February 2015
Report No. 2015-005

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Early Childhood Development, Education, and Care Fund

DSS Contract Awards and Costs

The Department of Social Services (DSS) doubled its funding of Early Head Start (EHS) contractors in 2014 but gave the contractors 7 months at the higher pay without requiring them to increase the number of children and expectant mothers served. Eight of the nine EHS contractors served less than the required number of children and expectant mothers, averaging 420 families served per month instead of 580 (72 percent), resulting in the DSS paying \$1.5 million for services not provided. After the 7 months, the DSS continued allowing four contractors to serve fewer children and expectant mothers than required. The DSS paid these contractors approximately \$133,000 for services not delivered and has not attempted to recover any monies. Budgets submitted by three contractors indicate the majority of additional funding went to personnel and administrative costs rather than direct services to children and expectant mothers. The DSS does not limit the price paid per child or expectant mother for the EHS program or per family for the Home Visitation (HV) program, so there is a significant difference in the prices paid to contractors, and, because they are paid a fixed price per participating family regardless of how many home visits they provide, HV contractors have little incentive to provide additional services.

Program Efficiency

Four state agencies administer home visitation programs for families with young children, resulting in inefficiencies and duplicated efforts. The DSS and the Department of Elementary and Secondary Education (DESE) reimbursed two public school districts for the same home visitation services. One school district has billed all home visits made under the DSS HV program also to the DESE Parents as Teachers (PAT) program and has done so for 13 years. Another district duplicate billed for 66 visits, but the financial impact of these duplicated billings is more than offset by the district's failure to bill for 256 PAT visits. The DSS administers the HV program through competitively and noncompetitively selected contractors, resulting in higher administrative costs, and the average cost to serve a family through a noncompetitively selected contractor is 27 percent higher than through a competitively selected contractor. A contractor that performs home visits for DSS and the Office of Administration (OA) Children's Trust Fund programs billed both agencies for the same home visits for one family, and listed four other families in multiple reports.

DESE Monitoring

The DESE does not adequately monitor contractors and grantees to ensure monies are spent in accordance with contract and grant requirements for the Early Childhood Special Education (ECSE), Missouri Preschool Project, or the PAT programs. For the ECSE program, monitoring weaknesses resulted in overpayments totaling about \$86,500 to one school district.

Child Care Assistance Program Controls	As noted in our Statewide Single Audit report (Report No. 2014-17), significant weaknesses exist in DSS controls over Child Care Assistance program eligibility and provider payments. The DSS lacks sufficient controls to ensure eligibility determinations are accurate, payments are proper and adequately supported, and child care providers comply with statutory requirements for license-exempt status. We selected 60 Child Care Review Team reviews and noted the DSS did not always pursue timely and appropriate corrective actions, did not always refer providers to the Department of Health and Senior Services or for needed training, did not timely terminate provider registration for those not attending required training, did not conduct visits outside of standard business hours, did not suspend payments for potential non-complying license-exempt providers, allowed providers to submit attendance records after the reviews, and did not adequately document compliance with established sampling methods.
DSS Monitoring	The DSS lacks adequate procedures to detect duplicate billings to both the EHS and Child Care Assistance programs, and its procedures for contract monitoring are inadequate. The DSS does not monitor assets purchased by EHS contractors with program funds, and its monitoring instruments do not include a methodology for determining how many files should be reviewed for the HV and EHS programs. The DSS does not require EHS and HV contractors to document eligibility decisions or adequately verify eligibility of participating families.
Statutory Compliance	Fund appropriations for fiscal years 2015, 2014, and 2013 did not comply with state law. State law requires the General Assembly to appropriate at least 10 percent of fund revenues to the EHS program, 10 percent to Accreditation Facilitation, and 10 percent to the HV program.
Cost Allocation Transfers	Central services cost allocation transfers made by the OA from the fund to the General Revenue Fund continue to appear questionable based upon legal restrictions, and OA still does not require personnel to document reasons for including a fund in the cost allocation plan.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Early Childhood Development, Education, and Care Fund

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. DSS Contract Awards and Costs.....4 2. Program Efficiency.....9 3. DESE Monitoring.....15 4. Child Care Assistance Program Controls.....20 5. DSS Monitoring.....28 6. Statutory Compliance.....32 7. Cost Allocation Transfers.....33
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	36
---------------------------------------------	----

Appendixes

A	Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments 2 Years Ended June 30, 2014	38
B	Comparative Statement of Appropriations and Expenditures 2 Years Ended June 30, 2014	39
C	Comparative Statement of Expenditures (From Appropriations) 5 Years Ended June 30, 2014	41



THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Dr. Margie Vandeven, Commissioner of Education
Department of Elementary and Secondary Education
and
Brian Kinkade, Director
Department of Social Services
and
Douglas Nelson, Commissioner
Office of Administration
Jefferson City, Missouri

We have audited certain operations of the Early Childhood Development, Education, and Care Fund, as required by Section 161.215.8, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2014. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions related to the fund.
2. Evaluate compliance with certain legal provisions related to the fund.
3. Evaluate the economy and efficiency of certain management practices and operations related to the fund, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agencies that administer the fund, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the departments' management and was not subjected to the procedures applied in our audit of the fund.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Early Childhood Development, Education, and Care Fund.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Audit Staff:	Angela M. McFadden
	Alex R. Prenger, M.S.Acct., CPA

Early Childhood Development, Education, and Care Fund Management Advisory Report State Auditor's Findings

1. DSS Contract Awards and Costs

In fiscal year 2014, the Department of Social Services (DSS) paid Early Head Start (EHS) contractors at least 2 times more than the prior year but only required contractors to provide additional services for the last 5 months of the year. As a result, the DSS paid significantly more without an equivalent additional benefit to the state. The DSS paid EHS contractors about \$1.5 million for services not completed during fiscal year 2014. The DSS allowed contractors up to 7 months to increase children and mothers served and even after this deadline the DSS allowed four contractors to serve less children and expectant mothers than required. Some EHS contractor budgeted expenditures do not appear reasonable and do not support the need to provide additional funding. Additionally, the DSS has not enacted provisions to limit the cost per child or expectant mother for the Home Visitation (HV) program or cost per family for the EHS program, resulting in significant differences in the contract pricing among the various contractors.

The DSS paid EHS contractors approximately \$5.9 million and \$2.6 million for fiscal years ended June 30, 2014 and 2013, respectively, from state and federal sources, including \$3.3 million from the Early Childhood Development, Education, and Care Fund (ECDEC) Fund. No EHS funding was appropriated from the ECDEC Fund for fiscal year 2013. The DSS expended approximately \$2.7 million and \$2.4 million from the ECDEC Fund for the HV program for the years ended June 30, 2014, and 2013, respectively.

1.1 Early Head Start funding The DSS increased EHS funding and paid EHS contractors a full year's funding, but only required contractors to increase services for the final 5 months of the fiscal year.

The DSS contracts with nine community action and not-for-profit agencies to operate the EHS program. This program is modeled after the federal Early Head Start program and all contractors must also be an existing federal grantee for Head Start or Early Head Start. Contractors are selected through a competitive process and contractors generally provide educational services to expectant mothers and provide funding to local child care providers to implement the EHS program and related curriculum. The General Assembly reduced EHS funding by over 50 percent for fiscal year 2013. As a result, the DSS reduced funding and related services required to be provided by contractors. The General Assembly restored funding in fiscal year 2014, and the DSS amended 2014 contracts to proportionately increase funding to all contractors. However, in August and September 2013 the DSS entered into amendments that allowed contractors until January 31, 2014 (7 months after the beginning of the fiscal year) to meet the increased minimum required service levels.

Once the contractors signed the amendments, the DSS paid them 25 percent of the funding award and advanced 25 percent of their annual funding award



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

each quarter thereafter in accordance with contract provisions. The DSS later offered contractors additional unobligated fiscal year 2014 funding totaling about \$700,000 and required contractors to further increase the number of children and expectant mothers served each month. Three contractors signed contract amendments for the additional funding in December 2013 and January 2014. These amendments also allowed contractors until January 31, 2014 to meet the additional increased number of children and expectant mothers.

Eight of the nine EHS contractors did not serve the required number of children and expectant mothers. Fiscal year 2014 contracts and amendment pricing pages stated the eight contractors were required to serve an average of about 580 families per month total. However, these contractors only reported serving an average of about 420 families per month (72 percent). The DSS paid these contractors the full \$5.4 million, and as a result, paid approximately \$1.5 million (28 percent) for services not provided.

Even after the January 31 deadline, four contractors continued to serve fewer children and expectant months than required. Between February and June 2014, these four contractors only served an average of 364 of the 398 (91 percent) required families per month. The DSS paid these contractors approximately \$133,000 for services not delivered (9 percent of the total \$1.55 million paid to the four contractors) and has not attempted to recover any monies. DSS officials indicated while the contracts include a stated minimum number of children and/or expectant mothers to serve monthly, the contracts do not include provisions for not meeting these thresholds, and the DSS has not established procedures to request repayment of funds if contractors are unable to meet the minimum.

Startup costs

DSS officials indicated they allowed contractors additional time during fiscal year 2014 to reach minimum required service levels because the contractors had to reduce capacity due to fiscal year 2013 funding cuts. DSS officials also indicated the contractors incurred additional planning and startup costs, including the recruitment of additional child care providers to expand services. However, the DSS did not include startup provisions in fiscal year 2014 contract amendments. In addition, the original contracts, effective in July 2009, allowed providers to request up to 25 percent of the annual award as startup funding during the first year; however, all contractors operated existing federal programs and no contractors requested this funding. If the DSS had imposed a 25 percent limit on startup costs during fiscal year 2014, contractors would have been limited to claiming startup costs of about \$843,000 (25 percent of \$3.37 million in additional funding), much less than the \$1.5 million paid for services not delivered.

Budgeted expenditures

Budgets submitted by three contractors do not support the need to provide increased funding in fiscal year 2014. These contractors used the majority of



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

additional fiscal year 2014 monies for personnel and administrative costs rather than direct services to children and expectant mothers. Payments for direct services represented less than 30 percent of total fiscal year 2014 expenditures for these contractors. Payments for direct services represented at least 67 percent of total fiscal year 2014 expenditures for the other 6 contractors. A comparison of fiscal year 2013 to 2014 final budgets identified the following inefficiencies.

- The DSS increased funding to one contractor by approximately \$365,000 in fiscal year 2014, and based on the revised budget, the contractor only increased funding to child care providers by about \$10,000. The contractor planned to use the remaining \$355,000 on increased funding for personnel, training and travel, supplies and equipment, or other costs. Included in these amounts was about \$65,000 budgeted for the purchase of two new vehicles and a new playground. According to budget documents, this contractor planned to serve an average of 52 children and 10 expectant mothers each month, 34 more than in the prior year. All children would be served through contracted child care providers.
- The DSS increased funding to another contractor by approximately \$343,000 in fiscal year 2014, and based on the revised budget, the contractor only increased funding to child care providers by about \$104,000. The contractor planned to use the remaining \$239,000 on increased funding for personnel, training and travel, supplies and equipment, or other costs. The contractor included very little detail in the budget to explain how these monies would be spent. According to budget documents, this contractor planned to serve an average of 41 children and 8 expectant mothers each month, 31 more than in the prior year. The contract amendment does not specify how many children would be served directly and through contracted child care providers.
- The DSS increased funding to another contractor by approximately \$747,000 in fiscal year 2014, and based on the revised budget, the contractor only increased contractual funding to child care providers by about \$31,000. The contractor planned to use the remaining \$716,000 on increased funding for personnel, training and travel, supplies and equipment, or other costs. According to budget documents, this contractor planned to serve an average of 60 children and 14 expectant mothers each month, 60 more than in the prior year. The contractor indicated half of the children would be served through contracted child care providers, so the contractor would incur additional costs to pay contracted providers and child care staff.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

In each of these instances, if the contractor could serve the increased child care capacity with relatively small portions of the increased funding, the additional awards may not be reasonable and necessary.

Conclusions

In accordance with established procurement procedures, the Office of Administration (OA) reviewed and approved the DSS contract amendments, which included increases in funding. OA personnel cited 1 CSR 40-1.050(8), which states contracts awarded as the result of a competitive solicitation may be amended when such an amendment is in the best interest of the state and does not significantly alter the original intent or scope of the contract. However, requiring additional services for 5 months while providing funding for an entire year may not be in the best interest of the state. The DSS should only pay contractors for actual services provided. In addition, the DSS should thoroughly review budgets to ensure the planned use of monies is reasonable and necessary to support the objectives of the EHS program.

1.2 Price variation

The DSS does not limit the price paid per child or expectant mother for the EHS program or per family for the HV program and there are significant differences in the prices paid to contractors for services. Additionally, the DSS provides little incentive for HV contractors to provide additional services.

Amount paid

During fiscal year 2013,¹ the average amount paid for a child or an expectant mother served through the EHS program ranged from about \$6,200 to \$12,800 annually. The average cost to serve a family through the HV program, including both competitive and noncompetitive contractors, ranged from about \$1,400 to \$5,200 annually.

The HV and EHS contracts do not include a maximum amount paid per child or family. The OA evaluates costs during the selection process, but a total cost per child or family is not determined. The number of proposals evaluated is also limited because the evaluation only compares the prices from proposals within the same region. Additionally, DSS officers indicated the total number of eligible bidders for the HV and EHS programs are limited due to the nature of the programs and various requirements the bid respondents must satisfy such as education and training requirements. For example, 11 respondents submitted proposals during the bid solicitation for the EHS program held in 2009, and the DSS awarded 10 of those 11 funding. With this small pool of proposals, it is likely most respondents will be awarded funds. As a result, it is important for the DSS to consider cost containment measures such as limiting the amount paid per child or family

¹ Due to funding changes between fiscal years 2014 and 2013, we used fiscal year 2013 data for this work.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

to ensure the most EHS and HV funding possible is provided for direct services to families.

Payment type

The DSS reimburses HV contractors a fixed price per participating family each month. Thus, the DSS reimburses contractors at the same rate regardless of how many home visits are provided per family per month. This method provides no financial incentive for contractors to provide additional services to families. The Department of Elementary and Secondary Education (DESE), Department of Health and Senior Services (DHSS), and OA Children's Trust Fund (CTF) pay for similar services on a fee per-unit basis per visit completed.

Recommendations

The DSS:

- 1.1 Ensure contract decisions, including price increases, are reasonable, properly documented, and in the best interest of the state. In addition, the DSS should establish minimum thresholds for actual women and children served, recover overpayments from contractors that did not maintain contractually required enrollment for the EHS program after January 31, 2014, and thoroughly review contractor budgets.
- 1.2 Evaluate possible cost containment measures for the HV and EHS programs such as establishing a maximum allowable price per child, expectant mother, or family. Additionally, the DSS should consider reimbursing contractors based on actual services completed.

Auditee's Response

The DSS provide the following written responses:

- 1.1 *The contract amendments were reviewed by several DSS divisions, as well as the Office of Administration, and issued to be effective July 1, 2014. Contractors were paid in accordance with the contract. Thus, no overpayments occurred and no recovery is necessary. Current EHS contracts have been updated to be paid based on actual expenditures only. The DSS will continue to compare contractor budgets to invoices for payment.*
- 1.2 *Home Visitation contractors are required to use evidence based models, but the DSS does not dictate the model to be used for delivery of services. Since the contract is competitively bid; price variation is expected, due to differing models, geographic region served, and the number of monthly connections. Future Early Head Start payments will be based on expenditures.*



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

2. Program Efficiency

Four state agencies administer home visitation programs for families with young children, representing an inefficient method to deliver services. In addition, these agencies have not adequately coordinated efforts to ensure services are not duplicated. The DESE and the DSS reimbursed two public school districts for the same home visitation services. Additionally, the DSS uses two types of contract awards to administer early childhood programs, resulting in further program inefficiencies and duplicated efforts. The DSS has not evaluated the need for the two types of contracts, or the funding allocated between the two types of contractors. Additionally, a contractor billed the same services to the CTF and the DSS and the agencies did not detect the duplicate billing.

2.1 Delivery of services

The DESE, DSS, DHSS, and CTF offer six different home visitation programs. Section 178.693, RSMo, requires public school districts to offer a parent education and developmental screening program, commonly referred to as the Parents as Teachers (PAT) program. The DESE partially reimburses districts for the cost of providing these services, subject to the amount of funding appropriated by the General Assembly. The DSS Home Visitation (HV) program awards grants to private and public entities to deliver home visitation services statewide. The DHSS offers the Maternal, Infant, and Early Childhood Grant program, the Building Blocks of Missouri program, and the Missouri Community Based Home Visiting program. The CTF also offers home visitation services in some areas of the state that are partially funded by the DSS. The DESE and DSS programs are funded with ECDEC monies while DHSS and CTF programs are funded from other sources.

The DESE, DHSS, and CTF programs target families with children up to age 5. The DSS program targets families with children up to age 3. All of the programs provide services to expectant mothers. There are numerous home visitation models used by contractors and grantees among the four agencies and each model determines which services will be offered and how often those services are to be provided. While the various programs differ in terms of how services are delivered, the programs share common objectives such as preventing child abuse and neglect, detecting developmental delays in infants and toddlers, ensuring good health for children and families, and increasing the quality of a child's learning at home. Additionally, the various programs all include an in-home visit component.

Home visitation services may be administered more efficiently if fewer state agencies are involved. Administering home visitation through multiple agencies increases the risk of duplication of services and administrative costs. Each state agency must monitor its contractors and grantees which increases the amount of funding spent on administrative functions and reduces the amount of funding to assist families.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

2.2 Duplicate billing

Duplicate claims for reimbursement

These state agencies have not implemented adequate controls to prevent duplication of services. In addition, the DESE and the DSS reimbursed two public school districts for the same home visitation services. One district has billed the same families to both programs for at least 13 years. The DESE and DSS do not have procedures to identify duplication and do not consider potential duplication when determining if a recipient is higher risk and should be subject to additional monitoring. The DSS was aware the two districts also participated in the DESE program but did not consider the potential for duplication. Neither agency was familiar with the other agency's monitoring procedures.

Only two districts participated in both the PAT and HV programs. One of these districts has participated in the HV program since 2001. The other district began participating in the HV in 2013. We visited both districts to review eligibility determination, service delivery documentation, and financial procedures.

School district officials indicated they billed all families served through the DSS HV program also to the DESE PAT program and have done so for the life of the HV program. The district did not have sufficient documentation to demonstrate it provided distinct services under each program to justify the duplicate billing. To determine the extent of payments made by each agency for the duplicated billings, we compared the PAT reimbursements for school years 2013 and 2014 to detailed monthly HV reports that included information on participating families submitted to the DSS for the same period. The DSS paid the district an estimated \$253,000 during this time period and the DESE paid the district an estimated \$170,800 for the same visits. Estimated amounts are based on an average of two home visits per month for each participating family, as provided by DSS contracts and national and state PAT guidelines. District participation in the PAT program is mandatory so DESE reimbursements are appropriate. Participation in the HV program is voluntary; therefore, DSS payments may not be appropriate if the district cannot demonstrate reimbursed costs differ from the costs related to the PAT program and need to be evaluated for possible recovery. The school district has billed both programs for over 13 years, according to school officials.

School officials indicated they considered this method of billing reasonable and believed the DESE and the DSS were aware of this practice. However, officials from the DESE and the DSS indicated (1) they were unaware the school district submitted duplicate billings, (2) this practice is not allowed, and (3) they plan to coordinate efforts to determine appropriate corrective action that may include requiring the district to repay monies.

We also reviewed program reports and determined another district also billed both programs for at least 66 visits to 4 families. However, the



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

financial impact of these duplicate billings is more than offset by 256 PAT home visits the district failed to bill the DESE.

DESE PAT reimbursements are intended to reimburse the cost of each visit, which include salaries and benefits of parent educators and program supplies and materials. DSS HV payments are intended to fund various program costs including salaries and benefits of staff performing home visits, transportation costs, incentive payments to encourage parent participation, and other related costs. The contract indicates HV families should be recruited from other programs including the PAT program but does not indicate if families can be enrolled in multiple similar programs. DSS officials indicated the HV program is intended to supplement other programs such as providing additional services the local PAT program is unable to provide. Officials at one school district visited stated they believed the HV program is intended to serve families not already being served by local PAT programs and did not believe families could be enrolled in multiple similar programs. According to section 2.1.3 subpart B of the DSS contract, "the contractor shall take every precaution to ensure that no family is being provided duplicative home visitation services by multiple contractors." If the DESE and the DSS continue to award PAT and HV funding to the same districts, the agencies should implement additional procedures including monitoring to reduce the risk of improper billing.

2.3 DSS competitive and noncompetitive awards

The DSS administers the HV program through competitively and noncompetitively selected contractors resulting in program inefficiencies and duplicated efforts. In addition, the average cost to serve a family through a noncompetitive contractor is significantly more than the cost to serve a family through a competitive contractor. HV contract requirements differ for competitive and noncompetitive contractors even though the services provided are similar. As a result, the DSS must perform additional work to administer and monitor the programs. DSS officials have not assessed the need for and efficiency of the two types of contracts, or the funding allocated to the noncompetitive contractors as they indicated would occur in response to our prior audit report.

The DSS contracts with 14 entities including not-for-profit and child advocacy organizations, and public schools and universities through a competitive solicitation process to administer the HV program. The DSS also contracts with eight noncompetitively selected entities including local community partnership agencies and the CTF to administer the HV program. The DSS pays competitive contractors a fixed price per program or family served. The DSS reimburses noncompetitive contractors for actual expenditures, including fixed administrative costs, up to a maximum award amount regardless of the number of facilities or families served.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

The OA's Division of Purchasing grants the DSS authority to exempt community partnership and CTF contracts from competitive solicitation. Community partnership agencies are not-for-profit organizations established to administer the Caring Communities program created by Executive Order in 1993. The partnerships work with local, state, and federal partners to meet local social service needs. The CTF is a state board established in 1983 to fund programs to prevent child abuse and neglect.

The DSS allocates approximately \$543,000 in early childhood funding each year to the same seven community partnerships the DSS originally awarded HV funding when the HV program began in 2001. The amounts allocated remain constant each year and have not changed from the original 2001 funding levels. Additionally, the DSS allocates approximately \$641,000 in federal Social Services Block Grant funding to the CTF for the HV program. The amount allocated has not changed since 2007.

Based on the estimated number of families served each month for each contractor, we determined the average cost to serve a family for a year through a competitive contractor is approximately \$2,600. The average cost to serve a family through a noncompetitive contractor is approximately \$3,300 (27 percent more). The noncompetitive contractors are not providing any additional services beyond those provided by competitive contractors. The use of multiple types of contracts also requires DSS staff to use different monitoring procedures and tools and increases the overall number of contracts to monitor. Additionally, noncompetitive contractors serve regions of the state where services are already offered by competitive contractors, resulting in duplicated efforts.

A noncompetitive contractor for the HV program also subcontracts with an entity that the DSS awarded funds to through the competitive solicitation process and the contractor retains a portion of the contract monies for administrative purposes, though the contractor performs limited work. One community partnership has both a competitive and noncompetitive contract. Additionally, two community partnerships not already participating in the noncompetitive program bid to be a competitive contractor for the HV program. If noncompetitive contract monies are flowing to entities already participating in the competitive contracts and community partnerships are willing to participate in the competitive process, the use of multiple types of contracts may not be necessary.

DSS officials indicated they award the two types of contracts because this way is historically how the programs have been administered. DSS officials also indicated they utilized community partnership agencies to administer the programs in accordance with Section 205.565, RSMo, which allows the DSS to administer and award grants to qualifying entities to carry out the



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

Caring Communities program. However, the statute is not specific to the ECDEC Fund or any particular early childhood program.

Efficient administration of the HV program, including evaluating the need for two types of contracts and the funding levels for each type of contract is necessary to ensure ECDEC Fund monies are used as intended to improve the quality and quantity of early childhood programs. Simplifying the mechanism for distributing ECDEC Fund monies would reduce the level of effort necessary to administer and monitor the program, may result in increased funding to assist more families, and would prevent duplicated service areas. Allowing only one type of contract award with uniform contract requirements would simplify monitoring procedures and ensure the most ECDEC funding possible is provided for direct early childhood services in accordance with the purpose of the fund.

A similar condition was noted in our prior audit report and DSS officials indicated an analysis to determine the best way to distribute funds would be performed. However, officials indicated no analysis was performed.

2.4 DSS and CTF duplicate claim

A contractor that performs home visits for DSS and CTF programs billed both agencies for the same family home visits. This contractor participates in the HV program for the southeast, northeast, and St. Louis regions and also receives CTF monies to provide home visitation services in those regions. While the CTF is responsible for contract oversight, the contractor submits required monthly data reports and HV program reports for the CTF program to the DSS.

We compared the December 2013 monthly program reports for each of the DSS regions and the CTF, and determined the contractor billed services for one family to both the CTF and the DSS. The CTF reimbursed the contractor \$93 and the DSS reimbursed the contractor \$247 for this family for the month. While the overpayment is minimal, the DSS and CTF awarded this contractor approximately \$954,000 for home visitation total in fiscal year 2014, and duplication in other months could result in additional overpayments. In addition, we also determined the contractor listed four other families in multiple reports. Although the contractor did not submit duplicate billings for these families, the DSS could not provide a reason why the families would receive services in more than one program or region.

DSS officials indicated staff compare families listed on the contractor monthly reports to identify any families that are listed in multiple reports and potentially billed more than once; however, this review is not documented and did not detect the duplicate billing. In addition, the DSS is also not currently performing these reviews because the responsible staff person left the agency in April 2014 and the DSS has not hired a replacement as of September 2014.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

According to section 2.1.3 subpart A of the DSS contract, "in the event the contractor is awarded multiple geographic regions, the contractor shall not provide duplicate services to any family and shall not provide services to any family in more than one geographic region." To ensure further duplication is prevented, report review procedures should be conducted timely and sufficient to detect errors.

Recommendations

The DESE and the DSS:

- 2.1 Study the current methods to deliver home visitation services to determine if these services could be delivered more efficiently by consolidating responsibility for programs under fewer state agencies.
- 2.2 Implement additional monitoring and risk assessment procedures to ensure school districts do not bill the same services to both the PAT and the HV programs, and pursue recovery of duplicate billings.

The DSS:

- 2.3 Perform a comprehensive analysis to determine whether current funding allocations between competitive and noncompetitive selected contractors result in the most efficient delivery of early childhood services.
- 2.4 Ensure adequate reviews of monthly reports are performed and properly documented to detect potential duplicate billings, and pursue recovery of duplicate billings.

Auditee's Response

The DESE provided the following written response:

- 2.1 *The DESE will take this under consideration.*
- 2.2 *The DESE will communicate with the DSS and provide a list of programs providing PAT as it is the foundational program.*

The DSS provided the following written responses:

- 2.1 *The DSS, DHSS, and DESE each have a representative on the Coordinating Board of Early Childhood (CBEC). The CBEC has a standing committee on HV Services that meets on a quarterly basis to review and discuss current programs offered in the state. In 2012, a matrix of HV programs was developed. The DSS will recommend to the workgroup that the matrix be reviewed for efficiencies.*



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

- 2.2 *While the DSS and DESE paid a school district for common families; the DSS paid for additional visits and services not allowable under the DESE PAT program. If payment of duplicate services is verified through ongoing monitoring, the DSS will pursue recovery of duplicate billings. The DSS is currently adding language, via a contract amendment, stating the contractor shall not bill for duplicated services provided to participating families.*
- 2.3 *The DSS will continue to administer the HV program using competitive and non-competitive contracts. There is substantial value added by utilizing the already established relationships with the community partnerships, as those entities are embedded in their communities and have first-hand knowledge of the needs in their areas. Thus, utilizing the non-competitive contract has proven to be a critical element for the success of this program.*
- 2.4 *The DSS is working with CTF officials to implement a coordinated review process of these monthly reports in an effort to identify duplicate billings. The DSS will pursue recovery of any identified duplicate billings.*

3. DESE Monitoring

The DESE does not adequately monitor ECDEC Fund contractors and grantees to ensure monies are spent in accordance with contract and grant requirements for the Early Childhood Special Education (ECSE), Missouri Preschool Project (MPP), or the Parents as Teachers (PAT) programs. For the ECSE program, monitoring weaknesses resulted in overpayments to one district. The DESE has not created an on-site monitoring policy and performs only limited, informal on-site monitoring of early childhood contractors and/or grantees for the MPP and PAT programs. The DESE expended approximately \$21.3 million and \$19.9 million from the ECDEC Fund in the years ended June 30, 2014, and 2013, respectively.

3.1 Early Childhood Special Education

DESE monitoring of ECSE grantees needs improvement. The DESE issued over 380 grants to school districts for the ECSE program and reimbursed districts approximately \$172 million from state and federal funds for the year ended June 30, 2014. Of this amount, approximately \$7.4 million was paid from the ECDEC fund.

The DESE reimburses school districts for the actual cost of providing ECSE services to eligible students. Current year reimbursements are based on prior year actual expenditures. Districts with eligible expenditures are required to submit a Final Expenditure Report. This report determines the amount to be reimbursed during the subsequent school year.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

We reviewed the expenditure reports for seven districts and identified weaknesses in the DESE's ECSE monitoring procedures and overpayments made to one district.

- The DESE requests each district describe the method of prorating expenses for operation of plant and transportation expenses but does not require the district document this information. Without adequate detail and documentation of calculation methods, the DESE cannot review reasonableness of reported expenditures or detect unallowable expenditures.
- The DESE did not detect duplicate payments made to a school district for capital lease purchases. The DESE approved a reimbursement for a lease-purchase agreement for \$550,000 in June 2012 and a lease agreement for \$77,300 in May 2013 for the same property. The DESE requires districts submit a form detailing the leases claimed for reimbursement. However, DESE personnel approved these reimbursements without detecting the May 2013 lease payment related to the first payment of the original lease.

After we discussed this issue with DESE officials, they determined the program overpaid the district \$77,300 and reduced the district's June 2014 payment by this amount. Additionally, to prevent future overpayments, the DESE implemented a new procedure requiring DESE staff to compare newly submitted lease or capital purchase agreements to previously submitted documentation before approving reimbursement.

- The DESE also overpaid the district about \$9,200 in personnel costs because the district reported personnel costs for more full-time equivalent (FTE) positions than allowed by DESE policy. DESE policy limits the maximum allowable FTE positions based on an educator's caseload or number of students served. While the DESE provides guidance on how to determine the maximum staff FTE positions, the DESE's web application does not use available employee caseload data to limit reimbursements. The DESE indicated reviewers routinely compare claimed FTE positions to reported caseloads; however, this procedure did not detect the error for this district. DESE officials plan to reduce future awards to recover the overpayment.

New DESE monitoring procedures

Newly implemented DESE monitoring procedures do not include sufficient review of expenditures and the DESE did not conduct one monitoring visit timely. The DESE developed a new risk-based monitoring system for school districts, which incorporates both desk and on-site reviews. The monitoring procedures are designed to provide oversight of federally funded programs including ECSE. The DESE scheduled 18 on-site reviews of school districts



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

for fiscal year 2014. These reviews primarily focus on federal compliance issues and some general procedures, such as accounting procedures. While DESE personnel review district general ledgers as part of their monitoring, the DESE has not established a defined methodology for examining individual expenditures.

In addition, the DESE did not make a scheduled visit to one district as planned. The DESE originally scheduled the monitoring visit for May 2014 but delayed the visit when the district reported a staff member would be on medical leave. When we visited the district in May 2014, the staff member was present and officials told us they were purposely stalling the DESE review to address possible errors or accounting irregularities. The DESE completed the visit in June 2014, after we notified the department of the information learned during our visit. As a result of the delay, the district had additional time to correct accounting errors or otherwise modify accounting records potentially minimizing the effectiveness of the review.

3.2 Parents as Teachers and Missouri Preschool Program

The DESE has not established adequate procedures to verify the reported number of PAT services completed and to ensure MPP contractors and grantees serve the required minimum number of children. The DESE issued approximately 520 grants for the PAT program and approximately 180 grants and contracts to 160 facilities for the MPP program during the year ended June 30, 2014.

PAT monitoring

The DESE does not obtain adequate information to verify PAT services billed. DESE reimburses school districts for PAT services on a fee per-unit basis for each screening or parent education visit completed but has not established procedures to verify whether the billed units have actually been provided.

Each district periodically enters a cumulative count of home visits and screenings performed during the school year in the DESE web application and requests payment for completed services. The DESE application determines the required payment amount based on the district's annual PAT allocation less payments already received by the district. According to DESE officials, over 300 districts use the same third-party system to record demographic information for families enrolled in PAT and services completed for those families. DESE personnel could better verify PAT billings by requiring districts to report home visitation information from this or another standardized system.

MPP fiscal monitoring

The DESE has not established procedures to document on-site fiscal monitoring of MPP contractors and grantees. The DESE performed limited on-site monitoring of MPP contractors and grantees. While the DESE issues a letter documenting the result of monitoring visits and corrective actions needed, DESE personnel do not complete the monitoring checklist to ensure



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

consistent procedures are applied. The DESE also does not adequately review supporting documentation of expenditures claimed on a periodic basis. MPP contractors and grantees submit periodic reports of expenditures when requesting payment from the DESE. These reports do not include vendor invoices, payroll records, or other supporting documentation.

The DESE does not adequately verify reported expenditure amounts to determine whether refunds are due. The DESE requires MPP contractors and grantees to submit final expenditure reports each year. These reports are due on May 15, and require the contractors/grantees to report actual expenditures to date and projected expenditures through June 30. However, the DESE does not require districts to separately label actual and projected expenditures and does not apply additional monitoring procedures to determine whether districts actually spend projected amounts.

MPP enrollment monitoring

The DESE has not established adequate monitoring procedures to determine whether providers accurately report enrollment and serve the minimum average number of children required by the terms of the grant award, and does not provide guidance to districts on how to calculate average enrollment.

The DESE obtained detailed enrollment information for only 41 of 137 classrooms. DESE officials stated they focus efforts to verify enrollment on contractors or grantees that are at risk of failing to meet minimum average enrollment requirements. However, this practice does not address contractors or grantees that inaccurately report enrollment numbers. We selected four grantees not reviewed by DESE and determined one grantee did not accurately report average enrollment. Based on enrollment information provided, this grantee actually enrolled an average of 14 children, reported an average enrollment of 18 children, and was required to enroll an average of 20 children. The DESE did not initially require corrective action because the DESE considered the district to be substantially complying with the requirements based on the reported enrollment of 18 children. However, based on the results of our review, the DESE intends to reduce the grantee's future award and request a refund of \$8,500.

The DESE has not provided districts with guidance on how to calculate the average enrollment. The DESE contracts with a school district to offer technical assistance to all new awardees. The technical assistance provider visited all 44 of the new 2014 MPP classrooms and reported to the DESE a count of children enrolled and present at the time of the visit. Contractors and grantees also submit an annual report that includes average enrollment. DESE personnel compare reported average to required enrollment to determine the need for award adjustments. A formal written definition of enrollment is needed to ensure contractors and grantees use consistent



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

methods to calculate average enrollment. For example, the use of a weighted average may be necessary for some contractors who have children enrolled for only a portion of the year.

Other monitoring

During fiscal year 2014, only one MPP grantee and no PAT districts were subject to cash management desk monitoring. The DESE utilizes cash management desk monitoring and a review of financial audit reports of public school districts to identify at-risk districts for non-compliance with various programs. However, these procedures do not extend to private child care facilities receiving MPP awards.

Timely monitoring of contractors and grantees is necessary to ensure expenditures are adequately supported, monies are used for intended purposes, and program objectives are attained.

Similar concerns were noted in our prior report.

Recommendations

The DESE:

- 3.1 Implement additional procedures to ensure ECSE expenditure reports are properly supported and reimbursements are for allowable expenditures. In addition, monitoring visits should be completed timely.
- 3.2 Implement periodic on-site monitoring procedures for MPP and PAT grantees and contractors, including monitoring of compliance with contractual/grant requirements and fiscal practices, and review of supporting documentation for expenditures. Additionally, monitoring of MPP grantees and contractors should sufficiently address the risk of improper reporting of enrollment and the DESE should formally define how to calculate average enrollment.

Auditee's Response

The DESE provided the following written responses:

- 3.1 *The DESE is implementing a new online ECSE process that will streamline the procedures to ensure compliance with program requirements. The DESE does complete monitoring visits timely, and requires districts to upload documentation one month in advance of scheduled visit so documentation is not impacted by any visits that may have to be rescheduled to a later date.*
- 3.2 *The DESE will re-establish on-site monitoring procedures based on the staffing capacity available. The DESE agrees to increase the reporting of enrollment and define enrollment calculations through the Administrative Manual.*



4. Child Care Assistance Program Controls

As noted in Report No. 2014-17, *State of Missouri Single Audit*, issued in March 2014, significant weaknesses exist in DSS controls over Child Care Assistance program eligibility and provider payments. Controls over eligibility and provider payments are not sufficient to prevent and/or detect payments on behalf of ineligible clients or improper payments to child care providers and weaknesses exist in the department's provider review procedures. Additionally, the DSS does not have adequate controls and procedures in place to ensure certain child care providers participating in the Child Care Assistance program comply with statutory requirements for license-exempt status.

The DSS operates a statewide Child Care Assistance program funded by both federal and state revenue sources. The DSS expended approximately \$2.6 million from the ECDEC Fund for the Child Care Assistance program for the year ended June 30, 2013. The General Assembly appropriated \$2.6 million in ECDEC funding for this program for the year ended June 30, 2014; however, DSS officials indicated they allowed the appropriation to lapse because they did not need the monies to fund the program.

4.1 Child Care eligibility and payments

As noted in the 2014 audit report, the DSS lacks sufficient controls to ensure eligibility determinations are accurate and payments are proper and adequately supported. At least four significant factors contribute to the weak control system including (1) limited supervisory review of child care eligibility determinations, (2) failure to perform on-site contract compliance reviews of child care providers prior to September 2013, (3) minimal other procedures in place to review provider attendance records, and (4) poor case management and document retention.

The DSS also does not have adequate controls and procedures in place to ensure certain child care providers participating in the program comply with statutory requirements for license-exempt status. We found the DSS did not properly classify some children as unrelated or could not verify the relationship between some "four-or-less" (FOL) registered providers and children in their care.

In response to deficiencies identified in previous audits, the DSS implemented new controls over eligibility determinations. Effective March 1, 2012, the DSS requires all eligibility supervisors to review a minimum of 3 child care cases each month in the case review system. While the new procedures improve controls over eligibility determinations, there are no requirements for random case selection and only limited procedures to ensure the monthly case reviews are performed. In addition, eligibility reviews may not be sufficient to detect errors.

None of these changes address control weaknesses over payments to child care providers. The lack of controls over eligibility determinations and



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

payments to providers can result in provider overpayments and reimbursements for ineligible clients and/or unallowable costs.

4.2 Child Care Review Team In response to weaknesses over child care provider payments identified in previous audits, the DSS, in September 2013, began performing contract compliance reviews of child care providers. The Child Care Review Team (CCRT) includes four staff that perform on-site reviews of child care providers participating in the Child Care Assistance program. The CCRT procedures vary depending on whether the provider is licensed. DSS officials indicated the CCRT's primary purpose is to conduct a fiscal review including reviewing billing practices and comparing attendance records to amounts invoiced. In addition, CCRT staff review other areas such as staffing ratios and fire safety. The DSS selects providers for review by assessing various risk factors. The CCRT completed approximately 1,100 provider reviews during the year ended June 30, 2014. CCRT personnel performed most of the reviews on-site unless the provider was no longer operating. The DSS performed a desk review of billing procedures in these cases.

We selected 60 CCRT reviews and identified weaknesses in procedures.

Corrective action

The DSS did not always pursue timely and appropriate corrective action. For 13 providers the DSS determined the provider needed to address fire safety issues or complete background checks but did not send a letter to the provider requesting specific corrective actions until an average of 4 months after the review. For 33 providers the DSS identified procedural issues with attendance records and/or differences between the invoice and attendance record but did not refer the providers to training until an average of 4 months after the review. DSS personnel referred 24 of these 33 providers to training after our request to review files for the audit.

For 29 providers the DSS calculated overpayments totaling about \$32,000; however, the DSS did not send letters to the providers notifying them of a claim to recover overpayments until an average of 5 months after the review. One provider could not provide any attendance records for the 2 months DSS personnel reviewed; however, it took the DSS approximately 8 months to notify the provider a claim would be filed to recover the approximately \$1,500 paid. The DSS issued this claim letter after we questioned why a claim had not been established for this provider.

Additionally, we identified other instances where the CCRT did not address suspicious information or circumstances. For example, a provider submitted two attendance records for the same child and month with overlapping times of arrival and departure. The CCRT did not question this discrepancy and found the attendance record supported the amount invoiced by the provider.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

Referrals

The DSS did not always refer providers to the DHSS and/or necessary training and the training referral letter includes conflicting information. Providers may be referred to the DSS - Children's Division, DHSS, or a training provider based on the deficiencies identified by the CCRT. Nine contractors statewide offer a free training to providers to help improve attendance and payment accuracy.

For 2 of 42 applicable providers (5 percent) the DSS did not refer the providers to the DHSS or training to address deficiencies. The CCRT identified a provider that appeared in violation of statutory staff to child ratios and another provider that was not maintaining proper attendance records, but did not make the proper referrals to the DHSS and training providers. DSS personnel completed both referrals after we discussed the issues with them.

The training referral letters contain conflicting information. One clause states the training is mandatory. Another clause states if the provider does not attend training and concerns are noted on a follow up review, the DSS may terminate the provider's contract. CCRT policy allows 45 days for the provider to schedule training after issuance of the first referral letter. If the provider does not respond, the DSS issues a second letter allowing the provider 10 days to respond. If the provider does not respond, the DSS will recommend terminating the provider's registration agreement. Termination procedures require at least another 30 days for the DSS to obtain necessary approvals and notify the parents of all children in the provider's care to choose a new provider. Section 210.027, RSMo, allows the DSS to terminate the registration of child care provider for "due cause."

Termination of providers and training referrals

The DSS did not always terminate provider registration timely for providers that did not attend required training. The DSS referred 596 providers to attendance and payment accuracy training during fiscal year 2014. As of June 30, 2014, the DSS reported 28 providers (5 percent) had not scheduled or completed the training. The DSS has only finalized a recommendation for termination for 12 of these providers. We also noted 7 of 33 applicable providers that had not attended training are scheduled for training, or are still within the 55 days allowed to complete training.

Timing of visits

The CCRT performed some visits when children were not present. The CCRT performed all provider site visits on weekdays during standard working hours, even though some providers reviewed offered extended evening and weekend hours. Additionally, for 18 of 58 applicable providers (31 percent) there were no children recorded as present at the time of the visit. CCRT personnel completed their reviews without attempting additional visits to these providers. Such reviews minimize the chance the CCRT will detect some types of regulatory violations including unlicensed providers caring for more than the allowed 4 unrelated children.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

License exempt providers

During fiscal year 2014 the CCRT identified 15 providers potentially violating state law by caring for more than 4 unrelated children, referred these providers to the DHSS as appropriate, but did not suspend further payments. In addition, there may be additional providers in violation the CCRT did not identify due to weaknesses in procedures.

When the CCRT visits a FOL provider the team attempts to verify if the provider is caring for more than four unrelated children in violation of state law; however, as noted above, procedures are limited. The reviewer attempts to observe how many children are present and discusses with the provider whether other children are enrolled but not present. The reviewer also discusses how many of the children enrolled are related to the provider within the third-degree. The CCRT has no other procedures in place to verify the provider's statements. When the DHSS reviews a complaint that a provider may be operating in violation of state law, it requires the provider submit parental contact information for all children in care and the DHSS interviews parents to verify the child's relationship to the provider. The DHSS also provides parents with information on state licensing requirements for child care providers.

Attendance records and claims

The CCRT allows providers to submit attendance records after the review if records are unavailable or cannot be located at the time of review. In addition, the DSS did not always properly calculate the total overpayment. Allowing providers to submit attendance records after the on-site review increases the risk providers may falsify attendance records before submission. Prior to each visit, the CCRT notifies providers which months may be selected for review and a reviewer will request 2 months of records upon arrival.

For 14 of 31 applicable providers (45 percent) the DSS did not determine the proper claim amount. The DSS determined total claims of \$4,045; however, we determined total claims of \$3,917, a difference of \$128. While the dollar amount of the difference is minimal, the number of incorrect claims may indicate a lack of understanding of child care payment calculations that could result in larger dollar errors in other cases.

Sampling methodology

CCRT personnel do not adequately document compliance with established sampling methods. Per CCRT procedures, personnel randomly select 2 months of attendance records and invoices for a specified number of children to review. While CCRT reviewers clearly documented the children reviewed, they did not document how the number of children reviewed complied with the established sampling policy.

Improvements

The DSS has revised procedures since the inception of the CCRT. Officials indicated they continually monitored the progress and outcome of reviews and have adjusted procedures to improve efficiency. For example, the CCRT originally referred providers to the DSS Child Care Provider Relations Unit (CCPRU) to determine overpayment claim amounts when a



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

child's attendance records differed from the invoice submitted for payment. In an effort to reduce processing time and improve consistency, the CCRT assumed these duties in May 2014.

Officials indicated the high volume of reviews completed initially resulted in a backlog of follow-up tasks and steps have been taken to reduce the time between the review and follow-up tasks. Officials also indicated they are currently developing a computer system that will allow the CCRT to better track reviews scheduled, completed, and follow-up actions due.

Conclusion

Monitoring procedures should be designed to ensure deficiencies are corrected timely and adequately. Without adequate provider review procedures in place there is an increased risk contractor noncompliance will not be detected or corrective action taken.

Recommendations

The DSS:

- 4.1 Continue to review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow up on errors identified. Additionally, the DSS should improve controls and procedures to ensure child care providers are in compliance with state licensing requirements.
- 4.2 Continue to improve CCRT policies and procedures to ensure provider reviews are complete, accurate, and include timely and appropriate follow-up actions that include terminating noncompliant providers from the program.

Auditee's Response

The DSS provided the following written responses:

- 4.1 *The DSS continues to review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. The Children's Division (CD) and the Family Support Division (FSD) hold quarterly quality improvement meetings. The CCRT has been implemented to monitor child care providers, both onsite and off. The FSD continues to work on enhancing document retention efforts. Additional efforts are as follows:*

FSD Reorganization and the Missouri Eligibility Determination Electronic System (MEDES) implementation - *The FSD continues to move forward with transitioning from a case management approach to a tasked based approach with specialized offices; for example*



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

housing child care eligibility with TANF in one or more locations. The continued development of the MEDES will allow for a task based approach which results in greater efficiencies in the processing of program eligibility applications.

Early Childhood and Prevention Services - The CD has restructured the Early Childhood and Prevention Section by streamlining functions based on division responsibilities. As of August 2014, the Division of Finance and Administrative Services (DFAS) is responsible for the oversight and processing of child care provider payments. This change will afford CD more time to concentrate on the substantial changes resulting from the Child Care Development Block Grant of 2014.

Child Care Electronic Provider System - The CD issued a Request for Information to gather information regarding available Business Intelligence Solutions that would provide the Department of Social Services with a comprehensive and time efficient system for the administration of the child care program. A Request for Proposal (RFP) will be issued seeking proposals for a system that will include:

- A child care provider registration and tracking system.*
- An electronic time and attendance system for all providers statewide.*
- A child care review system for the purpose of executing and managing a compliance monitoring process for the child care program.*

Child Care Review Team - In August 2013, the DSS hired four staff to conduct compliance reviews of child care providers. The CCRT uses a risk based monitoring approach to detect providers who are at high risk of non-compliance. This process has created opportunities for identification of deficiencies in child care providers' performance, and a process to hold them accountable for the requirements of their contract/registration agreement. As of October 2014, the DSS has conducted more than 1,400 onsite reviews of child care providers.

Case Review Tool - A child care component to the FSD Case Review System (CRS) was implemented in March 2012. The CD is utilizing output reports from the CRS to identify programmatic strengths and challenges and areas for policy, field and training improvement. The output reports for fiscal year 2014 have been reviewed and indicate a 94.56 percent accuracy rate statewide.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

A Program Development Specialist (PDS) completes second level reviews on randomly selected cases reviewed by Eligibility Specialist (ES) supervisors and compiles a quarterly list of critical areas for ES supervisors to focus on during the case review process. A statewide analysis is provided to FSD leadership on a quarterly basis. This analysis outlines areas for improvement.

Casework Reference Guide - *The FSD Training Unit, in collaboration with Child Care Program and Policy staff, developed a Case Reference Guide (CRG) for FSD workers. The CRG is an informational tool that can be utilized by workers when processing applications and completing other case actions. The CRG does not replace the policy and forms manuals. It is intended to be an additional resource for workers. Workers are to use this guide in conjunction with the policy and forms manuals and memorandums. The CD is updating the CRG.*

Child Care Manual Revisions - *Early Childhood and Prevention Services program and policy staff is continually reviewing the child care manual for clarification and revision.*

<i>Calendar Year</i>	<i>Policy Memorandum Updates By Section</i>	<i>Practice Points/Alerts</i>
<i>2011</i>	<i>40</i>	<i>5</i>
<i>2012</i>	<i>82</i>	<i>1</i>
<i>2013</i>	<i>10</i>	<i>4</i>
<i>2014</i>	<i>5</i>	<i>2</i>

Child Care Steering Committee - *During the summer of 2012, the DSS formed a steering committee to address child care issues. From this initiative there were four project teams designated to identify deficiencies and problematic areas within the Child Care program: Eligibility, Provider Issues and Policy/Payments, Program Integrity, and Information and Systems Technology. Each team made five or six recommendations related to the team's assigned area. The DSS continues to implement the recommendations made by this committee.*

- 4.2 *Corrective Action* - *The CCRT was established and began onsite reviews of child care providers in September 2013. The DSS completed more reviews than originally anticipated, which resulted in extensive follow-up work. As the CCRT has evolved, the DSS has strengthened procedures, has made several adjustments to the follow-up review process, and is addressing the need for reassigning resources. There is currently no automated system for tracking and managing the reviews conducted by CCRT staff. The*



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

DSS is developing a RFP for a child care system that includes a component for an automated tracking and management system for CCRT reviews.

It is important to note that the CCRT is working with a finite number of resources; the team's focus and workload is prioritized using data analytics from the child care subsidy caseload to inform reviews.

Referrals - The review of the one provider that was not appropriately referred to the DHSS took place during the second week of reviews performed by the new CCRT staff. The referral process was still under development and CCRT staff was still working with DHSS on what items should be referred. The DSS has strengthened the referral process to the DHSS and meets with DHSS staff regularly to review the status of referrals.

As the CCRT has evolved, the DSS has strengthened procedures, has made several adjustments to the follow-up review process, and is addressing the need for reassigning resources. These changes have resulted in more efficient and timely notifications of necessary corrective actions to non-compliant providers.

Termination of providers and training referrals - As the CCRT has evolved, the DSS has strengthened procedures; has made several adjustments to the follow-up review process; and is addressing the need for reassigning resources. An improved process has been implemented to ensure appropriate and timely follow-up actions are taken. The DSS has also developed a new process for termination of child care provider contracts due to the provider not attending the required training.

Timing of visits - The CCRT does determine the hours the children are typically in care and makes every effort to conduct the visits while children are present. However, the reviews are scheduled in advance and CCRT does not cancel the review if the team arrives onsite and no children are present. A majority of the review can be conducted regardless of whether children are present at the time of the review (i.e. collection of financial records, determining whether there is a fire extinguisher and smoke detector).

License exempt providers - Child Care providers are not contractually required to maintain relationship information. The CCRT staff focus is on provider compliance. CCRT staff conduct child care provider reviews and not reviews of client eligibility. When CCRT staff conduct a review and become aware that the



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

provider is caring for more than 4 unrelated children, a referral is made to the DHSS for further investigation.

Attendance records - *A majority of the time child care providers are notified in advance of the months that may be selected for review. Thus, regardless of whether the provider is able to provide the documentation on the day of the visit or 10 days later, there is still risk that providers may falsify attendance records before submission. The child care provider contract indicates providers must make records available, and does not say "on the date of the visit." Thus, the DSS cannot disregard records submitted after the visit, nor can we assume the records are falsified if they are not submitted on the day of the visit. It is the goal of the CCRT to help ensure licensed/contracted and registered providers are in compliance. With approximately 7,000 licensed/contracted and registered child care providers and only four staff conducting these reviews, it is necessary for CCRT management to be thoughtful and intentional about how resources are spent and the focus of compliance reviews.*

Claims - *In April 2014, DFAS and CD management evaluated original CCRT procedures for calculating claims. From that evaluation, a decision was made that the CCRT staff detecting the billing discrepancy would calculate the claim rather than sending the documentation to CD to calculate a claim. This change was effective May 2014. The DSS believes this change will reduce instances of calculation errors.*

Sampling methodology - *The CCRT management developed preliminary procedures and testing methodology to conduct onsite reviews. These procedures and the testing methodology are not policy and are subject to change as more reviews are conducted and additional experience is obtained. The CCRT followed the procedures established in all instances tested by the SAO. It was not necessary to document the calculation used to determine how many children's records CCRT should review for each child care provider; as the documentation existed to show how many children's records were reviewed.*

5. DSS Monitoring

DSS procedures for detecting duplicated billings between the Early Head Start (EHS) and Child Care Assistance program need improvement. In addition, monitoring and eligibility verification procedures for the Home Visitation (HV) and EHS programs are inadequate.

5.1 EHS and Child Care Assistance programs

The DSS has not established adequate procedures to detect child care providers billing the same child care services to both the EHS and Child



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

Care Assistance programs. While both programs are designed to provide child care for low income recipients, the eligibility determinations are handled by different entities.

The EHS program is designed to increase capacity for low-income children at licensed child care providers. Each contractor's grant funding is based on the budgeted cost of operating the program and is not dependent on a child's actual attendance. The Child Care Assistance program reimburses child care providers for the actual hours a child is in care. EHS program contractors determine a family's eligibility for the EHS program and the DSS determines a family's eligibility for the Child Care Assistance program.

The DSS has not implemented a data match or other procedures to determine whether child care providers have billed both programs for the same services. Officials attempted a data match procedure in 2012 but due to staff turnover the DSS abandoned this procedure. To complete a data match the DSS would need to collect detailed information on the children and providers who are participating in the EHS program for each contractor. Without performing a detailed data match the DSS cannot determine whether providers are billing the same child care services to both programs.

According to contract provision 2.8.10, the contractor shall ensure that no child enrolled in the EHS program is accessing Child Care Assistance funds. However, the contract does not describe how contractors should ensure this requirement is met and EHS contractors do not have access to DSS systems to verify whether a child is participating in the Child Care Assistance program. Without proper controls and procedures in place the DSS cannot be assured that duplicate payments do not occur.

5.2 Contractor monitoring

DSS procedures for contractor monitoring are inadequate. We reviewed the most recent monitoring reports for five early childhood contractors and identified several weaknesses.

Home Visitation monitoring

Monitoring procedures for the HV program are not adequate to detect noncompliance and do not include a documented review of home visit records or the type and frequency of services offered. The DSS also does not use available reports to determine if the number of families reported as receiving services is accurate.

The DSS does not compare the monthly report to completed visit records to verify that families billed actually received services. Additionally, the DSS does not evaluate whether the frequency and type of services offered is consistent with the home visitation model. The DSS requires each contractor to submit a monthly report identifying the families enrolled and the families who received services during the month. Prior to processing payments, DSS personnel compare this report to the number of families billed. Additionally, the DSS expects each contractor to maintain a record of home/personal



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

visits detailing services provided, curriculum, family goals and progress toward meeting those goals, learning materials used by or distributed to the family, observations, and other details.

We visited two school districts in May 2014 to review eligibility determination, service delivery documentation, and financial procedures for the HV program. One district did not maintain adequate documentation to support services performed and billed. Additionally, the home visit records did not include dates of visits and little to document the activities district personnel performed during each visit.

An October 2013 desk monitoring review of the district identified errors with background checks but did not identify problems with documentation or eligibility. In addition, the review did not include a verification of visits performed by the contractor. As a result, after the district resolved issues with staff background checks, the DSS notified the contractor it was considered compliant. However, based on the results of our May 2014 visit, the desk monitoring review did not detect various noncompliance issues existing at the district.

Early Head Start monitoring

The DSS has not established procedures to monitor assets purchased by EHS contractors with program funds. The program monitoring instruments do not include a review of asset purchases, utilization, or dispositions. For example, one contractor budgeted about \$15,000 to purchase playground equipment and \$50,000 to purchase two new vehicles during fiscal year 2014 (about 10 percent of the total funding awarded to this contractor). This contractor also budgeted about \$8,000 to purchase iPads and related software during fiscal year 2013. While the contractor explained the need for these items in the budget approved by the DSS, it is not clear how the contractor will ensure these assets are used only for the benefit of the EHS program and the DSS does not have procedures to review usage. In addition, contract terms do not specify procedures for the DSS to recover the supplies and equipment in the event the contractor discontinues participating in the EHS program. Without proper monitoring procedures the DSS cannot be assured these assets are properly accounted for and continue to be used for the program's benefit.

Monitoring instruments

DSS monitoring instruments do not include a methodology for determining how many files should be reviewed for the HV and EHS programs. DSS evaluators use standard monitoring tools to review samples of family files to verify contractors meet eligibility and other requirements. Evaluators also review personnel files to ensure the contractor's employees meet educational and background check requirements. Officials indicated their policy is to review 10 percent of family files and 100 percent of employee files; however, this standard is not included in written policies or procedures and reviewers do not document how many or which files they reviewed. This



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

selection method does not consider the size of the population or risk factors, such as previous noncompliance.

Conclusions

Monitoring procedures should be designed to ensure deficiencies are corrected timely and adequately, include a review of assets to ensure proper usage, and include a documented methodology for determining sample sizes that considers population size and risk. Without adequate procedures in place there is an increased risk contractor noncompliance will not be detected or corrective action taken.

5.3 Participant eligibility

The DSS does not require EHS and HV contractors to document eligibility decisions or adequately verify eligibility of participating families. For one of two districts we visited, our review of district files identified the district had not documented the family eligibility determinations. An October 2013 DSS desk monitoring review of this district did not include an examination of eligibility decisions and did not identify issues with eligibility.

Both the HV and EHS programs have eligibility criteria that must be met by participating families. For both programs, the family's household income must be less than 185 percent of the federal poverty level and the child must be under the age of 3. The DSS contract requires the HV contractor use a DSS intake and eligibility form or a form prescribed by the home visitation model. The DSS form does not require the family to submit copies of birth certificates, wage stubs, or other proof of eligibility. There are no requirements for documentation of eligibility decisions in the EHS contracts. DSS officials indicated EHS contractors would generally follow the same procedures for documenting eligibility of state EHS children as they use for documenting eligibility for federal programs.

The DSS requires contractors report certain data on participating families each month including name, date of birth, and the parent's or guardian's departmental client number (DCN), if known. The DCN is the identification number assigned by the DHSS or the DSS, depending on age and birthplace. According to DSS officials, the contractor can obtain the DCN number for the parent or guardian directly from the family or from the DSS.

Officials at both HV contractors we visited indicated the existence of a DCN was sufficient to verify income eligibility for some families because they believed a family with a DCN indicated the DSS has already determined eligibility. However, an individual DCN is permanently assigned, and does not provide evidence the family is currently eligible for HV services. In addition, contractors often submit monthly reports that do not contain DCNs for some families. Without proper controls in place the DSS cannot be assured families receiving services are eligible.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

Recommendations

The DSS:

- 5.1 Implement procedures to detect child care providers billing the same child care services to both the EHS and Child Care Assistance programs.
- 5.2 Implement monitoring procedures to verify services performed, ensure purchased assets continue to be used for program activities, and ensure sampling methodologies and decisions are properly documented. Additionally, develop procedures to recover the supplies and equipment purchased in the event the contractor discontinues participating in the EHS program.
- 5.3 Require contractors to retain proper documentation to support eligibility decisions and adequately verify participant eligibility. In addition, a review of eligibility decisions and documentation should be included in program monitoring.

Auditee's Response

The DSS provided the following written responses:

- 5.1 *The DSS will complete a risk assessment to identify providers that may be at a higher risk for possible duplication. The DSS will then use the information gathered during the risk assessment to conduct quarterly reviews of possible duplicate payments. The DSS is developing a RFP that includes a component to detect possible duplicate payments.*
- 5.2 *The DSS continues to review and update monitoring plans to enhance monitoring efforts of the HV and EHS programs. This includes conducting risk assessments of all programs and improving monitoring tools with each new contract year. The DSS will follow contract language in the event the need for recovering supplies and equipment is required.*
- 5.3 *The DSS will provide technical assistance to contractors to ensure documentation of participant eligibility is complete, accurate and available for review during the monitoring process. The DSS will do a review of eligibility decisions and documentation during the monitoring process.*

6. Statutory Compliance

ECDEC Fund appropriations, passed by the General Assembly and signed by the Governor for fiscal years 2015 and 2014, were about \$7,850,000 less than amounts required by state law. In addition, as noted in our prior audit report, amounts appropriated for fiscal year 2013 also did not comply with state law.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

The General Assembly did not appropriate enough monies in fiscal years 2015 or 2014 budgets to various programs operated by the DSS to meet statutory requirements. Section 161.215, RSMo, requires the General Assembly to appropriate at least 10 percent of fund revenues to the Early Head Start (EHS) program, 10 percent to Accreditation, and 10 percent to the Home Visitation (HV) program. The table below shows the amounts required by law, amounts actually appropriated, and the amounts of noncompliance.

Fiscal year 2015 and 2014 annual
DSS appropriations with 10 percent
requirements

Program	10 Percent Requirement ¹	Amount Appropriated	Shortage
EHS	\$ 3,500,000	\$3,500,000	0
Accreditation	3,500,000	0 ²	3,500,000
HV	3,500,000	3,074,500	425,500
Total	\$ 10,500,000	6,574,500	3,925,500

¹ The required amount is based on 10 percent of at least \$35 million required by Section 161.215.1, RSMo, to be appropriated to the ECDEC Fund.

² For both fiscal years, the General Assembly appropriated \$2,676,737 to the DSS from the ECDEC Fund for the purchase of child care services. This appropriation can be used for payments to child care providers through the Child Care Assistance program, including a 20 percent increase for accredited child care providers.

To ensure amounts appropriated comply with state law, the DSS should work with the General Assembly to ensure required amounts are appropriated or existing statutes are revised.

A similar condition was noted in our prior audit report on the ECDEC Fund.

Recommendation

The DSS work with the General Assembly to ensure future appropriations are in compliance with state law.

Auditee's Response

The DSS provided the following written response:

The General Assembly has the authority to appropriate funds for the programs referenced in this finding without a request from the DSS.

7. Cost Allocation Transfers

Central services cost allocation transfers made by the OA from the ECDEC Fund to the General Revenue Fund continue to appear questionable based on legal restrictions. In addition, while the OA made changes to its procedures in response to a 2010 State Auditor's office report, current procedures still do not require personnel to document reasons for including a fund in the cost allocation plan. The OA transferred \$457 and \$398,850 from the ECDEC Fund for a portion of central services costs during the years ended June 30, 2014 and 2013, respectively.



Early Childhood Development, Education, and Care Fund Management Advisory Report - State Auditor's Finding

Central services are services provided to other state agencies by state offices including the OA, State Auditor, Secretary of State, Attorney General, Capitol Police, and Department of Revenue. Examples of central services costs allocated include accounting services, facilities management, technology services, budget and planning, personnel, and purchasing services provided by the OA; audits performed by the State Auditor's office; and the administration of revenue and taxation duties by the Department of Revenue.

Report No. 2010-29, *Central Services Cost Allocation Plan*, issued in March 2010, questioned the propriety of some cost allocation transfers, including those from the ECDEC Fund based on statutory language limiting the fund's use. Section 161.215, RSMo, states all moneys in the ECDEC Fund ". . . shall be annually appropriated for voluntary, early childhood development, education and care programs serving children in every region of the state not yet enrolled in kindergarten."

The OA changed cost allocation procedures in response to that report and made additional changes in 2014. Following the 2010 audit report, the OA began utilizing a decision tree to perform an annual review of statutory language for all funds. The OA classifies the ECDEC Fund as a fund with "sole purpose language" that allows the inclusion of expenditures related to administrative functions, including cost allocation plan transfers, necessary to implement the purpose of the fund. The OA decision tree does not include support for the OA's interpretation that "sole purpose language" allows for administrative expenditures such as central services cost allocation transfers.

Beginning in fiscal year 2014, the amount allocated from each fund is based on that fund's revenues as a percentage of total state revenues, rather than a percentage of expenditures, and revenues from appropriated transfers are exempt from the calculation. OA officials indicated the reduction in cost allocation transfers from the ECDEC Fund for fiscal year 2014 is a temporary reduction due to the methodology and funding source change. The fiscal year 2014 transfer from the ECDEC Fund is based on fiscal year 2012 revenues, the majority of which consisted of appropriated transfers from the Gaming Fund that are now exempt from the cost allocation calculation. Fiscal year 2015 and future cost allocation transfers will be calculated based ECDEC revenues from the Master Tobacco Settlement which are not exempt.

If the OA intends to continue making transfers from the ECDEC Fund, clear and sufficient legal basis for doing so should be documented.

A similar condition was noted in our prior audit of the ECDEC Fund.



Early Childhood Development, Education, and Care Fund
Management Advisory Report - State Auditor's Finding

Recommendation

The OA review the legal basis for including the ECDEC Fund in the cost allocation transfer and document specific reasons why the transfer is allowable.

Auditee's Response

The OA provided the following written response:

One component of the Office of Administration's (OA) analysis model that is used to determine if a fund should be included or excluded from the cost allocation plan is a review of the statutory authorization of the fund. Programs established in statute could not function without the associated administrative costs and those administrative costs are part of the cost of the program. Therefore, unless the statute specifically prohibits use for a fund for administrative purposes, it is assumed that administrative expenses are permitted. This is consistent with the legislative process that annually appropriates the authority to charge funds for central administrative costs. The ECDEC Fund statute (Section 161.215, RSMo) authorizes funding of programs, those programs require administrative costs in order to function, the annual cost allocation transfer that is appropriated by the legislature acknowledges those costs, and the ECDEC Fund statute does not prohibit use of the fund for administrative purposes.

Early Childhood Development, Education, and Care Fund

Organization and Statistical Information

The General Assembly created the Early Childhood Development, Education, and Care (ECDEC) Fund in 1998 under Section 161.215, RSMo. In accordance with Section 161.215.1, RSMo, at least \$35 million of proceeds from the Master Tobacco Settlement agreement are to be deposited to the ECDEC fund annually. All revenues are to be used to support programs that prepare pre-kindergarten age children to enroll in kindergarten and annually appropriated for voluntary programs serving children in every region of the state.

The General Assembly appropriates ECDEC funds annually to the Department of Social Services (DSS) Children's Division, and Department of Elementary and Secondary Education (DESE) Office of Early and Extended Learning and Office of Special Education. In addition, the Department of Health and Senior Services (DHSS) Division of Regulation and Licensure, receives approximately \$270,000 in annual appropriations for costs related to child care licensure and regulation.

The ECDEC funded programs at the DESE for the 2 years ended June 30, 2014, are as follows:

- Missouri Preschool Program - This program promotes high quality early care and education in early childhood facilities statewide. The program provides funding to public schools and private early childhood centers that offer educational instruction for children 1 to 2 years from kindergarten eligibility.
- First Steps - This program is an early intervention system for infants and toddlers, birth to age 3, who have delayed development or diagnosed conditions that are associated with developmental disabilities. The program is governed through Part C of the federal Individuals with Disabilities Education Act (IDEA). The First Steps program helps families improve their child's development, learning, and participation in family and community life as prescribed in the Individualized Family Service Plan.
- Parents as Teachers - This program serves families who are expecting a child or have children under the age of kindergarten entry providing family personal visits, group connections, developmental screenings and access to community resources. These services are provided by trained parent educators to help support parents in their role as their child's first teacher. Each school district is provided with an allocation to provide services for eligible families.
- Early Childhood Special Education - This program serves children ages 3 to 5. It is governed through Part B of the federal IDEA. Each public school district is responsible for serving children identified as eligible under criteria outlined in the Missouri State Plan for Special Education.



Early Childhood Development, Education, and Care Fund Organization and Statistical Information

Children are provided with specially designed instruction, at no cost to the parent, to meet the unique needs of a child with a disability as identified in the Individualized Education Program. Children may also receive developmental, corrective, and other supportive services as required to assist the child to benefit from special education.

The ECDEC funded programs at the DSS for the 2 years ended June 30, 2014, are as follows:

- Early Head Start - This program serves families with children birth to age 3 and expectant mothers whose incomes are below 185 percent of the federal poverty level. Services offered include child care, parent education and support, developmental screenings, access to a medical home, support toward attaining family self-sufficiency, and mental health services including substance abuse counseling. Although the program was ongoing, the program was not funded by the ECDEC Fund for fiscal year 2013.
- Home Visitation - This program offers assistance, including building on existing resources in the community, to eligible parents whose family income does not exceed 185 percent of the federal poverty level. The program serves children less than 3 years of age and is designed to prevent child abuse and neglect, promote positive brain development, and improve school readiness.
- Child Care Assistance - This program assists eligible parents or guardians with the costs of child care on a sliding fee basis. The purpose of the program is to provide adequate child care and enable families to gain employment and remain employed.

Appendix A

Early Childhood Development, Education, and Care Fund

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2014	2013
RECEIPTS		
Master Tobacco Settlement	\$ 35,000,000	35,000,000
Interest	37,550	39,772
Refunds and other	14,305	16,815
Total Receipts	<u>35,051,855</u>	<u>35,056,587</u>
DISBURSEMENTS (by agency)		
Elementary and Secondary Education	21,271,153	19,918,766
Social Services	6,028,407	4,977,762
Health and Senior Services	252,161	259,905
Office of Administration	6,510	7,850,404
Total Disbursements	<u>27,558,231</u>	<u>33,006,837</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE TRANSFERS	<u>7,493,624</u>	<u>2,049,750</u>
TRANSFERS		
Transfers from:		
Gaming Commission Fund	0	367,185
Budget Reserve Fund	360,400	362,578
Transfers to:		
Budget Reserve Fund	(360,622)	(362,804)
OA-Cost Allocation	(457)	(398,850)
Fringe benefits and other	(97,595)	(93,771)
Total Transfers	<u>(98,274)</u>	<u>(125,662)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	7,395,350	1,924,088
CASH AND INVESTMENTS, JULY 1	<u>6,803,805</u>	<u>4,879,717</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 14,199,155</u>	<u>6,803,805</u>

Appendix B

Early Childhood Development, Education, and Care Fund
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION						
Early Childhood Special Education	\$ 7,412,900	7,412,900	0	14,357,481	14,357,481	0
Early Childhood Program (Missouri Preschool Program)	11,754,429	8,296,968	3,457,461	0	0	0
First Steps	578,644	561,285	17,359	578,644	561,285	17,359
Parents as Teachers	5,000,000	5,000,000	0	5,000,000	5,000,000	0
Total Department of Elementary and Secondary Education	24,745,973	21,271,153	3,474,820	19,936,125	19,918,766	17,359
DEPARTMENT OF SOCIAL SERVICES						
Childhood Development (Early Head Start)	3,500,000	3,332,634	167,366	0	0	0
Childhood Development Certificate (Home Visitation)	3,074,500	2,695,195	379,305	3,074,500	2,380,687	693,813
Purchase of Child Care	2,676,737	0	2,676,737	2,676,737	2,596,435	80,302
Personal Service	45,135	0	45,135	44,863	0	44,863
Expense and Equipment	11,548	0	11,548	11,548	0	11,548
State-Owned Facilities	666	578	88	660	640	20
Total Department of Social Services	9,308,586	6,028,407	3,280,179	5,808,308	4,977,762	830,546
DEPARTMENT OF HEALTH AND SENIOR SERVICES						
Personal Service	212,172	205,753	6,419	210,749	204,424	6,325
Expense and Equipment	57,197	46,408	10,789	57,197	55,481	1,716
Total Department of Health and Senior Services	269,369	252,161	17,208	267,946	259,905	8,041
OFFICE OF ADMINISTRATION						
Early Childhood Program (Missouri Preschool Program)	0	0	0	8,312,848	7,679,093	633,755
Personal Service	1	0	1	1,511	1,263	248
Expense and Equipment	23,849	6,510	17,339	183,849	170,048	13,801
Unemployment Benefits	261	0	261	261	0	261
Total Office of Administration	24,111	6,510	17,601	8,498,469	7,850,404	648,065
Total Early Childhood Development, Education, and Care Fund	\$ 34,348,039	27,558,231	6,789,808	34,510,848	33,006,837	1,504,011

Appendix B

Early Childhood Development, Education, and Care Fund Comparative Statement of Appropriations and Expenditure

The lapsed balances include the following withholdings made at the Governor's request

	Year Ended June 30.	
	2014	2013
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION		
First Steps	\$ 17,359	17,359
DEPARTMENT OF SOCIAL SERVICES		
Childhood Development (Early Head Start)	105,000	0
Childhood Development Certificate (Home Visitation)	92,235	92,235
Purchase of Child Care	80,302	80,302
Personal Service	1,354	1,346
Expense and Equipment	346	346
State-Owned Facilities	17	20
DEPARTMENT OF HEALTH AND SENIOR SERVICES		
Personal Service	6,365	6,322
Expense and Equipment	1,716	1,716
OFFICE OF ADMINISTRATION		
Early Childhood Program (Missouri Preschool Program)	0	249,385
Personal Service	0	45
Expense and Equipment	715	715
Total Early Childhood Development, Education, and Care Fund	\$ 305,409	449,791

Appendix C

Early Childhood Development, Education, and Care Fund Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	\$ 205,752	205,687	243,257	243,681	251,969
Travel, in-state	30,239	36,283	10,010	0	1,399
Travel, out-of-state	233	0	257	0	301
Supplies	4,551	7,114	2,592	1,073	2,463
Professional development	1,650	298	0	0	0
Communication service and supplies	7,352	611	131	11,755	0
Services:					
Professional services	34,558	159,669	15,898	5,390	54,698
Maintenance and repair	526	9,866	5,844	23,053	13,176
Equipment:					
Computer	0	2,695	526	28,700	21,467
Office	0	8,609	0	4,713	0
Other	15,935	114	0	0	0
Building lease payments	1,410	640	883	659	603
Miscellaneous expenses	8,744	268	0	0	47
Program distributions	27,247,281	32,574,983	28,668,573	29,044,224	28,975,717
Total Expenditures	\$ <u>27,558,231</u>	<u>33,006,837</u>	<u>28,947,971</u>	<u>29,363,248</u>	<u>29,321,840</u>



Thomas A. Schweich

Missouri State Auditor

St. Joseph School District



February 2015
Report No. 2015-006

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the St. Joseph School District

District Compensation	The St. Joseph School District's use of its existing salary schedules and stipend system has resulted in a confusing, inconsistently applied, and poorly documented system of compensation. Salary schedules were not complete or always properly approved, there were no salary schedules for some classes of employees, and the district did not have adequate documentation to support some employees' placement and advancement on respective salary schedules. The district failed to establish adequate policies and procedures regarding stipends, does not maintain adequate documentation of the stipend amounts paid to employees, and the School Board does not approve most stipends given to employees. Stipend payments totaled \$3.8 million for the 2013-2014 school year. In addition, some additional compensation appears questionable and unnecessary, and the district is not complying with its overtime policies.
Payroll Procedures, Records, and Policies	The district has not established adequate segregation of duties or supervision over payroll functions and some employees do not sufficiently review or maintain up-to-date time records. Documentation and reporting of post-retirement employment activities need improvement, the district does not have policies regarding related employees, and the School Board does not adequately safeguard electronic signatures. Also, personnel records are not complete, the district does not monitor personal use of a district vehicle, and the district does not have a policy regarding vacation leave payouts to retired employees.
Summer School Funding	The district inaccurately reported 2014 and 2013 summer school attendance to the Department of Elementary and Secondary Education, resulting in an overpayment of state aid totaling approximately \$3.5 million.
Financial Condition	The district reduced budgeted expenditures for the 2013-2014 school year due to reductions in state funding. In addition, the district's questionable expenditures and other financial obstacles could result in a decline of the district's financial condition.
Bonds	The district is not complying with the requirements of the Qualified Zone Academy program, is not reporting bond compliance as required, and sold \$31,870,000 of general obligation bonds in 2012 and 2013 through negotiated instead of competitive sales.
Procurement Procedures and Construction Projects	The district did not bid, obtain quotes or document sole source justification for several large purchases, has not established comprehensive policies for procuring professional services, and did not procure engineering services for projects in 2012 and 2014 as required by law. In addition, the district did not competitively bid the district's solar panel project, and does not maintain complete project files.
Contracts	The district does not always monitor contracts effectively, enter into written contracts timely or when appropriate, and did not obtain statutorily required affirmations from five service providers attesting to their participation in the E-Verify program and that they did not knowingly employ unauthorized aliens.
Disbursements	District officials do not present a list of bills paid to the Board for review and approval and made several questionable disbursements. In addition, the

	district does not have a written policy regarding its alternative certification program
Purchasing Cards	The district does not monitor or limit purchasing card monthly cycle limits and did not detect some inappropriate purchases.
Cell Phones, Tablets, and Internet Service	The district unnecessarily provided free Internet service to several individuals, did not adequately monitor cell phone use, and does not have a consistent policy regarding personal use of district electronic devices.
Capital Assets	The district does not maintain complete and accurate records of capital assets and does not perform periodic physical inventories. The district's independent CPA reported similar issues in its fiscal year 2013 audit.
Fuel Use and Controls	The district does not bid fuel purchased for district-operated vehicles and buses, does not periodically reconcile fuel purchased to fuel used, and does not periodically recalibrate fuel pumps.
Sunshine Law	The School Board did not always comply with the Sunshine Law and held numerous improper closed meetings.
Computer Controls	The district does not require employees to change their passwords on a periodic basis, does not periodically test its backup data, and has not developed a disaster recovery plan to ensure it can promptly restore computer operations in the event of a disaster or other disruptive event.
Restricted Funds	District officials could not locate original documents supporting donor gifts and related fund restrictions, and the district's business office does not maintain all restricted funds designated for scholarships.
School Stores	School personnel that supervise district middle and high school stores do not periodically reconcile inventory on hand to sales made, and do not reconcile daily sales records to deposits.
Internal Audit	The district's Internal Auditor did not report directly to the School Board, was not independent of all activities audited, and did not perform an annual risk assessment, or develop an annual audit plan. In addition, the Internal Auditor did not always perform follow-up work on recommendations or prepare written reports when this occurred.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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St. Joseph School District

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. District Compensation.....4
	2. Payroll Procedures, Records, and Policies 14
	3. Summer School Funding 20
	4. Financial Condition 22
	5. Bonds..... 23
	6. Procurement Procedures and Construction Projects..... 26
	7. Contracts..... 31
	8. Disbursements 34
	9. Purchasing Cards..... 37
	10. Cell Phones, Tablets, and Internet Service 40
	11. Capital Assets 42
	12. Fuel Use and Controls 43
	13. Sunshine Law 44
	14. Computer Controls 46
	15. Restricted Funds 48
	16. School Stores..... 49
	17. Internal Audit 50

Organization and Statistical Information	53
---------------------------------------------	----



THOMAS A. SCHWEICH

Missouri State Auditor

To the Board of Education
St. Joseph School District

The State Auditor conducted an audit of the St. Joseph School District under authority granted in Section 29.205, RSMo. We have audited certain operations of the district in fulfillment of our duties. The district engaged Westbrook & Co., P.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2014. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2014. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the St. Joseph School District.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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St. Joseph School District

Management Advisory Report

State Auditor's Findings

1. District Compensation

The St. Joseph School District's (district) use of its existing salary schedules and stipend system has resulted in a confusing, inconsistently applied, and poorly documented system of compensation. In addition, the district has not performed cost analyses or studies to determine whether hiring additional employees might be more cost effective than paying significant amounts of overtime to existing staff.

Annually, in accordance with School Board (Board) policy, the Director of Human Resources (HR) compiles approximately 20 salary schedules for similar positions (e.g. teachers, administrators/supervisors, etc.) and provides the schedules to the Board for approval in the spring prior to the upcoming school year. The HR Department then creates employment contracts based on the approved salary schedules. The Board approved the 2013-2014 school year salary schedules on April 8, 2013. Salary expenditures totaled approximately \$69 million for the 2013-2014 school year.

Employee contracted salaries are based on the employee's placement on the applicable salary schedule. Employee placement and advancement on district salary schedules is generally through step increases for service years, but may also include range increases due to educational degrees or certification levels achieved. According to district policy, an employee's initial salary schedule location is determined based on previous employment, experience, and academic training, including prior teaching experience outside the district. In addition, Board policy limits advancement for professional staff from one year to the next to one step (based on increase in service years) and one range (increase due to education or certification achieved) unless otherwise approved by the Board.

Employment contracts also incorporate additional compensation (salary beyond an employee's base pay or hourly wage). This compensation includes extra duty pay, travel allowances, some stipends, and/or other contracted payments. Typically extra duty pay is included in salary schedules approved by the Board and extra duty contracts are executed between the district and an employee for assuming these additional responsibilities. These extra duties include, for example, coaching district athletic teams, coordinating curriculum, and acting as department chairperson.

The district also provides stipends, which are payments beyond the base contract and extra duty pay. Most stipends are not approved by the Board or included in the salary schedule. Only longevity, new teacher orientation, graduation credit, lunch room supervisor, national board certified, and career stipends, as well as travel allowances, were included on the 2013-2014 salary schedule approved by the Board. The district payroll system includes at least 83 categories of stipend and extra duty payments.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

We reviewed 62 personnel files and related payroll expenditures for school years 2012-2013 and 2013-2014 and identified various concerns.

1.1 Salary schedules and employment contracts

Salary schedules were not complete or always properly approved and there were no salary schedules for some classes of employees. In addition, the district did not have adequate documentation to support some employees' placement or advancement on respective salary schedules.

Salary schedule approval

District officials did not provide the Board all salary schedules for approval. In addition, salary schedules provided to and approved by the Board were incomplete. The Director of HR did not provide salary schedules for Hillyard Technical Center (HTC) employees to the Board, and as a result, the Board did not approve the schedules. According to the HR office manager, the district maintains three different salary schedules for HTC employees but they were not included in the salary schedules originally approved by the Board. HTC salary schedules were eventually approved in September 2014. HTC salary expenditures totaled approximately \$2.3 million for the 2013-2014 school year.

In addition, there are no salary schedules supporting Parents as Teachers (PAT) educators' or summer school teachers' salaries. As a result, the Board only approved compensation for these employees in total through adoption of the district's annual budget for these programs. This process does not provide the Board information regarding the salaries paid for individual positions. PAT and summer school salary expenditures for the 2013-2014 school year totaled approximately \$332,000 and \$974,000, respectively.

Salary schedules clearly defining all compensation should be approved by the Board to ensure all employees are treated fairly and equitably and salaries are calculated consistently.

Salary schedule placement

The district's placement or advancement of some employees on applicable district salary schedules is not always adequately documented, in accordance with policy, or approved by the Board.

The following are examples of concerns noted during our review:

- The PAT Coordinator had no documented graduate credit hours, but received a salary according to the district's salary schedule requiring a Bachelors of Arts/Science degree plus 16 graduate credit hours in at least the 2012-2013 and 2013-2014 school years. The employee's personnel file did not contain documentation to support that she had obtained the 16 graduate credit hours and the district could not provide any additional support. The placement provided the PAT Coordinator an additional \$925 in annual compensation.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

- A math teacher without a master's degree received a salary during the 2008-2009 through 2011-2012 school years according to the district's teacher salary schedule requiring a master's degree. She did not obtain her master's degree until May 2012. Placement based on a master's degree resulted in approximately \$2,700 in additional annual compensation.
- Another math teacher's initial salary schedule placement in 2013 was not in accordance with policy. The teacher was hired with 24 years of experience from outside the district. She was placed on the teacher's salary schedule at step 24 and paid accordingly. However, district policy only allows a maximum of 15 years outside experience to be considered when determining the initial salary schedule step placement. Based on this information, the teacher should have been placed at step 13 of the teacher's salary schedule. A district official indicated the district has discussed removing the outside experience clause from the teachers' salary schedule because the district needs to be able to offer teachers years of service consistent with experience to attract experienced teachers. However, this procedure was not approved by the Board. Placement at step 24 provided this teacher an additional \$9,090 in annual compensation.
- The Director of Operations' 2013-2014 school year salary, \$82,500, is based on step 6 on the district's Assistant High School Principal salary schedule although he is not a principal. The district compensates other Directors, Assistant Directors, and Technical Directors at the same step on the respective director salary schedules in the amounts of \$90,500, \$85,100 and \$72,500, respectively, and it was not clear why the Director of Operations' salary was not paid based on the Director or Assistant Director schedules. According to a district official, the district historically based the Director of Operations' salary on the Director or Technical Director salary schedule. However, this official also indicated because the Director of Operations is not a member of the Superintendent's Council he could not be placed on the Director salary schedule and instead was placed on the Assistant High School Principal schedule to be commensurate with the position's responsibilities that district personnel determined to be equivalent to an Assistant High School Principal. The district did not document these considerations.
- The Controller moved from step 5 of the Assistant Director's salary schedule for the 2012-2013 school year to step 8 on the Director's salary schedule for the 2013-2014 school year without adequate documentation to support she had additional job responsibilities that necessitated the change. This movement in schedule and steps provided the Controller an additional \$10,700 in annual compensation.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

- The Warehouse Supervisor's promotion in August 2013 from the Maintenance Supervisor salary schedule to the Technical Director salary schedule was not supported by documentation detailing the additional job responsibilities that necessitated a change in step and schedule. In addition, the Warehouse Supervisor does not have a master's degree and the Technical Director salary schedule requires this degree. The movement from step 12 on the Maintenance Supervisor's salary schedule to step 1 on the Technical Director's salary schedule provided him an additional \$16,226 in annual compensation.
- The district did not handle the promotion of two employees to elementary principals for the 2013-2014 school year consistently. One employee was promoted from an instructional coach/math teacher and placed on step 1 of the elementary principal salary schedule. The other was promoted from a middle school assistant principal and placed on step 3 of the elementary principal salary schedule. The district did not have documentation to justify the difference in placement. The difference in annual salary between step 1 and step 3 is \$2,400.

There was no indication in Board meeting minutes or personnel files that the Board reviewed and approved any of these placements on applicable salary schedules. To ensure employees are treated fairly and equitably, employees should be paid in accordance with district salary schedules established by the Board. If necessary, the Board should ensure the district maintains adequate documentation supporting any decisions that deviate from the district's salary schedules, and the Board should approve such decisions.

Employment contracts

The Board does not review or approve certified teacher or administrator employment contracts. Some employment contracts did not include all employee compensation and district personnel did not prepare amendments for additional compensation provided to various employees. HR Department personnel prepare employment contracts and apply the Secretary to the Board and Board President's electronic signatures to the contracts (see MAR finding number 2.4). Neither the Board President nor the Board performs a subsequent review of the contracts.

In addition, several employees were paid in excess of their contract. For example, the district promoted the Controller and Warehouse Supervisor (discussed above), in August 2013 and revised their contracts to reflect the promotions. The Controller's revised contract states she was to be paid at step 9 of the Assistant Director's salary schedule (\$88,700); however, she was actually paid at step 8 on the Director's salary schedule (\$92,900). According to a district official, the salary paid was deemed more appropriate due to the additional responsibilities assumed by the Controller. In addition, the Warehouse Supervisor's revised contract states he was to be paid at step 12 on the Maintenance Supervisor's salary schedule (\$24.39



St. Joseph School District
Management Advisory Report - State Auditor's Findings

per hour or approximately \$50,700 assuming 2,080 annual work hours); however, he was actually paid at step 1 on the Technical Director's salary schedule (\$66,500). The Board retroactively approved these promotions and six others in March 2014, but the district did not issue new contracts to the employees reflecting their increased salary.

Formal written employment contracts and contract amendments that clearly define all contractual terms, are necessary to ensure all parties are aware of their duties and responsibilities, and to prevent misunderstandings.

1.2 Stipends

Significant issues exist with district provided stipends. The district failed to establish adequate policies and procedures regarding all stipends, and adequate documentation of the stipend amounts paid to employees is not always retained. Most stipends are not approved by the Board, even if included in employment contracts, and documentation is not retained to justify that payments are actually for responsibilities performed outside normal contracted duties.

Stipend payments totaled approximately \$3.8 million for the 2013-2014 school year and average annual stipend payments totaled approximately \$3.3 million over the past 8 years. Several of the stipends date back to at least the 2000-2001 school year per district payroll records. While we did not review all stipends, our review identified pervasive problems with the district's use of stipends as a form of compensation. Inadequate documentation and lack of approval of certain documents by the Board have resulted in significant stipend disbursements without the knowledge or approval of the Board. We identified several concerns regarding the stipend approval process, documentation, and payments.

Stipends not approved

The district provided numerous stipends that were not included in Board approved salary schedules or otherwise approved by the Board. Approximately 30 of 83 payroll system categories of extra duty or stipend payments provided during the 2013-2014 school year were not included in approved salary schedules. Examples include night duty and superintendent's council, as well as stipends labeled as "additional." Expenditures for these stipends totaled approximately \$207,500, \$72,000, and \$168,000, respectively, for the 2013-2014 school year. According to the district's payroll records, expenditures for these stipends have totaled approximately \$672,900, \$579,300, and \$2.5 million, respectively, since the 2000-2001 school year.

In addition, in August 2013 the Superintendent approved additional travel allowances (beyond amounts already approved in the salary schedule) and night duty stipends totaling approximately \$250,000 to 54 employees. The district did not amend the employees' contracts to reflect the addition of and/or change in the already approved amount of their contracted travel



St. Joseph School District
Management Advisory Report - State Auditor's Findings

allowance and night duty stipends. The Board retroactively approved these stipends in February 2014.

Stipend amounts not
authorized

Numerous stipend payment amounts did not agree to approved salary schedules or employee contracts. Examples include travel, longevity, and coordinator stipends listed on salary schedules or an employee's contract, but the employees received different amounts. Expenditures for these stipends totaled approximately \$324,200, 215,400, and \$118,400, respectively, for the 2013-2014 school year. According to the district's payroll records, expenditures for these stipends have totaled approximately \$2.4 million, \$4.3 million, and \$1.6 million, respectively, since the 2000-2001 school year.

Lack of documentation/
unreasonable stipends

The district did not retain documentation for numerous employee stipends to justify payment for responsibilities performed outside an employee's normal contracted duties. Examples include night duty, superintendent's council, graduate credit, and "additional" stipends. In some instances the stipends appear to be extra pay for something the employee was already doing or expected to do. For example, the district provides night duty stipends ranging from \$550 to \$5,000 to building and district level administrators who are expected to be visible in the community and at district events. The district provides superintendent's council stipends of \$9,000 each to the 7 individuals on the Superintendent's Council. Inclusion on the Superintendent's Council is based on the employee's position (Chief Operating Officer (COO), Chief Financial Officer (CFO), Directors of Curriculum, Director of HR, etc). Individuals in these positions are expected to advise the Superintendent, so it is not clear why additional compensation for that function is necessary. The Superintendent also receives a graduate credit stipend of \$6,000 for possessing a graduate degree, which is a requirement of the position. This stipend is also not included in the Superintendent's contract.

In addition, current district officials were unable to determine why some "additional" stipends were ever provided to employees. These stipends total several thousands of dollars over some employees' base salaries. For example, for the 2013-2014 school year the Director of HR and COO received stipends above their base salary totaling \$39,710 (\$13,510 additional, \$9,000 superintendent's council, \$6,400 athletic director, \$4,900 travel, \$3,000 graduate credit, and \$2,900 night duty) and \$35,343 (\$14,070 additional, \$9,000 superintendent's council, \$4,900 longevity, \$4,473 district vehicle, and \$2,900 night duty), respectively. The Director of HR's base salary was \$96,500 and the COO's base salary was \$97,700.

Extra days stipends

The district does not always contract for the number of days an employee is required to work, unnecessarily increasing the number of stipends. Examples include counselor registration and extra days stipends that extend



St. Joseph School District
Management Advisory Report - State Auditor's Findings

an employee's required number of work days beyond the start or end date of the employee's contract. The employee's job duties require him/her to work the extra days but these days are not reflected in the employee contract and the district provides stipends to compensate for this work. The district includes stipends in each employee's contract, but the stipends were not always in Board approved salary schedules or otherwise approved by the Board.

Expenditures for these stipends totaled \$41,385 and \$127,161, respectively, for the 2013-2014 school year. According to the district's payroll records, expenditures for these stipends have totaled approximately \$551,000 and \$1.2 million, respectively, since the 2000-2001 school year.

Lack of policy

The district also does not have policies governing several other stipend payments made to district employees including those for obtaining certifications, attending meetings such as new teacher orientation, and participating in professional development opportunities. Criteria have not been established defining how this compensation is earned.

Conclusion

Adequate policies and procedures regarding stipends and preparation of extra duty contracts that specify stipend amounts and related duties are needed to adequately support such payments, clarify the process, and ensure stipends are consistently provided. In addition, extra compensation should not be paid to employees for performing normal contracted duties.

It is clear that salary negotiations in the past occurred to a large extent with very little oversight or approval of the Board. In addition, while some of the issues have already been brought to the Board's attention and have resulted in changes to the 2014-2015 salary schedules, it is unclear whether all additional compensation has been approved by the Board. As a result, the Board should consider conducting a formal compensation study to review the stipend system to ensure fair and equitable payment of employee salaries.

1.3 Additional compensation The school district uses a variety of methods for providing additional compensation, including allowances, stipends, and other contracted payments to various district employees. Some compensation appears questionable and unnecessary.

- The district has not documented the basis for the Superintendent's monthly vehicle allowance or employee travel stipends. The vehicle allowance and stipends are intended to compensate the Superintendent and certain employees for driving personal cars within the district to conduct district business. Mileage incurred outside the district is compensated through employee expense reimbursements. The district pays a \$500 monthly vehicle allowance to the Superintendent. In



St. Joseph School District
Management Advisory Report - State Auditor's Findings

addition, the district paid approximately 200 employees a total of \$324,200 for travel stipends for the 2013-2014 school year, with the largest monthly stipend of \$408 paid to top administrators. Using the district's current mileage reimbursement rate of 50.5 cents per mile, the Superintendent and top administrators would have to drive 990 and 808 miles within the school district monthly, respectively, to justify earning these allowances/stipends.

- The district's final contract with former Superintendent Colgan included a provision for the district to provide medical insurance for life after he retired on December 31, 2005. The district paid approximately \$4,600 for Dr. Colgan's 2013 medical insurance.
- In May 2013, the district paid \$99,734 to the Public Schools Retirement System of Missouri (PSRS) to purchase 2 years additional employment credit on behalf of former Superintendent Smith as an incentive for her to retire effective June 30, 2013.
- An employee under contract through June 30, 2013, continued to receive compensation from the district while on medical leave after exhausting all leave balances in February 2013. Documentation in the employee's personnel file states that the employee would be on leave without pay once he exhausted all leave balances; however, the employee was not placed on leave without pay in accordance with this documentation or district policies. As a result, the district paid the employee approximately \$18,000 in additional compensation.
- The district continues to provide "in lieu of health insurance" stipends to several employees. According to the Director of HR, the stipend was originally provided to employees who declined medical insurance coverage through the third party provider when the district switched from a self-insured medical plan to contracted medical insurance coverage. The Director of HR indicated the stipend has not been offered for over a decade, but approximately 40 employees have been "grandfathered in" and still receive the stipend. The "in lieu of health insurance" stipend payments have decreased from approximately \$220,000 in the 2001-2002 school year, to \$25,000 for the 2013-2014 school year.

While the district reported vehicle allowance and travel stipend payments made as taxable income, the district should periodically review the reasonableness of the mileage allowances paid and, if necessary, adjust the allowances to reasonably reflect the actual expenses incurred by the employees on behalf of the district. In addition, to prevent additional costs the district should review the propriety of additional compensation arrangements and refrain from similar arrangements in the future.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

1.4 Overtime payouts

The district paid overtime to Maintenance Department employees when not required by the Fair Labor Standards Act of 1938 (FLSA) or Board policy. In addition, the district has not reviewed staffing and workloads for positions that incur frequent overtime payments to determine whether workloads need to be adjusted or whether more full- or part-time personnel should be hired. For the year ended June 30, 2014, the district paid approximately \$472,000 in overtime.

- The district allows maintenance employees to accrue and be paid overtime at time and one-half even when they do not actually work 40 hours. For example, we noted 2 different employees received overtime pay at time and one-half when the employee took sick or vacation leave and included those leave hours in actual hours worked. We also noted one of these employees was paid overtime at time and one-half for time worked during the paid winter break. According to a district official, maintenance employees are allowed a paid winter break, however, the Board has no policy allowing these paid holidays or overtime for hours worked in excess of the holiday time.

Board policy indicates overtime does not begin until an employee has actually worked 40 hours in a week and does not specifically allow for overtime during winter breaks. In addition, the FLSA only requires employees to be compensated at time and one-half for actual work hours in excess of 40 hours per week.

- Several employees received significant amounts of overtime compared to their normal salary. For example, the payroll clerk received compensatory time (accrued overtime) payments totaling approximately \$16,700 for the year ended June 30, 2014. Her regular salary is \$35,919. We also noted a maintenance employee received overtime payments totaling approximately \$18,200. His base salary is \$35,900, and he receives a \$2,400 stipend for after hours on-call status.

Board policy "discourages overtime," but this policy does not seem to be the district's current practice. By not following its overtime policy, the district is paying more overtime than required resulting in a greater financial burden for the district. Accurate overtime calculation procedures are necessary to ensure compliance with district policy and equitable treatment of district employees. Considering the significant amount of overtime incurred and paid to some district employees, the district should review staffing and workloads for positions that incur frequent overtime payments to determine whether workloads need to be adjusted and whether more full- or part-time personnel should be hired.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

Recommendations

The School Board:

- 1.1&
1.2 Conduct a formal compensation study, revise salary schedules, and eliminate unnecessary stipends. In addition, the Board should provide additional oversight and approval regarding compensation decisions. The Board should also ensure that compensation amounts paid agree to authorized amounts.
- 1.3 Review vehicle allowances and travel stipends and set amounts to reasonably reflect the actual expenses incurred by employees. In addition, the Board should consider eliminating unnecessary additional compensation payments.
- 1.4 Ensure compliance with the district overtime policy. In addition, the Board should review staffing and workloads to identify ways to reduce overtime and areas where additional personnel may be needed.

Auditee's Response

The School Board provided the following written responses:

- 1.1&
1.2 *An initial formal compensation study was requested by an Ad Hoc committee (a Board approved committee comprised of a Board member, community members, and staff members) in January 2015. The compensation study will be evaluated by the Board and administrative staff to determine if further salary information is needed. On January 12, 2015, the Board adopted a salary index for the 2015-2016 school year that incorporated administrative stipends into salaries. Employees will be placed on the salary index according to duties and responsibilities with close Board oversight. In June 2014, all administrative contracts for the 2014-2015 academic year were provided to the Board for review. The same procedure will continue annually once employment and compensation is approved by the Board. The Board will be provided with a list of staff members who are recommended to move more than one step with the documentation and information regarding justification on the move for approval. All contracts and salary notifications will be available for the Board to review and audit.*
- 1.3 *The district will review vehicle allowances and eliminate travel stipends when possible. The Board will consider eliminating unnecessary additional compensation payments in the future because of their long-term effect. The district will also document and confirm mileage reimbursements in accordance with IRS guidelines. The district will conduct a cost analysis on the purchase*



St. Joseph School District
Management Advisory Report - State Auditor's Findings

of economic vehicles instead of paying mileage and present the cost analysis to the Board.

- 1.4 *The district will embark on a full examination of overtime policies and procedures. The district will begin identifying significant overtime workloads and will present recommendations for the reduction of overtime to the Board.*

2. Payroll Procedures, Records, and Policies

Significant improvement is needed related to payroll procedures, records, and policies.

2.1 Payroll procedures

The district has not established adequate segregation of duties or supervision over the payroll functions. In addition, various district personnel do not perform sufficient reviews of or maintain up-to-date time records.

- Payroll duties are not always adequately segregated. During the personnel budgeting process, prior to the start of each new school year, the Business Office is short staffed and grants the HR Department system access to both establish new employees and enter their pay amounts. This process circumvents established controls and increases the risk that a fictitious employee could be created. During the remainder of the year, the district has established controls in which the HR Department can create and enter new employee information, but cannot enter payroll amounts into the district payroll system. The Business Office enters payroll amounts in the system after receiving an approved employment transmittal, documenting the employee's rate of pay, from the HR Department.
- Non-exempt¹ employees prepare timesheets and leave requests; however, these documents are not always signed by the employees or their supervisor to document approval of time worked, overtime earned, and leave used.
- The district does not maintain up-to-date compensatory time accrual records for employees. At the time of our review in May 2014, we noted compensatory time balances had not been updated for 6 months. The Controller indicated compensatory time records are updated and paid

¹ Board policy defines non-exempt employees as all district employees not specifically identified as exempt under federal law. This definition generally includes noncertificated staff; however, in some circumstances noncertificated staff members may qualify for exempt status.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

out prior to the fiscal year end as appropriate, but due to staffing constraints the Payroll Department was unable to keep records up to date.

Proper segregation of duties and independent reviews of payroll transactions and records would help ensure all payroll transactions are accounted for properly and assets are adequately safeguarded. Without a review of payroll documentation, errors, theft, or misuse of district resources could go undetected. In addition, signed, approved and up-to-date time records, including compensatory time accruals, are necessary to document hours worked, substantiate payroll disbursements, provide the district with a method to monitor hours worked and leave taken, and are beneficial in demonstrating compliance with FLSA requirements.

2.2 Post-retirement employees

Documentation and reporting of post-retirement employment activities need improvement.

Per Section 169.560, RSMo, a teacher or school employee retired and currently receiving a retirement allowance may be employed in any capacity in a school district on either a part-time or temporary-substitute basis not to exceed a total of 550 hours in any one school year. Through such employment, the teacher or school employee may earn up to 50 percent of the annual compensation payable under the employing district's salary schedule for the position or positions filled by the retiree, given such person's level of experience and education, without a discontinuance of the person's retirement allowance.

- The district did not require all post-retirement employees to prepare timesheets, and as a result could not track compliance with the 550 hour requirement. For example, the district pays some retired employees a monthly salary under the assumption they will work the full 550 hours allowed. However, for two of four salaried employees we reviewed the district did not require time records, so the district was unable to determine actual hours worked. The district should ensure the full 550 hours are worked if a retired employee is paid a monthly salary.
- The district did not retain adequate documentation to support the determination of gross pay for some retired employees. As a result, the district is unable to demonstrate compliance with annual requirements regarding gross pay for all employees.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

According to PSRS and Public Education Employee Retirement System (PEERS) guidance,² employers are required to maintain records to track hours worked and wages earned for each retiree hired. The retirement systems can request to review records and if limits are exceeded, a person's retirement benefits can be put on hold.

2.3 Related employees

A list of related employees and Board members is not maintained, and the district has not established adequate policies and procedures for the hiring, supervising, and tracking of related employees. For example, the Director of HR provides approval on employment related actions for his wife, who is also an employee of the district. Numerous other instances of related employees and Board members also exist.

The absence of data on related employees and Board members weakens internal controls and may result in conflicting situations. Identifying and maintaining documentation of related employees is important to determine and monitor conflicting related party situations.

2.4 Electronic signatures

Electronic facsimile signatures are not adequately safeguarded to prevent misuse and are not used in compliance with Board policy. Board policy provides for using electronic signatures to sign checks; however, electronic facsimile signatures for the Board President and Secretary are automatically applied to employment contracts when printed by the HR Department, which is not allowed by policy. In addition, the use of the electronic facsimiles on these documents was not subsequently approved by the actual person or by the Board.

If the Board President and Secretary are unavailable to sign employment contracts, they should subsequently document their review of records on which their signature is applied to safeguard against possible misuse. In addition, Board policy over electronic signatures should be reviewed and revised, if needed, to provide more comprehensive guidance on the use of electronic signatures.

2.5 Personnel records

Personnel records for several employees were not complete and some personnel files were maintained outside of the HR Department. During our review of personnel files, we noted necessary documentation was missing from some files including employment applications, resumes, educational

² *Working After Retirement*, Public School Retirement System of Missouri, p. 4, <<https://www.psr-peers.org/Employers/Forms-Publications.html>>, accessed October 21, 2014.

Working After Retirement, Public Education Employee Retirement System of Missouri, p. 3, <<https://www.psr-peers.org/Employers/Forms-Publications.html>>, accessed October 21, 2014.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

transcripts, employment transmittals, appraisals, and letters of resignation. In addition, employee personnel files for Maintenance, Parents as Teacher, Nutrition Service, and Hillyard Technical Center employees are maintained by those departments rather than the HR Department. Decentralized records limit the HR Department's ability to ensure necessary information is maintained in the files.

Complete personnel records should be maintained in a centralized location for all employees to provide documentation of personnel actions.

2.6 Personal use of a district vehicle

Personal use of a district vehicle by the COO is not authorized by the personnel policy or Board, nor is the usage monitored. The district reports the value of the COO's usage of a district vehicle as compensation. To counter the associated tax liability, the district annually calculates the resulting liability and pays the COO in the form of a vehicle allowance (\$720 for the 2013-2014 school year). This agreement was authorized by former Superintendent Smith and is documented in a handwritten agreement with the COO. The March 2012 agreement also includes a provision that as of the date of the agreement the COO is supposed to pay for every fourth tank of gas, but according to district officials all fuel for the vehicle is paid by the district. No other district employee has such an agreement.

The Internal Revenue Service (IRS) regulations indicate personal and commuting mileage are reportable fringe benefits and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs that document business and personal use. If personal use of district vehicles is considered necessary, procedures must be in place to ensure these regulations are complied with and ensure all employees are aware of any usage restrictions and treated similarly in accordance with an established policy.

2.7 Vacation leave payouts

The district does not have a policy governing vacation leave payouts made to retiring employees, nor were the payouts authorized in employment contracts or otherwise approved by the Board. In addition, the district's method for calculating unused leave payouts may have caused the district to incur unintended additional costs and district personnel did not calculate payouts consistently for all employees. Payouts are calculated based on the employees daily pay rate multiplied by the number of unused vacation days. Payouts for unused vacation leave totaled approximately \$69,000 for the year ended June 30, 2014, and according to the district's payroll records have totaled approximately \$533,000 since the 2000-2001 school year.

Daily pay rates created in the district's payroll system capture an employee's base salary or hourly wage, as well as additional compensation amounts. These daily pay rates are used when calculating some employee leave payouts possibly creating additional costs to the district. For example, upon



St. Joseph School District
Management Advisory Report - State Auditor's Findings

retiring at the end of the 2012-2013 school year, the former Superintendent received an unused vacation time payout of \$26,227 for 40 days of unused leave (\$655.57 per day). The daily pay rate used for payment of the unused leave included the former Superintendent's longevity stipend, graduation credit, and contractual annuity rather than just the base pay (\$569.51 per day). Including these amounts resulted in an additional payment of approximately \$86 per day, or \$3,440. A district official indicated the district used the system calculated daily rates because limited payroll staff do not have time to recalculate the base pay for leave payouts. However, a custodian's leave payout reviewed did not include the employee's longevity stipend in the daily rate used to calculate his payout resulting in inconsistent application of payouts among employees.

A written personnel policy outlining the procedures for vacation leave payout is necessary to ensure equitable treatment of all employees and to prevent misunderstandings. Also, to ensure additional costs and misunderstandings are avoided, the appropriate method for calculating daily pay rate should be determined and payouts for unused leave should be properly and consistently applied for all district employees.

Recommendations

The School Board:

- 2.1 Segregate payroll duties to the extent possible and implement appropriate reviews and monitoring procedures, and ensure timely tracking of compensatory time accruals.
- 2.2 Require post-retirement employees to maintain timesheets reflecting actual time worked. In addition, gross pay for post-retirement employees should be adequately documented.
- 2.3 Establish procedures to identify and monitor related employees, obtain related party information, verify information with each employee periodically, and ensure individuals are not working in conflicting employment capacities.
- 2.4 Review use of electronic signatures and the related Board policy. If needed, revise the policy to address use of electronic signatures.
- 2.5 Ensure personnel records are complete and maintained in a centralized location.
- 2.6 Establish procedures regarding the personal use of district vehicles, or reconsider allowing use of district vehicles for personal business.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

- 2.7 Establish policies regarding vacation leave payouts, ensure vacation leave payouts are calculated appropriately, and ensure the same procedures are consistently applied to all employees.

Auditee's Response

The School Board provided the following written responses:

- 2.1 *The district will segregate payroll duties as much as possible with the staff that is available. Payroll will be monitored and reviewed by the district. The district payroll accountant currently tracks the compensatory time accruals and will ensure these time accruals are updated monthly when timesheets are submitted. The district will consider a reorganization of duties to ensure sufficient monitoring, including a payroll manager function. Additionally, the district plans to implement an electronic time reporting system that will eliminate the manual tracking of compensatory time accruals. The target date for implementation of this system is 2016.*
- 2.2 *All post-retirement employees will be required to maintain timesheets that reflect actual time worked. Active retirees hours will be monitored through the sub finder system for documentation of hours worked. Retirees will also be contacted and updated on their hourly accrual. Total gross pay for post-retirement employees is currently documented in the payroll system and monitored by the Superintendent or designee (HR Director) to ensure appropriate hours are worked.*
- 2.3 *The Board will require the Superintendent or designee (HR director) to monitor and ensure individuals are not working in conflicting employment capacities. All supervisory/department directors will sign off on a supervisory list annually to document and ensure individuals are not working in conflicting employment capacities. This list will be reported to the Board annually. Names of known related employees will be brought to the Board prior to hiring.*
- 2.4 *The Board Policy Committee will review and revise the use of electronic signatures and related Board policies in consultation with the Missouri School Board Association (MSBA). New procedures will be written and implemented to match procedure revisions.*
- 2.5 *The district is currently working on a plan to gather and consolidate all personnel records in the HR office. The HR office has also created a new employee checklist to ensure completion of records. The district is researching a records system for maintaining electronic personnel records. The Superintendent or*



St. Joseph School District
Management Advisory Report - State Auditor's Findings

designee (HR Director) will monitor this process and report to the Board a recommended system.

- 2.6 *The district will establish and enforce procedures for personal use of district vehicles according to IRS guidelines. The district will do a comprehensive examination of the use of district vehicles for personal business and report the findings to the Board for further consideration.*
- 2.7 *The district has been developing a policy with the MSBA for vacation leave payouts. Once the policy is adopted by the Board the district will ensure procedures are consistently applied to all employees and will submit all vacation leave payouts to the Board for approval.*

3. Summer School Funding

The district inaccurately reported 2014 and 2013 summer school attendance to the Department of Elementary and Secondary Education (DESE) resulting in overpayment of state aid totaling approximately \$1.8 million for 2014 and \$1.7 million for 2013. Annually the district applies for approval from the DESE to hold a summer school program. District staff prepare applications based on enrollment estimates from prior years and district officials approve the applications prior to submission to the DESE. However, district staff and administrators lacked a sufficient understanding of summer school program requirements and, as a result, claimed certain types of unallowable programs for reimbursement.

The DESE determined in October 2014, the district was reimbursed for 2014 summer school attendance hours for several courses that the DESE disallowed. These disallowed courses included, but were not limited to, marching band, jazz band, various team sports activities, and several programs in which fees were charged participants including childcare, drivers' education, and YMCA swimming and camp. According to the DESE, these attendance hours were disallowed because:

- Fees were charged for the district-sponsored course and/or activity.
- The course was primarily an athletic team or band practice.
- The course was a daycare service that required fees.
- The course was offsite, charged fees, and was not a district-sponsored activity.

Working with the DESE the district identified and removed 30 unallowable summer school courses and the related 269 students' attendance hours (the district originally reported an average daily attendance (ADA) of 570



St. Joseph School District
Management Advisory Report - State Auditor's Findings

students) the district had inaccurately reported. The resulting \$1.8 million overpayment will be withheld by the DESE in future periods. In December 2014, the district submitted a corrective action plan to the DESE detailing additional procedures adopted to ensure only allowable courses are submitted for reimbursement in the future.

We reviewed prior years to determine the extent of the problem and for how many years summer school attendance may have been inaccurately reported and reimbursed. Working with the DESE and the district, we noted the district claimed similar courses and student attendance hours for 2013 summer school. We compared the 2013 summer school courses offered to the list of disallowed courses for 2014 to determine which courses would also be disallowed for 2013 and reviewed district provided attendance data to determine the unallowable attendance. Unallowable hours represent an overpayment of state aid of approximately \$1.7 million for 2013. In addition, the district has reported similar or higher summer school ADA to DESE since 2006, with summer school ADA ranging between 567 and 738 students. According to district officials, it "has offered a myriad of remedial and enrichment courses for many years." Therefore, it is possible the district has been inaccurately reporting summer school attendance for several years. Detailed course and attendance data is not available prior to 2013, so we are unable to quantify potential overpayments for prior years.

The DESE's 2014 Summer School Handbook (handbook) clearly indicates ". . . gymnastics, weightlifting, body conditioning, athletic practice, physical education (that is not part of a comprehensive physical education program), tennis, swimming lessons, study hall, computer camps, band camps, cheerleading clinics, recreation programs, athletic practices, and isolated vocal/instrumental music practices conducted under the sponsorship of the school cannot be included as part of the approved summer school program and shall not be counted for summer school membership and attendance for state aid purposes."³ In addition, the handbook further states that "State aid cannot be claimed for resident or nonresident pupils if tuition and fees are charged."⁴ Similar guidance has been available for many years. Inaccurately reporting summer school attendance resulted in the district receiving a larger portion of available funds. The district should ensure staff are aware of summer school rules to prevent future unallowable courses claimed for reimbursement.

³ 2014 Summer School Handbook, Department of Elementary and Secondary Education, pg. 1, <<http://dese.mo.gov/sites/default/files/SummerSchoolHandbook.pdf>>, accessed December 30, 2014.

⁴ 2014 Summer School Handbook, Department of Elementary and Secondary Education, pg. 8, <<http://dese.mo.gov/sites/default/files/SummerSchoolHandbook.pdf>>, accessed December 30, 2014.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

Recommendation

The School Board improve controls over summer school reporting, including implementing the corrective action plan, and ensure future summer school programs meet the criteria set by the DESE. In addition, the Board should work with the DESE to resolve any overpayments from the 2013 school year.

Auditee's Response

The School Board provided the following written response:

The district has submitted a corrective action plan to DESE and has established guidelines to eliminate non-allowable courses. District administrators and the summer school coordinator have reviewed the revised DESE summer school handbook and made the necessary changes. The district will annually review the DESE Summer School Handbook to ensure the district is in compliance with any changes to the summer program guidelines and that only allowable courses are submitted for reimbursement. The Board will ensure the administration works with DESE to resolve any payment issues for the 2013 school year.

4. Financial Condition

The district reduced budgeted expenditures to offset declining state funding for the 2013-2014 school year. In addition, the district's questionable expenditures discussed throughout the report and additional financial obstacles could result in a decline of the district's financial condition.

The Board approved \$3.07 million in budget reductions for the 2013-2014 school year to balance the district's budget. Cuts included reduction, elimination, or reclassification of various administrative, elementary, and secondary staff positions. At June 30, 2014, the district had a fund balance of approximately \$23.5 million in its General and Teachers Funds (approximately 21 percent of annual expenditures); however, approved expenditures (\$121 million) and transfers to the Capital Projects Fund (\$3 million) for the 2014-2015 school year are expected to exceed projected revenues (\$118 million) which would decrease the fund balance in the General and Teachers Funds by approximately \$6 million. The \$3 million projected deficit between revenues and expenditures is primarily the result of approved budgeted increases in employee salaries and benefits for the 2014-2015 school year. In addition, as discussed in MAR finding number 3, the DESE recently determined that the district received state funding for disallowable 2014 summer school courses totaling approximately \$1.8 million. As a result, DESE plans to withhold \$1.8 million from future district funding payments. Also, the district's 63 cent tax levy will sunset in August 2015, and if not renewed the district estimates losing approximately \$6.5 million in annual revenues, which would have a significant impact on the district's financial condition in subsequent years.

The district made several questionable expenditures that if continued may worsen the situation and should be avoided in the future. As discussed in



St. Joseph School District
Management Advisory Report - State Auditor's Findings

MAR finding number 1, the district awarded significant stipends without Board approval and approved some promotions/raises that were not consistent with approved salary schedules or contracts. In addition, the district sold bonds through negotiated sales instead of competitively (see MAR finding number 5.3), did not always procure goods and services in a competitive manner (see MAR finding number 6), and incurred some unnecessary expenditures (see MAR finding numbers 8.2, 9.2, and 10).

It is essential the Board monitor the district's financial condition, both in the immediate- and long-term future. The Board should also pay special attention to disbursements, eliminate unnecessary spending, and evaluate controls and management practices to ensure efficient use of district resources.

Recommendation

The School Board closely monitor the district's financial condition and expenditures, improve controls and management practices, and take appropriate actions as necessary.

Auditee's Response

The School Board provided the following written response:

The Board will closely monitor the financial condition of the district. The district plans to fully implement the findings of the audit to improve controls and management practices. The specific measures completed, ongoing, or in progress are discussed in more detail as responses to specific concerns addressed in the findings of this audit report.

5. Bonds

Improvement is needed in the handling of bond projects and methods for issuing bonds.

Background

District voters approved a \$42 million general obligation (GO) bond issue in April 2012. Approved bonds totaling \$35,720,000 have been sold as of June 30, 2014, in 4 separate issuances beginning in September 2012. Some of the GO bond issuances qualified under the Qualified Zone Academy (QZA) bond program.

The QZA program is a federal program available to school systems that provides the bondholder with a federal tax credit in lieu of a cash interest payment. A district must have a source of funding available (a voter approved GO bond) before applying with the DESE to have its bonds approved for the QZA program. The QZA program funds are restricted by federal regulations to repairing and renovating existing buildings, acquiring new and more up-to-date equipment, developing educational programs, and training quality teachers, although state law only authorizes bond monies to be spent for the first two of these four areas.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

Our review of the district's procedures for monitoring bond projects and program compliance requirements identified various concerns.

5.1 Qualified Zone Academy bonds

The district is not complying with QZA program requirements. The district has issued QZA bonds twice since 2012, with a total issuance of \$3.85 million.

For the Series 2013 issuance totaling \$2.72 million, the district has not kept appropriate accounting records separately accounting for all QZA revenues and expenditures (the district maintained separate records for the 2012 QZA issuance). As a result, the district was unable to readily identify all 2013 QZA issuance expenditures. District records tracked overall spending of bond monies by project, but not by type of bond issuance, and the district used multiple bond issuances for the projects. Failure to spend 100 percent of QZA bond proceeds for qualified expenditures within 3 years could also result in the district forfeiting unused proceeds.

The QZA program requires separate accounting to ensure bond proceeds are used as intended and in compliance with program requirements. To ensure bond monies are spent for the intended purposes and within the required timeframes, the district should separately track the QZA proceeds and expenditures.

5.2 Monitoring

The Bond Compliance Officer did not report on compliance with the district's Tax and Securities Law Compliance Procedure to the Board in 2013 as required. The procedure requires the Bond Compliance Officer (the district CFO) to complete an annual compliance checklist for the purpose of identifying potential bond noncompliance and report at least annually to the Board regarding compliance with the procedure. The Board received the last completed compliance report and checklist on November 2, 2012.

Bond covenants and district procedures require monitoring of bond compliance. Without timely annual reporting by the Bond Compliance Officer, the district cannot adequately monitor and ensure compliance, timely identify noncompliance, and take appropriate corrective action if needed.

5.3 Bond financing

The district sold GO bonds in 2012 and 2013 totaling \$31,870,000 through negotiated instead of competitive sales. The district issued the bonds to acquire, construct, renovate, furnish, and equip school facilities. The Board did not select the bond underwriter competitively and used the same underwriter used in 2 previous refunding bond issues in 2004 and 2005. The district sold the bonds privately to the underwriter instead of seeking open bids, which would ensure the most competitive rate of return for the taxpayers. The underwriter, George K. Baum & Company, was paid \$104,592.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

The State Auditor's office completed a statewide review of GO bond sales practices⁵ that determined negotiated bond sales historically result in increased interest costs. While Missouri law does not require competitive bond sales or competition in selecting bond underwriters, the historically lower interest costs on competitive sales suggest such sales to be in the best interest of the district.

Recommendations

The School Board:

- 5.1 Ensure separate accounting for bond proceeds and expenditures by bond issuance type and project.
- 5.2 Require annual timely compliance reporting.
- 5.3 Pursue open competition in any future bond sales.

Auditee's Response

The School Board provided following written response:

- 5.1 *The Superintendent or designee (CFO) will ensure separate accounting for bond proceeds and expenditures by bond issuance type and project. The Superintendent or designee (CFO) will report these proceeds and expenditures periodically along with interest earned to the Board. New budget units have been established that will allow for separate accounting of QZA Bond expenditures.*
- 5.2 *The Superintendent will ensure both the CFO and Director of Finance are trained in the process of compliance reporting. It is proposed that this reporting take place by the April Board meeting each year. The Superintendent or designee (CFO or Director of Finance) will provide an annual compliance report to the Board by the April Board meeting.*
- 5.3 *The district recognizes there are various options of how debt obligations are marketed to the ultimate investor. At the time the district next issues debt, a thorough analysis by the Superintendent or designee (CFO) will be made as to what is in the best interest of the district to market its debt obligations, with due consideration given to a competitive process.*

⁵ Report No. 2013-116, *General Obligation Bond Sales Practices*, issued in November 2013.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

6. Procurement Procedures and Construction Projects

Procurement and construction project policies and practices need improvement.

Board policies DJC and DJF require district staff to research purchases and compare prices prior to expending district funds. Competitive bidding is required for construction expected to exceed \$15,000 and for insurance contracts, bank depository services, and other products and services as required by law. Other purchases or contractual services may be advertised and bid as directed by the Board or Superintendent. If bids exceed \$15,000, Board approval is required. When formal bidding is required bids must be solicited from at least 3 vendors. In addition, district policy requires solicitation of quotes from at least 3 vendors for single order purchases or purchases of a single item from one vendor of greater than \$5,000 and less than or equal to \$15,000. A sole source justification form must be completed for all sole source purchases of greater than \$5,000.

6.1 Bidding

The district did not bid, obtain quotes, or document sole source justification for several purchases. In addition, Board policy does not require competitive bidding or Board approval for all purchases exceeding \$15,000 and does not address the need to bid supplies purchased from one vendor that may exceed \$15,000 within a specified time period.

During our review of select disbursements made during the 2013-2014 school year we noted purchases of playground equipment (\$69,627) and lockers (\$15,060) were not bid, nor were quotes obtained. In addition, the district did not always obtain bids or quotes for P card purchases (see MAR finding number 9.2) and fuel purchases (see MAR finding number 12). Also, district personnel indicated a 3D printer purchased for the technical center to allow students access to and learn the basics of 3D printing (\$45,730) was a sole source procurement, but this information was not documented as required.

Competitive bidding not only ensures the district is complying with Board policy, but also helps ensure all parties are given an equal opportunity to participate in district business. In addition, Board policy should be amended to ensure all large purchases of goods and services are competitively bid.

6.2 Professional services

The district has not established comprehensive policies for procuring professional services. Current Board policies only apply to certain services, such as engineering services as discussed in section 6.3.

The district did not solicit requests for proposals or document sole source justification for several professional services including special education services (\$264,760), professional development services (for 2 vendors totaling \$179,434), behavior consultation and training services (\$56,000), physical therapy services (\$42,252), occupational therapy services (\$39,964), interpreter services (\$23,946), homeless students transportation



St. Joseph School District
Management Advisory Report - State Auditor's Findings

services (\$19,830), and specialized legal services (\$13,907). Also, the district has not reissued requests for proposals for its primary legal counsel (\$55,648) since 2002.

Periodically soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make better-informed decisions to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and/or cost into consideration. Documentation of sole source procurements is necessary to ensure the validity and propriety of such procurements, and demonstrate compliance with district policy.

6.3 Engineering services

The district did not procure mechanical engineering services for air conditioning projects in 2012 and 2014 as required by Board policy and state law.

The district used the same mechanical engineering firm for air conditioning projects in 2012, 2013, and 2014, but only obtained Requests for Qualifications for the 2013 projects. Per the COO, the district piggybacked on the 2013 evaluation process using the same local firm for the 2014 projects and did not request or evaluate statements of qualifications for the 2012 or 2014 projects. In addition, the COO indicated having completed the 2012 projects also helped the firm win the award for the 2013 projects. Payments for these services for the 2012, 2013 and 2014 projects totaled approximately \$415,300 thru June 30, 2014.

Board policy states the Board may select qualified firm(s) and negotiate contract(s) for engineering services for the various building projects in the school district. When considering the need for engineering services a written description of the desired services shall be prepared. Interested firms may be requested to submit statements of their qualifications, performance data, and/or a fee schedule. Selection shall be made on the basis of demonstrated competence and qualifications for the types of services specified by the district at fair and reasonable prices. In addition, Sections 8.285 to 8.291, RSMo, provide requirements for the selection of engineering services.

6.4 Solar panels

Several problems exist with the handling of the district's solar panel project.

Bidding and documentation

The district negotiated solar panel costs with the vendor awarded the project rather than competitively bidding the project. In addition, the district does not have documentation justifying some decisions related to this project.

On September 5, 2013, the Superintendent, COO, and CFO presented information to the Board Finance Committee from Brightergy, an energy company, regarding the potential for the installation of solar panels throughout the district that would save the district as much as \$40,000



St. Joseph School District
Management Advisory Report - State Auditor's Findings

annually in utility costs. Brightergy proposed a 20-year lease/purchase agreement at a cost of approximately \$1.98 million, after which the district would own the solar equipment outright. On September 9, 2013, the Board approved the administration pursuing further talks with Brightergy.

On October 7, 2013, an update was given to the Finance Committee indicating legal counsel was reviewing the draft contract. On October 14, 2013, in closed session, the Superintendent and COO discussed with the Board the possibility of competitive bidding, requests for proposal (RFP), or doing the project in-house by hiring local contractors through a competitive process that would install solar panels purchased by the district. On November 1, 2013, in closed session, the Superintendent updated the Board on the in process contracts with Brightergy. At this session, the district legal counsel discussed the possible risks of proceeding without a formal RFP and noted that although a formal RFP was not issued the district had contacted 2 local vendors and received proposals from them as well.

The quotes from Brightergy and the 2 local vendors included various lease purchase options ranging from 5 to 20 years with cost estimates ranging from approximately \$671,000 to \$1.98 million. According to district officials, these quotes were much higher than anticipated and all 3 were subsequently rejected. As a result, district officials attempted to determine the estimated cost of the project if the district purchased and installed the solar panels. After suggesting to the vendors that they were considering doing the project in-house, district officials asked the same 3 vendors for new quotes. The second round of quotes received included various lease purchase options ranging from 5 to 10 years with costs estimates ranging from \$362,500 to \$1.37 million. In addition, the district would turn over to the vendors local utility rebates estimated at \$1.8 million that the district was expected to apply for and receive. To earn the rebates, \$2 per watt of electrical energy produced from the solar panels, the district had to first install the solar panel systems.

Per a district official, immediate action was required to qualify for the local utility rebates or the district risked losing the opportunity to secure the rebates. As a result, at the November 1, 2013, Board meeting the Board authorized the solar service and easement agreement with Brightergy. Brightergy's negotiated cost of \$362,500 is comprised of 5 annual lease payments of \$72,500 after which the district can renew the lease for consecutive one-year terms, with the annual lease payments increasing 2 percent for each additional term after the first renewal term, or purchase the solar equipment at "market value." Total estimated project costs, after the rebates, were \$2,156,500.

As of June 30, 2014, no lease payments had been made, but the district has applied for, received, and remitted local utility rebates totaling \$1 million to



St. Joseph School District Management Advisory Report - State Auditor's Findings

the vendor. According to district officials, as of January 2015, the solar panel projects have been completed to the extent possible. District officials stated, the district did not install solar panels on some buildings because the projects were not approved prior to the expiration of the rebate program or funding.

In addition, documentation is lacking as to why the solar panel project included the (1) Noyes and Hall elementary schools scheduled for closure after the 2013-2014 school year and (2) Child Development Center (CDC) owned by the St. Joseph School District Foundation (a legally separate charitable not-for-profit corporation). According to the CFO, solar panels were likely installed at Noyes Elementary because the district plans to repurpose this building and cost savings would be realized in 3 to 5 years. For Hall Elementary, the district has no plans to repurpose this property but the CFO believes the installation of solar panels may increase its resale value. He indicated if not sold, the cost of these solar panels could also be recouped in 3 to 5 years. For the CDC, the CFO indicated the district leases a portion of the building and pays the entire utility bill so cost savings would again be ultimately realized, assuming the district continues its lease. No documentation was retained to demonstrate this reasoning.

Prevailing wage

The district did not require payment of prevailing wages on the solar panel project. The original agreement signed with Brightergy in November 2013 did not require payment of prevailing wages. According to documentation provided by the CFO, Brightergy did not believe it was required to pay prevailing wage because the company was installing the solar equipment and leasing it to the district, however, Brightergy agreed to comply. As a result, an amended solar service and easement agreement was drafted by and signed by the district in April 2014 stating that the district relied on representations from the vendor to the district that prevailing wages were not required and as a result, the vendor agreed to hold harmless the district against any potential liability for not following the law. However, the district was unable to provide a fully executed copy of this contract. In addition, it is ultimately the district's responsibility to ensure prevailing wages are paid on all district projects.

Conclusion

Negotiating costs with vendors does not allow for competitive bidding and may provide an advantage that other vendors did not receive. When evaluating quotes or bids and determining whether to enter into a contract, documented justification outlining reasons for decisions should also be maintained. Planned improvements should be carefully analyzed to ensure they are reasonable and for only necessary school purposes. Without clearly documented justification for decisions made it is not possible for the Board to make an informed decision. Section 290.230, RSMo, requires prevailing wages be paid to all workers employed by or on behalf of any public body, who perform construction work projects other than routine maintenance.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

Section 290.250, RSMo, requires the public body awarding the contract to include a stipulation to the effect that not less than the prevailing hourly rate of wages shall be paid.

6.5 Project files

The district does not maintain complete project files. Our review of select project files noted the district does not maintain bid documentation for bidders not receiving the bid award. District personnel summarized the bids on documents presented to the Finance Committee and Board, but did not retain any other bid information for non-winning bidders to support this information and their recommendations. In addition, the district did not maintain affidavits of publication for construction bids in the project files.

Complete project files are necessary to document district's decisions and activities related to project planning and administration and to demonstrate compliance with legal, contractual, and bidding requirements. In addition, Section 177.086, RSMo, requires public advertisement of bids for construction projects exceeding \$15,000.

Recommendations

The School Board:

- 6.1 Competitively bid purchases in accordance with Board policies and state law and document justification for sole source procurement. In addition, the Board should amend Board policies to ensure all significant purchases of goods/services are subject to a competitive selection process.
- 6.2 Periodically solicit proposals for professional services in accordance with district policies.
- 6.3 Comply with district policy and state law when awarding engineering service contracts.
- 6.4 Competitively bid projects to ensure project costs are reasonable and document all decisions and justification for the decisions made. The Board should also require prevailing wages be paid on all district projects.
- 6.5 Ensure adequate supporting documentation is retained in project files, including affidavits of publication.

Auditee's Response

The School Board provided the following written response:

- 6.1 *The Board established a Board Policy Committee in July 2014. The Committee reviewed its purchasing policies to ensure the proper expectation and interpretations were established. The Board will continue to approve all purchases greater than \$15,000 and will*



St. Joseph School District
Management Advisory Report - State Auditor's Findings

consider revisions to the policy if needed. The district will ensure all policies and state laws are followed when awarding contracts or purchases. In August 2014, the Deputy Superintendent and Internal Auditor provided purchasing training according to the district Financial Handbook to all district administration and secretarial staff.

- 6.2 *The Board will review and revise policies, if necessary, related to bidding professional services. The district will solicit proposals for professional services every 3 years, which will ensure the sensible use of district funds.*
- 6.3 *The Board established a Board Policy Committee in July 2014. The committee reviewed the district's purchasing policies to ensure the proper expectation and interpretations were established. The Board will continue to approve all purchases greater than \$15,000 and will ensure all policies and state laws are followed when awarding such contracts.*
- 6.4 *The district will competitively bid projects when required and will thoroughly discuss, examine, and document these decisions when projects are considered. The Board will request updates on these projects periodically. The district will ensure prevailing wages are being paid on all district projects through proper Board and administrative oversight.*
- 6.5 *The administrative team will review and revise procedures to ensure supporting documentation is appropriately retained. The district will retain all supporting documentation including affidavits of publication in project files. All project files will be consolidated to one location for proper documentation.*

7. Contracts

District controls over contracts need improvement.

7.1 Contract compliance

The district does not always monitor contracts effectively, enter into written contracts when appropriate, or enter into written contracts timely.

- The district has not required its transportation service provider to comply with fuel contract requirements. Under the contract, buses should achieve a fuel efficiency of seven miles per gallon. If this efficiency is not achieved, the school district receives a discount. If the buses are more fuel efficient, the district is required to pay the contractor for the difference. To determine the fuel efficiency, the contract states the transportation service provider will "... calculate the difference between gallons of fuel delivered and gallons of fuel used



St. Joseph School District
Management Advisory Report - State Auditor's Findings

based on one gallon of fuel for each seven miles of qualified pupil transportation service." The service provider did not bill or pay the district based on the results of any fuel efficiency calculations for the 2013-2014 school year. The district paid \$3,318,972 for transportation services during the 2013-2014 school year, including \$371,633 for fuel.

- The district did not require a special education service provider to submit (1) an assurance statement that it was organized and operated in accordance with written policies and procedures, (2) written confirmation of employee background checks, (3) a quarterly updated list of personnel and their qualifications, (4) proof of insurance, and (5) an evaluation of the program or services performed at the end of the term of the agreement as required in the master service agreement. In addition, the separate contracts detailing the timeframe of services provided to each student expired and the district had not approved new contracts or contract amendments. One of these student service contracts also was not amended to reflect an increase in the base monthly rate for provided services from \$5,750 to \$5,975. The increase became effective in September 2012. The district paid \$264,760 for these services during the 2013-2014 school year.
- The district did not require the City of St. Joseph to submit invoices for school resource officers in compliance with contract provisions. According to the contract, the city shall bill the district by March 31st for the following year's services and payment is due by the end of January of that year. The district received the invoice for the 2013-2014 school year on March 27, 2014, and paid it on March 31, 2014. However, according to the contract, services for the 2013-2014 school year should have been billed by March 31, 2013, and paid by January 31, 2014. In addition, the district has not named the city as an additional insured on its general liability insurance for any claims of bodily injury or property as required by contract. The district paid \$137,807 for these services during the 2013-2014 school year.
- The district did not enter into a written contract for transportation of homeless students. In addition, the district no longer requires trip tickets from the vendor for reconciliation to invoices. The district also did not require the vendor to provide evidence that it performed background checks on all of its drivers. The district paid \$19,830 for these services during the 2013-2014 school year.
- In April 2013 the Superintendent entered into a professional development services agreement with a vendor at a cost of \$90,800 (plus travel expenses), subsequent to signing his Superintendent's contract in February 2013, but prior to his start date with the district in July 2013. The agreement was not approved by the Board. In addition,



St. Joseph School District
Management Advisory Report - State Auditor's Findings

the district was unable to locate a subsequent signed written contract from September 2013 with this vendor for professional development at an additional cost to the district of \$21,800. The district entered into several written agreements with this vendor for training, consulting, and a keynote speaking engagement during the 2012-2013 and 2013-2014 school years. Payments to this vendor totaled \$141,737 during the 2012-2013 and 2013-2014 school years.

- The district did not enter into a timely written contract for food services management. The provider began providing services in January 2014, but the contract was not signed by the President of the Board until April 2014. The district paid \$1,572,319 for these services during the 2013-2014 school year.
- The district's primary legal services contract has not been amended to reflect increases in the annual retainer totaling \$12,888. The September 2002 contract authorized a \$15,000 retainer; however, district personnel indicated due to increased scope and time devoted to the district for legal services the annual retainer increased periodically over the last 12 years and currently totals \$27,888. The district paid \$55,648 for legal services from this vendor during the 2013-2014 school year.
- The Superintendent signed a contract for professional development services and authorized the initial payment for services before the Board authorized the administration to enter into the contract. On February 10, 2014, the Board authorized the agreement; however, the contract was signed by the Superintendent on January 1, 2014, and the first payment of \$18,000 was made to the service provider on January 17, 2014. The district paid \$37,697 for these services during the 2013-2014 school year.
- The district did not enter into fully executed contracts for (1) interpreter services and (2) behavior consultation and training services before the contractors provided the services. The interpreter services contractor provided services beginning July 2013, but the contract was not signed until October 2013. The district made the first payment for behavior consultation and training services on September 6, 2013, but the contract was not signed by the service provider until September 15, 2013. The district paid \$23,946 for interpreter services and \$56,000 for behavior consultation and training services during the 2013-2014 school year.

Clear, detailed, and timely written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure district monies are used appropriately and



St. Joseph School District
Management Advisory Report - State Auditor's Findings

effectively. Closely monitoring contractor performance and compliance with contract terms is important to ensure limited district resources and assets are used wisely and that expectations of the Board and the public are met. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

7.2 Affirmations

The district did not obtain statutorily required affirmations from 5 service providers. Required affirmations include the service providers' attestation to their enrollment and participation in the federal work authorization program (E-Verify) and that they did not knowingly employ any unauthorized aliens in connection with the contracted services.

Section 285.530, RSMo, requires, as a condition for the award of any contract in excess of \$5,000 by a political subdivision, the business entity shall affirm its enrollment and participation in E-Verify and that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

Recommendations

The School Board:

- 7.1 Establish procedures to properly monitor contract requirements, and enter into timely written contracts defining services provided and benefits received.
- 7.2 Ensure compliance with federal work authorization program requirements.

Auditee's Response

The School Board provided the following written responses:

- 7.1 *All contracts will be consolidated in the Business Office for official keeping and monitoring. The district will periodically review contracts to ensure compliance.*
- 7.2 *The Business Office will continue to pull monthly reports for every vendor the district spends \$5,000 or more with to ensure the district has appropriate documentation on file for compliance with federal work authorization programs. The Superintendent or designee (CFO and internal audit function) will monitor and ensure compliance.*

8. Disbursements

District disbursement controls need improvement.

8.1 Board approval

District officials do not present a list of bills paid to the Board for review and approval. In addition, the Board did not approve numerous large



St. Joseph School District
Management Advisory Report - State Auditor's Findings

purchases and contracts prior to payments, some of which were not bid as discussed in MAR finding number 6.

District purchasing policies allow the Superintendent or designee to authorize payment of bills. The Board then gives its final approval to bills paid by approving the monthly financial statements at its regular meetings. A list of bills paid is also available in the Business Office, but this list is not provided to or reviewed by the Board. These procedures failed to prevent some questionable disbursements or ensure disbursements complied with district purchasing policies.

8.2 Disbursements

Our review of disbursements identified several concerns. We reviewed 50 disbursements totaling approximately \$970,000 for school years 2012-2013 and 2013-2014.

- The district negotiated a settlement of over \$87,000 with its contractor for bakery goods and produce after prematurely terminating the contract for the 2013-2014 school year. District officials indicated the contract was terminated because the district's new food management service provider would not continue to honor this contract. However, the terminated contract was in place prior to the approval of the new food management services contract and should have been part of those negotiations. Had the prior contract been a part of the RFP, the contract termination and subsequent settlement could have been avoided.
- Payment of the Superintendent's "add-on" Sam's Club business membership (totaling \$45), sponsored by the district, seems unnecessary and not beneficial to the school district.
- District personnel coded several purchases to incorrect accounts. For example, they coded approximately 100 Apple TVs purchased at a total cost of \$9,900 to supplies rather than equipment. The district purchased these items to allow teachers to project content from their iPads.
- District personnel did not submit invoices for 3 expenditures timely to the Business Office for payment, resulting in late fees.

Public funds should be spent only on items necessary and beneficial to the district. In addition, proper coding of transactions ensures actual expenditure information for the various accounts is accurate in comparison to budgets. Also, invoices should be submitted to the business office timely to avoid payment of late fees.

8.3 Alternative Certification

The district does not have a written policy regarding the alternative certification program. In addition, approval for participation in the program is not documented. We also identified the district paid \$5,490 for one



St. Joseph School District
Management Advisory Report - State Auditor's Findings

employee to receive alternative certification, however, the employee never became certified because he failed or dropped out of some of his classes. This employee's contract was not renewed for the 2014-2015 school year. For the 2 years ended June 30, 2014, the district paid tuition totaling approximately \$62,800 for 13 employees.

The alternative certification program offers a nontraditional method to obtain teacher certification by allowing individuals to teach while completing their certification requirements. The school district pays for these employees' tuition. Participants in this program must receive approval from the Director of HR; however, this approval is not documented. In addition, IRS reporting guidelines indicate educational assistance exceeding \$5,250 annually is generally considered an employee fringe benefit, if not exempted as a working condition fringe benefit. The district did not report any of these payments as taxable fringe benefits or document justification for not reporting them as such.

Without a written policy, it is not clear the purpose of the program is being met, who is eligible for the program, and the requirements for continuation in the program. A written alternative certification policy should include provisions for employee eligibility, the approval process, and related IRS guidelines. The district could prevent paying tuition for employees that did not complete necessary courses by reimbursing individuals for tuition expenditures after course completion.

Recommendations

The School Board:

- 8.1 Provide additional oversight of disbursements, including approving a monthly list of bills paid.
- 8.2 Refrain from expending district funds on items that do not clearly benefit the district, ensure expenditures are coded to the proper accounts, and process invoices timely to avoid paying late fees.
- 8.3 Develop a written policy for the alternative certification program.

Auditee's Response

The School Board provided the following written responses:

- 8.1 *In July 2014, the district began posting and submitting all bills and credit card transactions to the Board for approval. The district also posts all bills and credit card transactions on the district website for added transparency.*
- 8.2 *The Board and administration will review Board Policy DA, Fiscal Responsibility, to address expending district funds on items that do not directly benefit the district. The Superintendent or designee*



St. Joseph School District
Management Advisory Report - State Auditor's Findings

(CFO and Director of Finance) will ensure expenditures are coded to the proper accounts, and process the invoices in a timely manner. The district's internal audit function will periodically review for late payments and improper coding and report findings to the Board.

- 8.3 *The district has chosen to discontinue the alternative certification program as of July 2014. The district will continue the alternative certification program for employees enrolled prior to the 2014-2015 school year. If the Board chooses to reinstate the program, a policy will be developed outlining the necessary requirements.*

9. Purchasing Cards

The district does not monitor or limit purchasing card (P card) monthly cycle limits and P card procedures did not detect some inappropriate purchases.

9.1 Purchasing limits

The district does not monitor monthly P card purchasing limits and limits for some individuals are excessive. The district determines the monthly limits when the cards are issued, but does not periodically reevaluate the limits.

As of April 2014, the district had 154 P cards assigned to various personnel, departments, and schools throughout the district, and annual P card expenditures exceed \$2.7 million. Monthly cycle limits range from \$1,000 to \$50,000. However, an analysis of employees' P card usage determined many employees had monthly cycle limits significantly greater than necessary to cover their typical actual purchases. For example, we identified an employee with a monthly cycle limit of \$25,000, but between July 1, 2012, and May 5, 2014, the employee's largest single purchase was \$3,783 and highest total purchases in any month were \$5,400. For this time period, we noted several employees with no or very little P card activity.

Excessive or unneeded limits and purchasing ability create greater risk of abuse and potential large liabilities for the district. To strengthen controls over P cards, the district should periodically compare the actual P card activity of each employee to established monthly cycle limits. Adjustments to the limits and/or the number of active cards should be made accordingly to reduce the district's risk to an acceptable level.

9.2 Purchases

We identified several concerns during our review of P card transactions. We reviewed purchases totaling approximately \$90,000 from 10 P cards during the 2012-2013 and 2013-2014 school years. The District Purchasing Card Process Manual (Process Manual) sets forth district policies for use of P cards.

- Employees purchased items specifically prohibited by the Process Manual. These purchases included local merchant gift cards for the



St. Joseph School District
Management Advisory Report - State Auditor's Findings

district's wellness program for distribution to participating employees (\$27,970), teacher appreciation gift cards (\$525), and cell phone equipment (\$650).

- We identified several purchases that appear unreasonable and/or do not appear to benefit the school district.
 - o Travel to a January 2014 Superintendent's summit in Tampa, Florida (\$814) in which the district paid for the Superintendent's wife, also a district employee, to attend. The organizers of the summit reimbursed the district \$400 for the Superintendent's basic costs of attendance. However, there did not appear to be a clear benefit to the district for the wife's attendance.
 - o The emergency purchase of a replacement cell phone at full cost (\$650).
 - o The purchase of a 3D Smart TV (\$1,900), when a less expensive TV could have been purchased for the intended use.
 - o Furniture (\$3,378) purchased for the COO's office and conference room, including a \$1,560 painting.

The Process Manual requires the employee to supply justification for a purchase deemed inappropriate by the school or department official reviewing and approving the transactions. The district did not deem any of these expenditures inappropriate or require justification.

- We identified several large P card purchases the district did not bid or receive quotes for and did not obtain Board approval, including: a spa tub used by high school athletes (\$19,900); wellness program gift cards (\$27,970) discussed above; and a high school club's trip to New York (\$19,744). We also noted district personnel made routine supplies purchases from several vendors totaling more than \$15,000 each during the 2013-2014 school year. These supply purchases included automotive (\$81,988), tires (\$21,987), paint (\$19,994), and welding gas (\$18,027).

The Process Manual specifically states P cards are not intended "to avoid or bypass appropriate purchasing or payment procedures" (see MAR finding number 6.1).

- We identified several purchases without adequate supporting documentation. In some instances, only a credit card charge slip was submitted rather than a detailed invoice or receipt slip.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

- o Documentation for trips, meals, or services provided did not include information about the individuals participating in the activity. For example, we noted a receipt indicating purchase of 3 breakfast buffets (\$50), but only the Superintendent and his wife were listed in attendance.
 - o District personnel did not submit supporting documentation for \$2,315 of \$27,970 in wellness program gift cards distributed to participating employees.
 - o A hotel invoice (\$290) submitted to support a transaction was for an employee from another school district and the district paid the invoice without noting the error. The correct invoice was ultimately provided after our inquiry.
- Cardholders did not sign the invoice to document approval for 7 purchases reviewed.
- The district could not locate 2 Visa Purchasing Cardholder Account Action Request forms authorizing cardholder use of the card and card limits. In addition, the cardholders did not sign the P Card cardholder agreement forms for these 2 P Cards and 1 additional card to acknowledge the P Card terms and conditions for proper use.

According to the district Process Manual, appropriate documentation such as sales slips, cash register receipts, invoices, order forms, and receiving documents must support each purchase. In addition to being required by the Process Manual, proper detailed supporting documentation improves the district's ability to review charges and provides better documentation of items purchased to ensure charges are reasonable and in accordance with established policies. In addition, taxpayers have placed a fiduciary trust in the Board to spend public funds only on items necessary and beneficial to the district.

Recommendations

The School Board:

- 9.1 Evaluate the need for each P card issued and adjust employee P card limits as deemed appropriate.
- 9.2 Ensure prohibited purchases are not made with P cards and P card purchases are reasonable and prudent uses of public funds. In addition, the Board should ensure P card purchases follow purchasing policies, adequate documentation is submitted and maintained, approval is obtained for all P card transactions, and all P cards are properly authorized.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

Auditee's Response

The School Board provided the following written responses:

- 9.1 *The Superintendent or designee (CFO) will evaluate the need for existing P cards. The district will consider adding P card coordinator responsibility to an existing position if determined appropriate. These same individuals will adjust any employee limits for appropriate levels.*
- 9.2 *At the start of the 2014-2015 fiscal year, the Internal Auditor and Deputy Superintendent met with all building administration and all secretarial staff to review the P card manual. During this time, prohibited purchases were covered. All P card purchases are posted online for monthly approval and then posted to the district website for public viewing, which demonstrates transparency and the appropriate use of taxpayer dollars. The Superintendent or designee (CFO and internal audit) function will monitor P card purchases on a routine basis and report to the Board any purchases considered inappropriate.*

10. Cell Phones, Tablets, and Internet Service

The district's controls over cell phone and tablet usage need improvement. In addition, the district unnecessarily provided free Internet service to several individuals. In 2014, the district provided approximately 70 cell phones and 20 tablets to various employees at a cost of approximately \$73,900 and paid for high speed Internet service at 16 individuals' homes at a cost of approximately \$7,650.

- The district does not adequately monitor cell phone use to determine if usage is appropriate, necessary, and of benefit to the district. The Technology Department issues cell phones to district employees and authorizes call plans, while the Business Office receives and processes cell phone bill for payment. According to both Technology Department and Business Office representatives, neither reviews the bill to determine if usage or additional charges are appropriate. As a result, unnecessary costs may be incurred. For example, we reviewed the district's February 2014 cell phone bill and noted several overcharges, including an overcharge of \$46.40 for exceeding text message limits and sending several international text messages.
- The district unnecessarily provided free high speed Internet services and related equipment, in the homes of select Board members, the Board Secretary, the Superintendent, select district administrators, a previous Board member, the construction manager who is not an employee, and another individual that district officials do not know. District officials do not recognize the name on the invoices and do not know why they are paying for his Internet service. The annual cost of providing these services varied depending on the connection speed, ranging from



St. Joseph School District
Management Advisory Report - State Auditor's Findings

approximately \$400 to \$900 per individual for the year ended June 30, 2014.

The district has paid for Internet services since at least 2000 at a total cost of approximately \$99,400 according to district accounting records. Per district officials, these services were approved many years ago when the district began using the Internet and electronic communications. The district has not evaluated the need to continue to pay for these services. Without a documented need, the disbursements seem inappropriate and unnecessary. In addition, IRS reporting guidelines indicate the costs of providing Internet service may be considered an employee fringe benefit, but the district did not report these expenses as such.

As of November 2014, the district canceled the service for the unknown individual and are in the process of canceling all Internet services for Board members and employees, except for that of their network administrator. In addition, the district received a refund from the Internet service provider totaling approximately \$1,110 for services the district unnecessarily provided for the previous Board member and the unknown individual between October 2012 and May 2014.

- The district's policy on personal use of district provided electronic devices is not consistent. For cell phones, the district requires a small monthly payroll deduction between \$26 and \$31, depending on the plan, to ensure compliance with IRS regulations for limited personal use of a district provided device. However, a similar policy does not exist for personal use of district provided tablets (primarily iPads).

To ensure the efficient and effective use of cell phones, district officials should routinely monitor cell phone use patterns and ensure the most cost-effective plan is used. In addition, adequate review procedures are needed to ensure unnecessary costs are avoided. Also, to ensure district funds are used prudently, the district should refrain from providing unnecessary Internet service in the future. To ensure consistency regarding personal use of district provided electronic devices, district policy should be expanded to cover tablets.

Recommendation

The School Board require monitoring and review procedures over cell phone use. In addition, the Board should refrain from providing unnecessary Internet service in the future and should adopt a consistent policy regarding personal use of district provided electronic devices.

Auditee's Response

The School Board provided the following written response:

In July 2014 the Director of Technology began reviewing cellular phone usage and data plans and made necessary adjustments. The Director of



St. Joseph School District
Management Advisory Report - State Auditor's Findings

Technology will continue to monitor cellular and data usage and report findings to the Board on a routine basis. The Board has discontinued all district provided Internet service for all personnel except for the network administrator. The district will recommend a consistent personal usage policy to the Board Policy Committee for consideration.

11. Capital Assets

The district's controls and procedures over capital assets are not sufficient. The district's independent CPA reported similar control weaknesses in its fiscal year 2013 audit report dated November 8, 2013. At June 30, 2014, the district had approximately \$126 million in capital assets.

- The district does not maintain complete and accurate records of capital assets. The Business Office and Technology Department maintain separate listings (the Technology Department separately tracks technology assets), neither of which is up to date or complete. The results of the last physical inventory conducted by the district, in February 2013, had not been entered into the district's asset tracking system maintained by the Business Office as of spring 2014. In addition, the listing maintained by the Technology Department has not been updated for more than 6,000 Chromebooks purchased between February and May 2014 at a cost of approximately \$1.7 million to replace older equipment. As a result, district assets are more susceptible to theft or misuse.
- Periodic physical inventories of assets are not performed. As noted above, the last physical inventory conducted by the district was in February 2013. A physical inventory was not conducted in 2014.
- During our review of expenditures, we noted a painting (see MAR finding number 9.2) and playground equipment and student lockers (see MAR finding number 6.1) had not been tagged or recorded as capital assets. We also noted several other items purchased that were tagged but not recorded as capital assets, including printing equipment. District officials indicated the printing equipment was tagged by the schools the equipment was delivered to, but the schools never reported the tag numbers to the Business Office.

The district's capital asset procedure manual requires periodic physical inventories on all capital assets with the results reconciled, coordinated, and reported by the Business Office. The district needs to perform a physical inventory of all property and maintain adequate capital asset records to ensure better internal control over district property and provide a basis for determining proper insurance coverage on district property. Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

Recommendation

The School Board ensure complete, accurate, and detailed capital asset records are maintained and annual physical inventories are performed and compared to detailed records.

Auditee's Response

The School Board provided the following written response:

The district agrees detailed capital asset records and annual physical inventories are needed to secure better internal control over district property. The district will annually train and update the staff on accurate capital assets records and maintenance. The Superintendent or designee (CFO) will annually provide a capital assets report to the Board. The current inventory system is being revised for appropriate functionality. Once the new inventory management system is implemented, a full physical inventory will be performed and compared to detailed records. The district Administrators will monitor and ensure the new process is fully implemented as well as provide routine updates to the Board.

12. Fuel Use and Controls

Controls and procedures over fuel use and purchases need improvement. The district maintains fuel pumps for maintenance and warehouse vehicles and most district buses used to transport students with disabilities. The remaining district buses are fueled at a local gas station using a fuel card. The district contracts for all other student transportation and per contract terms purchases the fuel for the contractor's buses, with that fuel being stored at the contractor's main base of operation.

- The district does not bid fuel purchased for district-operated vehicles and buses, even though the district bids fuel used for contractor operated school buses. Fuel purchases for district-operated vehicles and buses totaled approximately \$230,000 for the year ended June 30, 2014.
- District personnel do not periodically reconcile fuel purchased to usage for district-operated vehicles and buses. In addition, fuel pumps are not periodically recalibrated.

Documentation provided by the district shows the former Superintendent reviewed fuel usage from May 2011 thru February 2012 and noted various concerns. However, her concerns were not addressed. Also, an internal audit of district fuel purchases and usage for the 2012-2013 school year subsequently identified a shortage of approximately 4,000 gallons of gasoline (i.e. more gallons used than recorded in usage logs). Questioning by the Internal Auditor led the district, in May 2014, to hire a firm to check the calibration on fuel pumps. The firm determined the fuel pump calibration was off by 12 percent, accounting for the missing fuel. District officials indicated they were not aware if the pumps had ever been recalibrated.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

- Access to district fuel pumps is not restricted between 6 a.m. and 5 p.m. Monday through Friday. Pumps remain on during this time and the fenced lot securing them is not locked. In addition, at least 38 district employees have keys to open the fuel lot gate when it is locked.

Competitive bidding helps ensure all parties are given an equal opportunity to participate in district business. In addition, failure to monitor fuel purchases, reconcile fuel used to fuel purchased, periodically recalibrate fuel pumps, and limit access to the fuel pumps and fuel lot could result in theft and misuse going undetected.

Recommendation

The School Board solicit bids for all fuel purchases. In addition, the Board should ensure (1) a documented periodic reconciliation of fuel purchased to fuel used is performed, and any significant discrepancies are investigated, (2) fuel pumps are periodically recalibrated, and (3) access to the fuel lot and pumps are appropriately limited.

Auditee's Response

The School Board provided the following written response:

In July 2014, the district implemented the procedure of soliciting bids from the local fuel vendors. The bids are documented and filed and unless the low vendor is delayed for an unreasonable time, the low bidder is chosen. In January 2015, the district installed a digital unleaded fuel pump and software. With the software in place, the system will be very accurate and daily/weekly reports will be kept on file and monitored by the Director of Operations. In addition, the pumps will be calibrated two times a year, in accordance with state recommendations. Finally, the lot is only open during operating hours (6 a.m. to 5 p.m., Monday through Friday) and also monitored by security cameras. The unleaded fuel pump can now only be operated by the "key" possessed by employees.

13. Sunshine Law

The School Board did not always comply with the Sunshine Law and held numerous improper closed meetings.

13.1 Closed meetings

The Board held approximately 40 closed meetings from January 2012 through June 2014, but did not always follow various requirements of Chapter 610, RSMo (the Sunshine Law).

- The Board approved a list of reasons for going into a closed session at an open meeting in several instances, but only discussed some of these topics in the closed meeting. For example, minutes of the February 10, 2014, open meeting indicated a closed meeting would be held to discuss legal; real estate; hiring, firing, disciplining or promoting of employees; specifications for competitive bidding; sealed bids; individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment; and, individually



St. Joseph School District Management Advisory Report - State Auditor's Findings

identifiable personnel records. However, the closed meeting minutes did not document any discussion of real estate, bidding, or sealed bids. In addition, the Board met on occasion in closed session and the only documented discussion was the approval of prior closed meeting minutes.

- The Board discussed some topics in closed meetings that are not allowable under the Sunshine Law. According to minutes of closed meetings, unallowable topics included scholarship awards, construction project updates, and department updates. The Board also discussed items in closed session that may be unallowable and did not maintain sufficient documentation to demonstrate how these issues were allowable under the Sunshine Law. Some of these issues included the creation of new or additional positions, lighting issues at an elementary school, the academic calendar, and block scheduling.

To ensure compliance with state law and the public is accurately informed, the Board should only cite reasons for going into closed session it plans to discuss, restrict discussion in closed meetings to the allowable topics listed in the Sunshine Law, and adequately demonstrate how topics comply with the Sunshine Law for discussion in closed session.

13.2 Public disclosure

The Board does not always make public the final disposition of legal matters or contracts discussed and approved in closed meetings. The Board approved the settlement of two lawsuits during the 2 school years ending June 30, 2014. The district's financial responsibility in one of these settlements, a terminated contract, was \$87,500. The other resulted in a \$100,000 settlement paid by the district's insurance provider to a former employee. In addition, the district agreed to pay family health insurance premiums of the former employee until she was Medicare eligible, which was approximately 17 years. The Board did not publicly disclose the final resolutions.

The Board also voted on and approved some contracts in closed session and did not subsequently disclose those votes in an open meeting or by other means. For example, on December 21, 2012, the Board approved an amended and restated contract for the former Superintendent. Also, on February 10, 2014, the Board voted to ratify the additional duty stipends granted administrators in August 2013, and authorized the Superintendent to reissue extra duty contracts.

Section 610.021, RSMo, requires any minutes, vote or settlement agreement relating to legal actions, causes of action or litigation involving the district or any agent or entity representing its interests or acting on its behalf or with its authority, including any insurance company acting on behalf of the district as its insured, be made public upon final disposition of the matter



St. Joseph School District
Management Advisory Report - State Auditor's Findings

voted upon or upon the signing by the parties of the settlement agreement, including the terms of the settlements. The section also requires the Board to disclose in open session or by other means the approval of all contracts.

Recommendations

The School Board:

- 13.1 Cite specific reasons for going into closed meetings only for topics it plans to discuss, and ensure items discussed in closed meetings are allowable topics under state law and adequately demonstrated as such.
- 13.2 Ensure the final disposition of legal matters discussed at closed meetings and all votes to approve contracts are made public as required by state law.

Auditee's Response

The School Board provided the following written responses:

- 13.1 *The Board will cite the reasons for going into closed meeting under Missouri Sunshine Law and will ensure that topics discussed in closed meeting are allowable topics under state law.*
- 13.2 *The district will ensure the release of the final disposition of legal matters and all votes as required by law.*

14. Computer Controls

Controls over district computer systems are not sufficient to prevent unauthorized access. As a result, district records are unprotected and susceptible to damage or theft. In addition, the district does not periodically test its backup data or have a disaster recovery plan.

14.1 Password controls

The district has not established adequate password controls to reduce the risk of unauthorized access to computer systems and data. Passwords are required to authenticate access to computer systems. However, passwords are not required to be changed on a periodic basis to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password.

The security of a password system is dependent upon keeping passwords confidential. However, since passwords do not have to be periodically changed, there is less assurance passwords are effectively limiting access to computer systems and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of unauthorized access to and use of systems and data.

14.2 Backup data

The district does not periodically test its backup data. Data backups are performed daily and stored at a secure off-site location, but periodic testing



St. Joseph School District
Management Advisory Report - State Auditor's Findings

of the data for adequacy is not performed. As a result, backup data for the district's financial and email systems and all student related information may not be available for restoring systems following a disaster or computer failure.

To help prevent loss of information and ensure all essential district information and computer systems can be recovered, backup data should be tested periodically.

14.3 Disaster recovery

The district has not developed a disaster recovery plan to ensure it can promptly restore computer operations in the event of a natural disaster or other major disruptive event.

A comprehensive written disaster recovery plan should include plans for a variety of disaster situations and specify detailed recovery actions required to reestablish critical computer and network operations. In the case of a disaster or other disruptive event, such documentation can reduce confusion and provide a framework for the uninterrupted continuance of operations. Once a disaster recovery plan has been developed and approved, the plan should be periodically tested and reviewed.

Recommendations

The School Board:

- 14.1 Require a unique password for each employee that is confidential and periodically changed to prevent unauthorized access to district computer systems and data.
- 14.2 Ensure backup data is tested on a regular, predefined basis.
- 14.3 Develop a comprehensive disaster recovery plan and periodically test and evaluate the plan.

Auditee's Response

The School Board provided the following responses:

- 14.1 *The district has provided a unique password for each employee that is confidential and the district will implement a 90-day change password policy for executive administration.*
- 14.2 *In November 2014, the district developed a plan for safeguarding backup data and testing it in the disaster recovery plan. This information can be found on page 17 of the Technology Disaster Recovery Plan.*
- 14.3 *The district developed a Technology Disaster Recovery Plan in November 2014. The plan was developed by the Director of Technology and will be tested for the first time in March 2015 by*



St. Joseph School District
Management Advisory Report - State Auditor's Findings

the district and further tested on an annual basis (unless otherwise noted in the plan).

15. Restricted Funds

District officials could not locate original documents supporting donor gifts and related fund restrictions and all restricted funds designated for scholarships are not maintained by the district's Business Office.

- The district could not locate adequate records for 2 funds district officials believe should be restricted. Because district officials cannot find information related to the donors' original intentions, they believe the funds are restricted but are unsure. District officials allowed monies from one of these funds, approximately \$5,400, to be moved to a high school activity fund account in 2012 for the purchase of stage curtains. District officials authorized using interest earnings from the other fund, which has a balance of approximately \$42,000, to purchase supplies for the nursing program.
- According to the Controller, in the 2007-2008 school year, district Business Office personnel asked all schools to relinquish control of individual scholarship funds for deposit into a centralized account to simplify tracking of the funds and preparation of the district's annual financial statements. However, during our review of school activity funds we identified 4 schools currently in the possession of scholarship funds with a balance totaling approximately \$26,900 as of June 2014. The Controller was not aware the schools maintained these funds.

Adequate records of donor gifts are necessary to ensure that funds are used to fulfill the donor's intentions. In addition, without centralization of funds restricted for scholarship activities investing, award, tracking, and financial reporting activities may not be consistent.

Recommendation

The School Board ensure adequate records are maintained of each donor's intentions for restricted funding and ensure all individual scholarship funds are turned over to the business office for consistency. In addition, the Board should review the funds thought to be restricted to determine how fund balances and interest should be spent in the future, and document those decisions.

Auditee's Response

The School Board provided the following written response:

The district will implement appropriate procedures and training to ensure adequate records on restricted funds are maintained. These fund balances will be presented by the Superintendent or designee (CFO) to the Board who will determine how they should be spent.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

16. School Stores

School store controls need improvement. District middle and high school students operate school stores as a fundraising activity and to provide the student workers life skills. Students run stores under the supervision of a store sponsor (teacher). The stores sell various school spirit apparel and accessories, school supplies, beverages, snacks, candy, and ice cream. The stores are open at varying times before, after, and/or during school and may also operate during various sports functions. We performed site visits at a middle school and a high school and reviewed each school's procedures related to the operation of its school store.

- At the high school store, school personnel did not use functions available in the point of sale system used to record sales and maintain inventory balances. Instead, school personnel operated the system as only a cash drawer to collect payments from customers and provide change if necessary. In addition, school personnel also did not conduct periodic physical inventories to reconcile the inventory to merchandise sales and purchases. Also, school personnel did not prepare sales reports to reconcile with daily deposits.
- At the middle school store students use a cash register. However, school personnel did not run cash register tapes to record daily sales, so sales could not be reconciled to deposits. In addition, school personnel did not maintain perpetual inventory records or conduct periodic physical inventory counts.

Loss, misuse, or theft of school store inventory may go undetected without adequate inventory records and documented reconciliations. Effective inventory internal controls require maintaining perpetual records of all inventory items and reconciling the balances obtained during physical inventory count to the balances recorded on the perpetual inventory records. In addition, to properly account for all sales and ensure monies are accounted for properly and deposited, sales reports or cash register tapes should be generated and reconciled to monies collected and deposited. To provide additional educational value to the students working in the school stores, students should be taught how to operate the stores with effective internal controls and fully utilize systems and/or equipment.

Recommendation

The School Board ensure procedures are developed to utilize available system functions to (1) periodically reconcile inventory on hand to the sales and purchases of school store items and merchandise and (2) reconcile daily sales records to deposits.

Auditee's Response

The School Board provided the following response:

Building principals will ensure all school stores maintain inventories and reconcile inventory purchases and sales. The internal audit function will



St. Joseph School District
Management Advisory Report - State Auditor's Findings

monitor school stores inventories and, audit inventory purchases and sales and report findings to the Board annually. Building principals will ensure school stores record and reconcile daily sales to deposits. The internal audit function will monitor school stores records and report findings to the Board annually.

17. Internal Audit

The district's Internal Auditor did not report directly to the Board and was not independent of all activities audited. The Internal Auditor did not perform an annual risk analysis, audit plan, or prepare written reports following up on prior recommendations. The internal auditor position is currently vacant and responsibilities for this position have been assumed by the CFO.

If utilized properly, the internal audit function can assist management in performing its duties more efficiently and effectively. In addition, the internal audit function can enhance the district's annual external audit by providing valuable information to those auditors and ensuring the district has strong internal controls and accounting procedures in place. An effective internal audit function could have helped in discovering and/or resolving many of the accounting and procedural control weaknesses, and policy and compliance issues addressed in this report.

17.1 Reporting structure and independence

The Internal Auditor did not report directly to the Board, but rather the Superintendent and/or CFO. In addition, the Internal Auditor was also the district's Controller and was not independent of all activities audited.

Internal auditing standards provide that internal audit activity is to be independent and should "... report to a level within the organization that allows the internal audit activity to fulfill its responsibilities."⁶ To ensure complete and objective audit coverage, the internal audit function must be independent of the activities it audits. Direct communication between the internal auditor and the Board would help ensure independence and provide a means whereby the Board can be kept abreast of current operations and activities. Such a reporting structure would also permit the Board to request the internal audit section perform specific audits.

17.2 Risk assessment and audit planning

The Internal Auditor did not perform an annual risk assessment or develop an annual audit plan. The Internal Auditor issued approximately 8 reports annually as her schedule allowed.

⁶ *International Standards for the Professional Practice of Internal Auditing*, The Institute of Internal Auditors, <<https://na.theiia.org/standards-guidance/Public%20Documents/IPPF%202013%20English.pdf>>, pg. 4, accessed January 5, 2015.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

The Internal Auditor did not plan audits performed in advance as part of a formal audit plan or based on an evaluation of risk. Audits typically included schools selected for review on a rotation basis every few years. The Internal Auditor also performed audits at schools with new bookkeepers shortly after their hire to ensure the bookkeeper was adequately performing his/her assigned duties. The Internal Auditor selected other audits as issues arose or came to her attention.

Internal auditing standards provide that an internal audit plan "must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process."⁷

17.3 Follow-up of recommendations

The Internal Auditor did not always perform follow-up work on the status of internal audit report recommendations and did not prepare a written report when this occurred. To benefit from the internal audit function, recommendations should be properly followed up to evaluate the implementation status. In addition, to allow the Board to effectively monitor audit recommendation implementation, the internal auditor should prepare written reports supporting the follow-up work performed.

Recommendations

The School Board:

- 17.1 Ensure the internal auditor is independent of the activities audited and reports directly to the Board.
- 17.2 Ensure an annual internal audit plan, based on a risk-based methodology, is reviewed and approved.
- 17.3 Ensure written reports are prepared following up on internal audit recommendations.

Auditee's Response

The School Board provided the following written responses:

- 17.1 *The Board will evaluate and implement an internal audit function that is independent and reports directly to the Board.*
- 17.2 *The Board will ensure an annual internal audit plan is reviewed and approved.*

⁷ *International Standards for the Professional Practice of Internal Auditing*, The Institute of Internal Auditors, <<https://na.theiia.org/standards-guidance/Public%20Documents/IPPF%202013%20English.pdf>>, pg. 9, accessed January 5, 2015.



St. Joseph School District
Management Advisory Report - State Auditor's Findings

- 17.3 *The Board will ensure the preparation of written internal audit reports and that any recommendations are presented to the Board for follow up.*

St. Joseph School District

Organization and Statistical Information

The St. Joseph School District is located in Buchanan County.

The district operates three senior high schools (grades 9-12), four middle schools (grades 7-8), 16 elementary schools (grades PK-6), a technical center, an alternative school, two learning centers, and a media center. Enrollment was 11,493 for the 2013-2014 school year. The district employed 2,173 full- and part-time employees at June 30, 2014.

For fiscal year 2014, the district's revenues in the General, Special Revenue (Teachers), Debt Service, Bond Capital Projects, and Other Capital Projects funds totaled \$124,416,417, while expenditures from these same funds totaled \$137,916,734, leaving the district with a combined fund balance at June 30, 2014, of \$57,094,454.

The St. Joseph School District has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

School Board

An elected board acts as the policy-making body for the district's operations. The Board's seven members serve 6-year terms without compensation. Members of the Board at June 30, 2014, were:

Brad Haggard, President
Martin Rucker, Vice -President
Dan Colgan, Member
Dennis Snethen, Member
Chris Danford, Member
Lori Prussman, Member
Kappy Hodges, Member

Superintendent

The district's superintendent at June 30, 2014, was Fred Czerwonka. His total compensation for the 2013-2014 school year was \$236,847 including \$190,000 in annual salary, a \$12,000 tax-sheltered annuity, a transportation allowance of \$6,000, a moving allowance of \$10,000, stipends totaling \$14,473, and an additional \$4,374 to cover the employee portion of his medical insurance premiums. The superintendent's compensation is established by the Board; however, stipends and medical insurance premiums were not included in the compensation approved by the Board.



Thomas A. Schweich

Missouri State Auditor

City of Dixon



February 2015
Report No. 2015-007

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the City of Dixon

Undeposited Receipts and Unsupported Transactions	In October 2012, receipts totaling \$1,847 issued/posted to the computerized utility system were not deposited. In addition, a former City Collector entered incorrect usage information, or made unauthorized adjustments, to her parents' utility account. We estimated the amount not billed to be approximately \$1,140. Also, various unsupported reimbursements and disbursements were made.
Accounting Controls and Procedures	The Board of Aldermen has not adequately segregated accounting duties and does not have adequate review and approval procedures. The city does not have adequate procedures for receipting, recording, and depositing monies. The city has not maintained accurate accounting records and significant unexplained differences existed in the records. For example, the Sewer Fund cash balance on August 31, 2013, was \$1,150,000 and the September 1, 2013, balance was \$292,303, a difference of \$857,697. Also, monies received were not maintained in a secure location, and various city employees had access to money on hand and were allowed to collect receipts at city hall. Additionally, the city has not established procedures to routinely follow up on outstanding checks, and voided checks were not properly defaced.
Disbursements	The city does not have a formal bidding policy, did not solicit bids for several significant purchases of goods and services, and did not retain documentation of some bids obtained. The city does not use a competitive selection process to obtain professional services, has not entered into a written agreement for legal services, and did not document its evaluation and selection of engineering services. In addition, the Board of Aldermen's approval process for disbursements is not adequate. The City Clerk did not issue 1099-MISC forms and file them with the IRS. Also, the vendor list had 21 duplicate vendors listed and included 393 vendors not used in 2013.
Payroll Taxes	The former and current City Clerks failed to timely file 941 forms and remit payroll taxes due to the IRS from January 2012 to June 2014, resulting in a at least \$26,980 in interest and penalties.
Restricted Revenues	The City Clerk comingles Police Officer Standards Training fees and Law Enforcement Training fees with general purpose monies. Also, the former City Clerk paid \$16,803 for legal services from the General Fund in fiscal year 2013, even though a portion of these costs could be allocated to other funds. Additionally, there is no documentation to support the allocation of the costs of audit services among city funds.
Utility System Controls and Procedures	The Board of Aldermen has not performed a formal review of water and sewer rates. The maintenance supervisor did not investigate significant differences in the monthly reconciliations of gallons of water billed to gallons of water pumped; and water usage is not tracked for city buildings, a fire district, and one privately owned property. The City Collector posts adjustments to the computerized utility system without obtaining

independent approval or maintaining adequate documentation. Also, the former City Collectors did not prepare a monthly list of utility deposits held and reconcile it to the deposit payable balance in the general ledger.

Budgetary Procedures and Financial Reporting	The Board of Aldermen did not hold a budget hearing to establish and approve a budget for the year ending September 30, 2013, and on October 1, 2012, approved operating under the prior year's budget for the upcoming year. A formal budget document was never prepared for fiscal year 2013. Additionally, the annual budget for the 2012 fiscal year did not contain all elements required by state law. The former City Clerk did not prepare and the Board did not approve budget amendments for the 2013 fiscal year, and the city overspent the General Fund and the Library Fund. Also, Board did not comply with state law regarding publishing financial statements, and the city did not calculate the percent of annual general operating revenue from fines and court costs related to traffic violations or file annual financial reports with the State Auditor's office. In addition, the city does not schedule annual financial statement audits timely.
Meeting Minutes, Qualifications of Aldermen, and Ordinances	Open meeting minutes did not document the specific section of law allowing a closed meeting for any closed meetings held during fiscal year 2013. Some issues discussed in closed meetings were not allowable under the Sunshine Law. Some Aldermen did not meet the qualifications for holding office, and city ordinances need improvement.
Computer Controls	The city has not established adequate password controls to reduce the risk of unauthorized access to computer systems and data. City hall employees share one user identification and password for each of 3 computers, passwords are not required to be changed on a regular basis, and security controls are not in place to shut down or lock a computer after a period of inactivity or a specified number of incorrect logon attempts.
Capital Assets	The City Clerk does not maintain records for the city's capital assets. Additionally, assets are not tagged for specific identification, and the city does not perform an annual physical inventory.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

City of Dixon

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Undeposited Receipts and Unsupported Transactions4 2. Accounting Controls and Procedures6 3. Disbursements10 4. Payroll Taxes.....14 5. Restricted Revenues14 6. Utility System Controls and Procedures.....16 7. Budgetary Procedures and Financial Reporting18 8. Meeting Minutes, Qualifications of Aldermen, and Ordinances.....21 9. Computer Controls23 10. Capital Assets23
-------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	25
---------------------------------------------	----

Supporting Documentation of Undeposited Receipts	27
-----------------------------------------------------	----

Supporting Documentation of Unbilled Water Usage	29
-----------------------------------------------------	----



THOMAS A. SCHWEICH

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Dixon, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Dixon. We have audited certain operations of the city in fulfillment of our duties. The city engaged Evers and Company, Certified Public Accountants (CPAs), L.L.C. to audit the city's financial statements for the year ended September 30, 2012 and 2013. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended September 30, 2012, audit, since the September 30, 2013, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2013. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Dixon.

An audit of the *Twenty-Fifth Judicial Circuit, City of Dixon Municipal Division*, fulfilling our obligations under Chapter 29, RSMo, is still in progress, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Sherrye Lesmes

City of Dixon

Management Advisory Report

State Auditor's Findings

1. Undeposited Receipts and Unsupported Transactions

Some receipts issued/posted to the computerized utility system by various city employees were not deposited, former City Collector Plummer entered incorrect usage information or made unauthorized adjustments to her parents' utility account, and the city made reimbursements to officials and payments for meals without adequate supporting documentation.

The city had significant turnover in the positions of City Collector, City Clerk, Court Clerk, and Mayor during 2012 and 2013, that are detailed in the Organization and Statistical Information section.

Undeposited receipts

The audit identified \$1,847 of recorded utility receipts in October 2012 (\$1,697 cash and \$150 checks) that were not deposited. This month was selected for review due to the large deposits made and the turnover of city personnel.

Manual receipt slips issued for \$2,995 (\$2,845 cash and \$150 checks) from October 12 to October 30, 2012, could not be agreed to a deposit. In addition, utility cash receipts totaling \$1,203 (unrelated to the manual receipt slips above) posted to customer accounts in the computerized utility system during October 2012 could not be agreed to a deposit. However, a cash deposit containing unidentified city receipts totaling \$2,351 occurred on November 2, 2012. The unidentified cash deposit was applied to the undeposited cash receipts identified during our audit, leaving \$1,847 in undeposited cash. City officials and personnel also could not determine that the unidentified cash deposit related to the undeposited cash receipts. The Supporting Documentation of Undeposited Receipts section provides details regarding the unaccounted for monies.

According to city officials, during October 2012 various former city officials (City Collector, City Clerk, and Mayor) and the former Court Clerk issued manual receipt slips for city monies received and access to monies on hand was not limited. This situation occurred primarily due to the transition in City Collectors and delays in getting monies on hand receipted and entered into the records. The City Collector posted payments to the computerized utility system, and it is unclear who made deposits during this time period. Additionally, city officials failed to maintain adequate documentation of utility monies deposited during October and November 2012, and as a result, there is no assurance all monies collected were properly deposited.

Unbilled water usage and adjustments

Former City Collector Plummer's parents were primarily charged only the minimum for water usage from January 2007 to July 2013, although their actual water usage had typically been above the amount charged for minimum usage. In addition, water usage for other months since October 2005 were apparently adjusted by the former City Collector. City procedures and records indicate former City Collector Plummer was fully



City of Dixon
Management Advisory Report - State Auditor's Findings

responsible for utility billings from November 2005 to August 2012. A review of utility accounts during this period of time determined the usage for her parents' account was much lower than it had been prior to November 2005. Records and explanations provided by city officials indicate the former City Collector entered incorrect usage information or made unauthorized adjustments to her parents' account in the computerized utility system to reduce the amount of water used each month. In August 2006, January 2007, the period March 2007 through August 2007, the period October 2007 through December 2011, and the period February 2012 through August 2012, the water usage reading was reported as zero for this account resulting in a bill for the minimum amount each month. We estimated the amount not billed to former City Collector Plummer's parents during months where water usage was reported at zero to be approximately \$1,140. The Supporting Documentation of Unbilled Water Usage section provides details regarding the manipulation of city records.

Unsupported reimbursements
and disbursements

We identified various unsupported reimbursements and disbursements during the 2 years ending September 30, 2013.

The city reimbursed the former City Clerk \$200 on June 20, 2012, based on a purchase order prepared by the former City Clerk indicating the reimbursement was for a damaged monitor/television. The former City Clerk indicated he had loaned the city a television that was subsequently damaged by lightning; however, the city had no documentation supporting this claim or the value of the television. The city also reimbursed the former City Clerk \$175 for a time clock system and smart cards based on a purchase order and invoice he prepared from his personal business, JP Custome Electronics, listing his personal/business address. Upon our inquiry, city officials provided documentation of online purchases indicating the items cost \$152. As a result, the former City Clerk was reimbursed \$23 more than the items actually cost. The city also reimbursed the former City Clerk \$385 for computer parts in June 2012, and the invoice indicated the parts were shipped in his wife's name to his personal address. The Board of Aldermen (Board) did not approve these reimbursements and the former Mayor and the former City Clerk signed these checks.

The city reimbursed the City Marshall \$800 in March 2013, based on a purchase order he prepared indicating the reimbursement was for a light bar for a city police car. The City Marshall did not provide documentation of the original cost or purchase of the light bar.

Additionally, between October 2011 and November 2012, there were 13 purchases of meals from local restaurants totaling \$403 that lacked supporting documentation, including individuals in attendance, the business purpose, or the necessity of the purchase. City records indicate several of



City of Dixon
Management Advisory Report - State Auditor's Findings

these meals involved the former Mayor and former City Clerk, and the Board did not approve payments for \$204 of the \$403 spent.

The lack of detailed supporting documentation makes it difficult for the city to ensure the propriety of payments made for employee reimbursements and meals. City funds should be expended only on items that clearly benefit the city. A proper review by the Board can prevent improper use of city funds.

Conclusion

Significant weaknesses in internal controls and record-keeping procedures as discussed throughout the report, allowed undeposited receipts, manipulation of city records, and unsupported and unnecessary payments to occur and go undetected.

Recommendation

The Board of Aldermen investigate undeposited receipts. The Board of Aldermen should also work with law enforcement officials regarding criminal prosecution, if the undeposited receipts are determined to be missing, and regarding the erroneous utility system information and unauthorized utility account adjustments. The Board of Aldermen should seek reimbursement of the unsupported reimbursements, consider billing for past legitimate but unbilled utility service, and ensure all disbursements of city monies clearly benefit the city and are supported by invoices.

Auditee's Response

The Board of Aldermen provided the following written response:

We will select a committee comprised of the City Clerk and Aldermen to investigate undeposited receipts regarding the utility system and account access. We will at this time seek to rectify any lapses in security measures on that system so that accountability of individuals can be made. Furthermore, we will establish policies governing such account access and or modifications to individual accounts. We will also work with law enforcement officials regarding criminal prosecution, if undeposited receipts are determined missing, and regarding the erroneous utility system information and unauthorized utility account adjustments. We will seek reimbursement of the unsupported reimbursements, discuss and consider billing for past legitimate but unbilled utility service with our attorney, and we will ensure all future disbursements clearly benefit the city and are supported by invoices.

2. Accounting Controls and Procedures

There are numerous weaknesses with accounting controls and procedures.

2.1 Segregation of duties

The Board has not adequately segregated accounting duties and does not have adequate review and approval procedures. The City Clerk is



City of Dixon Management Advisory Report - State Auditor's Findings

responsible for preparing invoices for payment, issuing checks, posting receipts and disbursements into the accounting system, processing payroll, and reconciling bank accounts. The City Clerk also sometimes takes payments. The City Collector is responsible for taking payments, recording receipts in the utility account system, and depositing all monies. A comparison of monies received and recorded on manual receipt slips and the computerized utility system to those deposited is not performed. The city does not employ a City Treasurer.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these offices, by the same person at the same time would be incompatible. If segregating duties is not possible, timely supervisory reviews by the Board should be performed and documented.

2.2 Receipting, recording, and depositing procedures

The city's procedures for receipting, recording, and depositing are poor. As a result, there is no assurance all monies collected are properly receipted, recorded, or deposited.

- City personnel did not issue receipt slips for some monies received. Receipt slips were not issued for utility check payments unless requested by the payor.
- City personnel did not issue receipt slips in numerical sequence, and used multiple receipt slip books concurrently.
- Amounts recorded on manual receipt slips were not reconciled to the computerized utility system, and amounts recorded in the computerized utility system were not reconciled to deposits. As a result, the city did not detect the undeposited receipts (see MAR finding number 1), duplicate manual receipt slips issued, errors made on manually issued receipt slips (incorrect utility customer listed on receipt slip), and posting errors made to the computerized utility system (payment posted to incorrect accounts, etc.).
- The former City Collectors did not deposit receipts intact or timely. They made separate deposits for each type and composition of receipt (cash receipts were deposited separately from receipts received by check). For example, some utility receipts received from October 2 to October 10, 2012, totaling \$1,438, were held and not deposited until October 16, 2012, and some utility receipts received from October 9 to October 12, 2012, were held and not deposited until October 22, 2012, while other receipts received on October 15, 2012, were deposited on October 16, 2012.



City of Dixon
Management Advisory Report - State Auditor's Findings

- The former City Collectors did not always include an itemized listing of cash and checks on the deposit slips, and as a result, some of the recorded receipts could not readily be agreed to a deposit (see MAR finding number 1).
- The former City Collectors did not always record monies received timely in the computerized utility system. For example, 7 manual receipt slips issued from October 2 to October 5, 2012, totaling \$578 were not posted to the computerized utility system until October 9, 2012. We identified numerous other instances where monies received were not recorded timely in the computerized utility system.

Failure to implement adequate receipting, recording, and depositing procedures increase the risk that loss, theft, or misuse of monies received will go undetected and accounting records will contain errors.

2.3 Accounting records

The city did not maintain accurate accounting records. Significant unexplained differences existed in the city's records. As a result, reports generated from the accounting system could not be relied upon by city officials when making decisions.

- Differences exist between the September 30, 2013, reconciled bank balance and the book balance recorded in the accounting records of the city's main bank account. The city's computerized bank reconciliation report includes a warning stating "bank totals do not equal the general ledger account totals" and reported a difference of (\$617,332). In addition, an adjustment was made on the September 2013 computerized bank reconciliation report by the former City Clerk to increase the main account balance and decrease the transportation account balance by \$200,000; however, the transfer was not made until October 7, 2013.
- The August 31, 2013, ending cash balances do not agree to the September 1, 2013, beginning balances for various city funds. For example, the Sewer Fund cash balance on August 31 was \$1,150,000 and on September 1 the balance was \$292,303, a difference of \$857,697. The former City Clerk could not provide an explanation for the changes in the balances. In addition, the warning statement mentioned above appeared for three bank accounts on the August cash report with differences reported of \$871,603, (\$624,637), and \$31.
- The city's independent audit report letter of suggestions to management for fiscal year 2012 stated, "At the beginning of fieldwork, we noted the City's general ledger was not in balance. The City had to request the software company fix the out of balance. After the software company balanced the general ledger, we noted individual funds remained out of balance."



City of Dixon Management Advisory Report - State Auditor's Findings

Accurate and complete financial information is necessary for the Board to make informed decisions and to provide residents with reliable information about city finances. Inaccurately recorded transactions make it more difficult to detect loss, theft, or misuse of funds.

2.4 Physical controls

The current City Collector indicated that when she started in March 2013, the former City Collector maintained monies received in an unlocked drawer in the office and in a locked vault at night. The Mayor indicated during the year ended September 30, 2013, the Marshal rekeyed the vault and retained a key without authorization and to further limit access, the maintenance supervisor rekeyed the vault a second time. Various city employees and the former Mayor had access to monies on hand and were allowed to collect receipts at city hall.

To safeguard against possible loss, theft, or misuse of funds and to ensure receipts are properly handled, monies received should be maintained in a secure location until deposit, and the collection of city receipts should be restricted.

2.5 Outstanding and voided checks

Procedures have not been established to routinely follow up on outstanding checks. As of February 28, 2014, 8 checks totaling \$5,004, had been outstanding for over a year. In addition, voided checks were not properly defaced. We noted checks in the former City Clerk's desk drawer that were prepared, but not signed. The former City Clerk indicated these checks were void; however, the checks were not defaced in any manner.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law. Also, voided checks should be properly defaced.

Recommendations

The Board of Aldermen:

- 2.1 Implement procedures to adequately segregate duties or ensure independent or supervisory reviews of the City Clerk and City Collectors' work are performed.
- 2.2 Require issuance of prenumbered receipt slips for all monies received, record receipts in the computerized utility system timely, and deposit receipts intact and timely.
- 2.3 Ensure accounting records are accurately maintained.
- 2.4 Maintain monies collected in a secure location and limit collection duties.



City of Dixon
Management Advisory Report - State Auditor's Findings

- 2.5 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located, the amount should be disbursed in accordance with state law. In addition, voided checks should be properly defaced.

Auditee's Response

The Board of Aldermen provided the following written responses:

As a cumulative response to finding 2, we shall establish specific job performance duties for each position in the city. We will draft these duties in a rating form so that a supervisor will go over the performance expectations of each employee, the employee will in turn acknowledge to their supervisor that they understand and know what is expected of them throughout the current and forthcoming rating periods. Documentation of this meeting and the performance objectives and job specific duties will be maintained in a secure location as determined by operating procedure.

- 2.1 *We will try to segregate duties of the City Clerk and City Collector or if this is not possible, we will implement periodic supervisory reviews of their work.*
- 2.2 *We will require prenumbered receipt slips be issued for all monies received, receipts to be recorded in the utility system timely, and monies to be deposited timely and intact.*
- 2.3 *We will draft policies and operating procedures that specifically outline how monies are to be collected and recorded and entered into the computerized utility system in a timely manner. Policies will also be drafted that ensure accurate records are maintained and kept on file.*
- 2.4 *We will require monies to be maintained in a secure location and limit collection duties.*
- 2.5 *We will require the City Clerk to routinely investigate outstanding checks over one year old, and request them to be voided and reissued or disbursed in accordance with state law. We will also require all voided checks to be properly defaced.*

3. Disbursements

Controls and procedures over city disbursements need improvement.

3.1 Procurement procedures

The city does not have a formal bidding policy and bids were not solicited for numerous significant goods and services purchased during the year ended September 30, 2013.



City of Dixon
Management Advisory Report - State Auditor's Findings

Item or Service	Cost
Fuel (3 vendors)	\$ 61,800
Water, sewer, and street supplies (4 vendors)	33,546
Utility tank service	33,366
Workers compensation insurance	19,392
Audit services	12,000
Asphalt	7,675
Uniforms-annual	7,441
Trash dumpsters	6,750
Office supplies	5,869
Accounting software support	5,803
Utility system software	3,405

In addition, while Board meeting minutes indicate the city obtained bids for propane, city officials did not retain bid documentation. The city paid \$4,455 for propane during the year ended September 30, 2013.

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business.

3.2 Professional and engineering services

Professional services are obtained without benefit of a competitive selection process, the city has not entered into a written agreement for legal services, and the city did not document its evaluation and selection of engineering services.

- The city has used the same law firm for legal services since 2006 without conducting a competitive selection process. The city has not entered into a written agreement with the firm and paid the firm \$16,803 during the year ended September 30, 2013.
- The city did not solicit proposals for auditing services. The city paid \$12,000 for auditing services during 2013.
- The city did not evaluate qualifications from 3 firms for engineering services before paying an engineer \$6,795 during 2013.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in



City of Dixon Management Advisory Report - State Auditor's Findings

writing. In addition, Sections 8.289 and 8.291, RSMo, provide requirements for obtaining, evaluating, and negotiating engineering services.

3.3 Approval process

The Board's approval process for disbursements is not adequate. The list of bills approved by the Board each month is not complete, and a comparison of this list to approved invoices and the actual checks written is not performed. The list of bills approved by the Board each month does not include payroll disbursements. In addition, a list of bills approved by the Board did not include 30 of 50 non-payroll disbursements we reviewed.

The Mayor and department heads failed to document their review and approval on most supporting documentation. City policy requires the Mayor to approve all purchases greater than \$500 and department heads to approve all purchases less than \$500. Additionally, many of the invoices paid by the city did not have documentation acknowledging receipt of goods or services.

To ensure disbursement are an appropriate use of city funds, the Board should ensure the list of bills approved is complete, someone compares the list to approved invoices and the checks written, and the Mayor and department heads review and approve applicable purchases in accordance with city policy. Documentation of the receipt of goods or services is necessary to ensure the city actually received the items or services.

3.4 1099-MISC forms

In 2012 and 2013, the City Clerk did not issue 1099-MISC forms to applicable individuals or non-incorporated businesses or file these forms with the Internal Revenue Service (IRS) as required. During these years, at least 4 individuals or businesses received payments from the city meeting the criteria requiring preparation of these forms.

Sections 6041 to 6050 of the Internal Revenue Code require non-wage payments of at least \$600 in one year for professional services or for services performed as a trade or business by non-employees (other than corporations) be reported to the federal government on 1099-MISC forms. To ensure compliance with IRS requirements, the city should establish procedures to ensure 1099-MISC forms are issued in all applicable instances.

3.5 Duplicate vendors

The city vendor list contained 21 duplicate vendor names, each with a separate vendor number. In addition, the city did not use 393 of 595 vendors on its vendor list during the year ended September 30, 2013. Better controls should be established to ensure vendors are only entered in the payment system once. In addition, deleting duplicate vendor names and vendors the city does not intend to use would give the city better control over vendor information and result in a more efficient operation.



City of Dixon
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 3.1 Establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for bids selected.
- 3.2 Solicit proposals for professional services, enter into written agreements for legal services, and comply with state law when procuring engineering services and document the evaluation and selection process for those services.
- 3.3 Ensure complete lists of bills (including payroll information) are prepared, the Board's approval is reflected on the lists, and the lists are retained. The Mayor and department heads should document their review and approval in accordance with city ordinance, and approved lists of bills should be compared to invoices and checks written. The Board should also ensure all invoices are initialed or signed by an employee to indicate acceptance of goods or services.
- 3.4 Implement procedures to ensure 1099-MISC forms are prepared and filed as required by law.
- 3.5 Ensure duplicate vendors and vendors the city does not plan to use are removed from the vendor list.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 3.1 *We shall establish a formal bidding process, policies, and procedures requiring bids or quotes and will keep on file the justification for selecting a bid of one merchant or service over another.*
- 3.2 *In the future, we will solicit proposals for professional services annually and enter into a written agreement for legal services. We will also evaluate qualifications from 3 firms for engineering services in accordance with state law.*
- 3.3 *We will ensure through proper training and defined job expectations that the designated employees accurately and completely provide a list of bills and this list is presented to the Mayor and Board for review and approval. We will ensure the Board's approval of a complete list of bills is documented and the list is retained. We will ensure the Mayor and department heads document their review and approval of city disbursements in accordance with our policy, and we will compare the list of bills to*



City of Dixon
Management Advisory Report - State Auditor's Findings

checks and invoices. We will also ensure the receipt of goods or services is documented on invoices.

3.4 *This issue will be covered under the performance expectations, and the Board shall ensure the City Clerk's compliance with applicable laws.*

3.5 *This issue will be handled through measurable expectations as outlined in job duties for this assigned position.*

4. Payroll Taxes

The former and current City Clerk did not timely file 941 forms and remit applicable payroll taxes to the IRS for the period January 2012 to March 2014, resulting in assessments of penalties and interest totaling \$26,980.

The City Clerk also did not file/remit this form and applicable taxes for the second quarter of 2014 until September 2014; however, the IRS has not yet assessed the applicable penalties and interest. The lack of procedures and an independent review of payroll records and transactions allowed this problem to occur without detection for an extended time period.

The Internal Revenue Code requires employers to file a 941 form by the last day of the month following the end of the quarter, along with payment of Social Security and Medicare taxes withheld from the employee and the employer's share, as well as federal income taxes withheld.

Recommendation

The Board of Aldermen should establish procedures to ensure payroll taxes are remitted to the appropriate taxing entity timely.

Auditee's Response

The Board of Aldermen provided the following written response:

We shall ensure that payroll taxes are remitted to the appropriate tax entity on a timely basis. This shall be done by requiring such positions who are responsible to provide appropriate documentation that the task has been completed on time, and an explanation to the Board if such isn't accomplished.

5. Restricted Revenues

The city has not established adequate procedures to ensure restricted monies are expended only for intended purposes and disbursements are properly allocated among funds.

5.1 Tracking and recording restricted revenues

The City Clerk is not properly tracking and recording various statutorily restricted monies. Police Officer Standards Training (POST) fees and Law Enforcement Training (LET) fees are comingled with general purpose monies rather than being accounted for separately or in separate funds. The City Clerk deposits these monies into the General Fund and tracks the receipts, but does not identify the associated disbursements or balances



City of Dixon Management Advisory Report - State Auditor's Findings

within the General Fund. As a result, the city cannot determine what portion of the General Fund balance represents restricted monies, or demonstrate disbursements were allowable.

Section 488.5336.2, RSMo, requires POST and LET fees to be used for the training of law enforcement officers. Receipts and disbursements associated with restricted monies should be recorded separately or in a fund established to account for their usage and ensure compliance with state laws.

5.2 Allocation of disbursements

The former City Clerk failed to allocate the cost of legal services between various funds and documentation does not exist to support the allocation of the costs of audit services among city funds.

Legal service costs totaling \$16,803 were paid entirely from the General Fund in fiscal year 2013, although a portion of these costs could be allocated to other funds. Additionally, the city allocated \$4,228 to the General Fund and \$1,943 each to the Water, Sewer, Street, and Library Funds for audit service costs during fiscal year 2013, without documentation to support the allocation.

It is essential the city properly allocate disbursements among funds, to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user fees necessary to meet operational costs.

Recommendations

The Board of Aldermen:

- 5.1 Determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of these monies.
- 5.2 Ensure shared costs are properly allocated to the applicable city funds and allocations are supported by adequate documentation.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 5.1 *We will determine the amount of POST and LET fees that are being held in the General Fund and establish separate funds or accounting for these monies.*
- 5.2 *We will draft policies and operating procedures on how money is separated for accounting purposes and how costs are to be properly allocated to applicable city funds. Furthermore, documentation will be kept for future reference. This process will be outlined in operating procedures.*



City of Dixon
Management Advisory Report - State Auditor's Findings

6. Utility System Controls and Procedures

There are significant weaknesses in city operations related to utility services. The city provides utility services to approximately 736 customers. Per city accounting records, the city collected approximately \$256,000 in water fees and \$239,000 in sewer fees during the year ended September 30, 2013.

6.1 Utility rates

The Board has not performed a formal review of water and sewer rates, and as a result there is less assurance utility rates are set at an appropriate level.

The city has not increased or decreased water and sewer rates since 2009. According to the city's independent audit report, the Water Fund and Sewer Fund had operating incomes of \$83,161 and \$13,692, respectively, for the year ended September 30, 2012.

Water and sewer fees are user charges, which should cover the cost of providing the related services. The city should periodically prepare a cost analysis of water and sewer rates, which considers expenses such as debt service costs, the need for the extension of the system, equipment repairs and replacement, depreciation, enlargement of plant, capital improvements, and operating and incidental expenses. The preparation of a comprehensive statement of costs would not only allow the city to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates.

6.2 Water reconciliations and billings

The maintenance supervisor did not investigate significant differences identified in the monthly reconciliation of gallons of water billed to customers to gallons of water pumped. In addition, water usage is not tracked for city buildings, a fire district, and one privately-owned property. The fire district and the privately-owned property owner are billed monthly based on an estimate of water usage. Without this water usage information the city cannot properly perform the reconciliation. A water usage report city officials submitted to the Department of Natural Resources indicated the city could not account for 18 percent of water pumped for calendar year 2013. This significant difference is indicative of water loss issues and/or possible unbilled usage, and indicates a need for follow up.

Tracking city and other water usage, metering all properties as appropriate, and timely investigation of unexpected or significant differences between water billed and water pumped is necessary to help detect significant water loss timely and ensure water usage is properly billed. According to the U.S. Environmental Protection Agency, the water industry goal for unaccounted for water is 10 percent or less.¹

¹ United States Environmental Protection Agency, "Using Water Efficiently: Ideas for Communities," <<http://www.epa.gov/WaterSense/docs/community508.pdf>>, accessed December 23, 2014.



City of Dixon
Management Advisory Report - State Auditor's Findings

6.3 Adjustments

The City Collector posts adjustments to the computerized utility system without obtaining independent approval or maintaining adequate documentation to support the reason for the adjustments. Because the City Collector is responsible for all utility functions, the ability to make adjustments without approvals represents a significant control weakness. This lax process allowed former City Collector Plummer to adjust her parents' utility account (see MAR finding number 1).

Requiring someone independent of receipting and recording functions to review and approve adjustments, and requiring proper supporting documentation be maintained for such adjustments would help ensure adjustments are valid

6.4 Utility deposits

The former City Collectors did not prepare a monthly list of utility deposits held and reconcile the list to the deposit payable balance in the general ledger. New customers are required by ordinance to pay a refundable deposit before receiving utility service. The City Collector prepared a list of utility deposits on hand as of February 28, 2014. The list of utility deposits totaled \$26,958, and the deposit balance in the city's general ledger totaled \$64,365, resulting in a difference of \$37,407.

Monthly reconciliations of the list of deposits to the deposit payable balance are necessary to ensure deposits are properly recorded and are sufficient to meet liabilities. Any discrepancies should be promptly investigated and resolved.

Recommendations

The Board of Aldermen:

- 6.1 Document formal reviews of utility rates periodically to ensure revenues are sufficient to cover all costs of providing these services and to support any rate changes.
- 6.2 Investigate significant differences between gallons of water pumped to gallons billed, track all water usage on a monthly basis, and ensure all usage is appropriately billed and collected.
- 6.3 Ensure all adjustments are independently approved and supporting documentation is retained.
- 6.4 Ensure a list of utility deposits on hand is prepared and reconciled monthly to the deposit payable balance in the general ledger. Any discrepancies should be investigated and resolved.



City of Dixon
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Aldermen provided the following written responses:

- 6.1 *We will install meters on properties not currently metered to properly track all water usage. We shall on an annual basis review revenues and utility rates to ensure that the rates are covering the cost of services provided. This will support any rate increases that are needed for the future.*
- 6.2 *During the monthly review if significant differences of gallons pumped versus gallons billed are found they will be investigated and the appropriate answer will be documented and kept on file as an explanation for the difference.*
- 6.3 *We will request a report of all adjustments made to the utility system be generated from the system for the Board's review and approval at each Board meeting.*
- 6.4 *We will ensure a list of utility deposits on hand is prepared and reconciled monthly to the deposit payable balance in the general ledger, and any differences will be investigated and resolved.*

7. Budgetary Procedures and Financial Reporting

Budgetary procedures and financial reporting need improvement.

7.1 Budgets

The Board did not hold a budget hearing to establish and approve a budget for the year ending September 30, 2013, and on October 1, 2012, the Board approved operating under the prior year's budget for the upcoming year. A formal budget document for fiscal year 2013 was never prepared. Additionally, the annual budget for the year ended September 30, 2012, did not contain all elements required by state law. The budget did not include a budget message, and actual or budgeted amounts for the 2 preceding years. In addition, beginning available resources and estimated ending available resources were not included in these budgets, but are needed to present a complete financial plan for city finances.

Section 67.010, RSMo, provides requirements for the information to be presented in the annual operating budget. A complete and well-planned budget, in addition to meeting statutory guidelines, can serve as a useful management tool by establishing specific expectations for each area of village operations and provides a means to effectively monitor actual financial activity. In addition, obtaining input from city residents when



City of Dixon Management Advisory Report - State Auditor's Findings

adopting budgets through a public hearing can help residents better understand decisions made.

7.2 Budget amendments

The former City Clerk did not prepare and the Board did not approve budget amendments for the fiscal year ending September 30, 2013. As previously noted, the city was also using the 2012 budget as its 2013 budget, and according to the city's accounting records, the city overspent the General Fund and Library Fund during fiscal year 2013.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted and allows for budget increases, after the governing body officially adopts a resolution setting forth the facts and reasons. To ensure compliance with state law, the Board should properly monitor actual disbursements compared to budgeted amounts and formally amend the budgets before the related disbursements are incurred.

7.3 Financial statements

The Board did not comply with state law regarding publishing financial statements. Financial statements published for the year ended September 30, 2013, did not include a full and detailed account of the receipts, disbursements, beginning and ending cash balances, and indebtedness of the city. The financial statements only presented the total budgeted and actual receipts and disbursements by fund, and did not include the beginning and ending cash balances of each fund, which are not required but are needed to present a complete financial plan for city finances. Also, the financial statements are not published semiannually.

Section 79.160, RSMo, requires the Board to prepare and publish financial statements for each 6 month period that include a full and detailed account of the receipts, disbursements, and indebtedness of the city.

7.4 Monitoring of excess revenues and filing of financial reports

The city did not calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, determine whether excess revenues should be distributed to the state Department of Revenue, and provide an accounting of the percent in its annual financial report as required by state law. In addition, the city has not filed annual financial reports for its years ended September 30, 2012 and 2013, with the State Auditor's office as required by law.

Effective August 28, 2013, Section 302.341.2, RSMo, was amended, reducing the threshold for remitting excess revenues to the state, and requiring cities to provide an accounting of the percent of annual general operating revenue from fines and court costs in its annual financial report submitted to the State Auditor's office as required by Section 105.145, RSMo. This requirement impacts the city's year end September 30, 2013, financial report.



City of Dixon Management Advisory Report - State Auditor's Findings

Section 302.341.2, RSMo, further provides that a city that is noncompliant with the law and fails to make an accurate or timely report ". . . shall suffer immediate loss of jurisdiction of the municipal court of said city . . . on all traffic-related charges until all requirements of this section are satisfied." Thus, it is imperative the city work with the court to obtain the required traffic violation data and file annual financial reports that provide the required accounting.

7.5 Audits

City officials do not schedule the city's annual financial statement audits timely. The audit for the year ended September 30, 2012, was not scheduled until June 2013, and was not completed and issued until April 2014. The audit for the year ended September 30, 2013, did not begin until October 2014.

Section 250.150, RSMo, requires the city to obtain annual audits of the combined water and sewer system. Timely annual audits also helps city officials assess the financial condition of the city and ensure the propriety and accuracy of financial transactions.

Recommendations

The Board of Aldermen:

- 7.1 Prepare complete budget documents in accordance with state law and ensure a public hearing is held to obtain input from city residents.
- 7.2 Prepare and approve budget amendments prior to incurring the related disbursements.
- 7.3 Publish semiannual financial statements as required by state law.
- 7.4 Develop procedures to monitor excess revenues from traffic violations and submit annual financial reports to the State Auditor's office.
- 7.5 Ensure the city's independent financial statement audits are completed timely.

Auditee's Response

The Board of Aldermen provided the following written response:

- 7.1 *We acknowledge the prior administration's failure in adherence to the preparation of budgets. That notwithstanding, the current Board acknowledges and will prepare budget documents in accordance with state law and ensure public hearings are held to obtain input from city residents.*



City of Dixon
Management Advisory Report - State Auditor's Findings

- 7.2 *We will prepare approved budget amendments prior to incurring related disbursements.*
- 7.3 *We shall ensure financial statements are published as required by state law.*
- 7.4 *We will develop procedures to monitor excess revenues from traffic violations and submit annual financial reports to the State Auditor's office.*
- 7.5 *We will also ensure that the city's independent financial statement audits are completed in a timely manner.*

8. Meeting Minutes, Qualifications of Aldermen, and Ordinances

The Board of Aldermen did not always follow Sunshine Law requirements relating to closed meetings as required by Chapter 610, RSMo, some Aldermen did not meet the qualifications for holding office, and improvement is needed with city ordinances.

8.1 Meeting minutes

Open meeting minutes did not document the specific section of law that allowed a closed meeting for any of the 12 closed meetings held during the year ended September 30, 2013; and some issues discussed in closed meetings were not allowable under the Sunshine Law. For example, closed meeting minutes indicated the Board discussed raises for all city employees. In addition, closed meeting minutes did not always document what was discussed during the closed meeting.

The Sunshine Law, Chapter 610, RSMo, requires minutes be kept for all closed meetings and requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at open session. The law limits discussions in closed meetings to only the specific reason announced to close the meeting and requires governmental bodies to prepare and maintain minutes of closed meetings.

8.2 Qualifications of Aldermen

Two Aldermen did not meet the qualifications for holding city office when elected, and another Alderman did not comply with city ordinance and state law during his term of office.

Alderman Dake and Alderman Kuehl owed delinquent real property taxes at the time of election in April 2012. Section 79.250, RSMo, states "No person shall be elected or appointed to any office, who shall at the time be in arrears for any unpaid city taxes, or forfeiture or defalcation in office."



City of Dixon
Management Advisory Report - State Auditor's Findings

Alderman Watson did not reside in city limits through the duration of his term of office, and the Board did not take action to ensure compliance with city ordinance. City ordinance and Section 79.070, RSMo, requires aldermen to be a resident of the city for one year preceding his or her election, at the time of election, and during the time he or she serves.

8.3 Ordinances

City ordinances are not complete. City ordinances have not been updated since 2011, and the city has not adopted ordinances to establish the compensation of city officials or employees and the water and sewer rates charged.

Since ordinances represent legislation passed by the Board to govern the city and its residents, it is important they are maintained in a complete and up-to-date manner. Ordinances documenting approved salary amounts and utility rates help ensure equitable treatment and prevent misunderstandings. Section 79.270, RSMo, authorizes the Board to fix the compensation of employees by ordinance.

Recommendations

The Board of Aldermen:

- 8.1 Ensure the specific statutorily allowed reason for closing a session is documented and only allowable subjects are discussed in closed session. In addition, proper documentation of closed meetings should be maintained.
- 8.2 Ensure candidates for city office and current office holders possess the qualifications for holding office.
- 8.3 Ensure ordinances are complete.

Auditee's Response

The Board of Aldermen provided the following written responses:

We acknowledge that past administrations were not in compliance. The current administration has already taken measurable steps to ensure compliance.

- 8.1 *In the future, we will strive to ensure the specific statutorily allowed reason for closing a session is documented and only allowable topics are discussed in closed session. We will also keep minutes of all closed sessions.*
- 8.2 *We will ensure candidates for future city office and current office holders possess qualifications for holding office.*
- 8.3 *We will also ensure a review of ordinances is performed on an annual basis or as determined by operating procedures.*



9. Computer Controls

The city has not established adequate password controls to reduce the risk of unauthorized access to computer systems and data. City hall employees share one user identification and password for each of 3 computers, and passwords are not required to be changed on a periodic basis to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password. In addition, security controls are not in place to shut down a computer after a certain period of inactivity or lock it after a specified number of incorrect logon attempts.

Passwords are required to authenticate access to computers. The security of passwords is dependent upon keeping them confidential. Passwords should be unique and confidential and changed periodically to reduce the risk of unauthorized access to and use of systems and data. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Logon attempt controls lock the capability to access a system after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a system by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to systems and the unauthorized use, modification, or destruction of data.

Recommendation

The Board of Aldermen should require a unique password for each employee that is confidential and periodically changed to prevent unauthorized access to city computer systems and data. The Board of Aldermen should also require each city computer to have security controls in place to shut down the computer after a certain period of inactivity and lock it after a specified number of incorrect logon attempts.

Auditee's Response

The Board of Aldermen provided the following written response:

We shall draft policies and standard operating procedures about account access for individual city employees and safeguards of passwords. The city will contact its programmer to have security controls in place to shut down a computer after a certain period of inactivity and lock it after a specified number of incorrect logon attempts.

10. Capital Assets

The City Clerk does not maintain records for the city's capital assets including buildings, utility system infrastructure, equipment, and other property. Additionally, assets are not tagged for specific identification, and an annual physical inventory is not performed. The audited financial statements for the year ended September 30, 2012, valued city property at approximately \$1.34 million.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss,



City of Dixon
Management Advisory Report - State Auditor's Findings

theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

Recommendation

The Board of Aldermen ensure property records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board of Aldermen should also properly tag, number, and otherwise identify all applicable city property and conduct and document an annual inventory.

Auditee's Response

The Board of Aldermen provided the following written response:

We will look into ways for identification of capital asset inventory controls and record keeping of such.

City of Dixon

Organization and Statistical Information

The City of Dixon is located in Pulaski County. The city was incorporated in 1889 and is currently a fourth-class city. The city employed 18 full-time employees and 6 part-time employees on September 30, 2013.

City operations include utility services (water, sewer, and trash), police, maintenance of streets, a library, and the city park.

Mayor and Board of Aldermen

The city government consists of a mayor and six-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor is paid \$200 per month and Board of Aldermen members are paid \$100 per month. The Mayor and Board of Aldermen at September 30, 2013, are identified below.

Jeffery Clark, Mayor (1)
Allan Kuehl, Alderman
Elizabeth McPherson, Alderwoman
Steven Parker, Alderman
Travis Rollins, Alderman
Douglas Dake, Alderman
Paul Watson, Alderman

(1) Jeffery Clark was appointed Mayor in November 2012. Ben Copeland served as Mayor from April 2011 to October 2012.

Other Elected Official

The Marshall at September 30, 2013, was Michael Plummer and his annual compensation was \$31,000. The Marshall's compensation is established by the Board of Aldermen.

Other Principal Officials

The City Collector, City Clerk, and Court Clerk are appointed positions. The city's other principal officials at September 30, 2013, are identified below.

Paula Balzer, City Collector (1)
James Poucher, City Clerk (2)
Julie Solan, Court Clerk (3)

(1) Paula Balzer was appointed as City Collector in March 2013. Yvette Bowshier served as City Collector from September 2012 to March 2013. Sheila Plummer served as City Collector from November 2005 to August 2012.

(2) James Poucher served as City Clerk from February 2012 to November 2013. Jessie Fleming is the current City Clerk and was appointed November 2013.

(3) Julie Solan served as Court Clerk from April 2010 to December 2013. Kathy Smith is the current Court Clerk and was appointed in January 2014.

Financing Arrangements

In July 2003, the city issued \$735,000 in General Obligation Refunding Bonds, Series 2003, for the purpose of refunding the General Obligation Street Bonds, Series 1996. Principal and interest payments are due annually on March 1 of each year. Payments are made from the General Fund. The

City of Dixon

Organization and Statistical Information

final payment is scheduled for March 2015. The remaining principal outstanding at September 30, 2013, was \$160,000. Interest remaining to be paid over the life of the agreement totals \$6,520.

The city has entered into a lease-purchase agreement for a garbage truck and a police car. Principal and interest payments are made from the General Fund. The final payment for the lease-purchase is scheduled to occur in 2015. The remaining principal outstanding at September 30, 2013, was \$6,506. The remaining interest was \$236.

City of Dixon
Supporting Documentation of Undeposited Receipts

Summary of Undeposited Receipts

	Amount
Total Undeposited Manual Receipts	\$ 2,995.33
Total Undeposited Receipts Posted to the Utility System	1,202.92
Total Undeposited Receipts	4,198.25
Unidentified Cash Deposit	(2,351.52)
Total Undeposited Receipts	\$ 1,846.73

Undeposited Manual Receipts

Date Received	Receipt Number	Payment Type	Amount
10/12/2012	37093	Check	\$ 75.00
10/17/2012	37291	Cash	72.60
10/17/2012	37292	Cash	65.93
10/17/2012	37293	Cash	86.77
10/17/2012	37295	Cash	79.80
10/18/2012	37297	Cash	61.34
10/18/2012	37298	Cash	65.51
10/18/2012	37302	Cash	73.01
10/18/2012	37304	Cash	79.86
10/19/2012	37305	Cash	101.36
10/19/2012	37306	Cash	82.00
10/19/2012	37308	Cash	65.10
10/19/2012	37309	Cash	73.43
10/19/2012	37311	Cash	41.30
10/19/2012	37313	Cash	58.50
10/19/2012	37315	Cash	66.77
10/19/2012	37317	Cash	103.45
10/19/2012	37318	Cash	61.34
10/19/2012	37319	Cash	53.15
10/19/2012	37320	Cash	43.52
10/19/2012	37323	Cash	125.03
10/19/2012	37324	Cash	70.93
10/19/2012	37325	Cash	86.77
10/19/2012	37327	Cash	45.74
10/22/2012	37332	Cash	46.75
10/22/2012	37333	Cash	77.60
10/22/2012	37334	Cash	150.00
10/22/2012	37339	Cash	100.00
10/22/2012	37343	Cash	80.94
10/22/2012	37345	Cash	73.43
10/23/2012	37347	Cash	79.27

City of Dixon
Supporting Documentation of Undeposited Receipts

Date Received	Receipt Number	Payment Type	Amount
10/23/2012	37353	Cash	76.77
10/23/2012	37354	Cash	67.15
10/23/2012	37355	Cash	74.68
10/24/2012	37352 (1)	Cash	80.94
10/25/2012	37351 (1)	Cash	197.94
10/25/2012	37358	Cash	76.65
10/26/2012	37101 (2)	Check	75.00
Total			<u>\$ 2,995.33</u>

(1) Receipt slips were not issued in numerical order.

(2) A different receipt slip book was used resulting in a change in the numerical sequence of receipt slip numbers.

Undeposited Receipts Posted to the Utility System

Date Received	Account Number	Payment Type	Amount
10/5/2012	08-2100	Cash	\$ 93.16
10/5/2012	09-9300	Cash	150.00
10/5/2012	09-10200	Cash	66.77
10/5/2012	02-11000	Cash	70.90
10/12/2012	01-9000	Cash	78.31
10/12/2012	08-2600	Cash	64.99
10/15/2012	08-5200	Cash	70.93
10/15/2012	05-7300	Cash	74.27
10/15/2012	04-7900	Cash	68.84
10/16/2012	01-6400	Cash	66.09
10/16/2012	01-0100	Cash	77.60
10/16/2012	99-0054	Cash	89.67
10/16/2012	06-8600	Cash	50.39
10/22/2012	03-6300	Cash	16.69
10/22/2012	04-8400	Cash	82.61
10/24/2012	04-4800	Cash	81.70
Total			<u>\$ 1,202.92</u>

City of Dixon
Supporting Documentation of Unbilled Water Usage

Unbilled Water Usage

Month and Year	Beginning Meter Reading	Ending Meter Reading	Usage (Hundreds of Gallons)
January 2005 (1)	17447	17495	48
February 2005 (1)	17495	17553	58
March 2005 (1)	17553	17601	48
April 2005 (1)	17601	17649	48
May 2005 (1)	17649	17697	48
June 2005 (1)	17697	17747	50
July 2005 (1)	17747	17795	48
August 2005 (1)	17795	17843	48
September 2005 (1)	17843	17890	47
October 2005 (1)	17890	17900	10
November 2005	17900	17915	15
December 2005	17915	17945	30
January 2006	17945	17961	16
February 2006	17961	17975	14
March 2006	17975	17990	15
April 2006	17990	18010	20
May 2006	18010	18023	13
June 2006	18023	18041	18
July 2006	18041	18059	18
August 2006	18059	18059	0
September 2006	18059	18071	12
October 2006	18071	18085	14
November 2006	18085	18096	11
December 2006	18096	18110	14
January 2007	18110	8123 (2)	0
February 2007	8123	8133	10
March 2007	8133	8133	0
April 2007	8133	8133	0
May 2007	8133	8133	0
June 2007	8133	8133	0
July 2007	8133	8133	0
August 2007	8133	8133	0
September 2007	8133	8153	20
October 2007	8153	0 (3)	0
November 2007	0	0	0
December 2007	0	0	0

City of Dixon
Supporting Documentation of Unbilled Water Usage

Month and Year	Beginning Meter Reading	Ending Meter Reading	Usage (Hundreds of Gallons)
January 2008	0	0	0
February 2008	0	0	0
March 2008	0	0	0
April 2008	0	0	0
May 2008	0	0	0
June 2008	0	0	0
July 2008	0	0	0
August 2008	0	0	0
September 2008	0	0	0
October 2008	0	0	0
November 2008	0	0	0
December 2008	0	0	0
January 2009	0	0	0
February 2009	0	0	0
March 2009	0	0	0
April 2009	11049	11049	0
May 2009	11049	11049	0
June 2009	11049	11049	0
July 2009	11049	11049	0
August 2009	11049	11049	0
September 2009	11049	11049	0
October 2009	11049	11049	0
November 2009	11049	11049	0
December 2009	11049	11049	0
January 2010	11049	11049	0
February 2010	11049	11049	0
March 2010	11049	11049	0
April 2010	11049	11049	0
May 2010	11049	11049	0
June 2010	11049	11049	0
July 2010	11049	11049	0
August 2010	11049	11049	0
September 2010	11049	11049	0
October 2010	11049	11049	0
November 2010	11049	11049	0
December 2010	11049	11049	0
January 2011	11049	11049	0
February 2011	11049	11049	0
March 2011	11049	11049	0

City of Dixon
Supporting Documentation of Unbilled Water Usage

Month and Year	Beginning Meter Reading	Ending Meter Reading	Usage (Hundreds of Gallons)
April 2011	11049	11049	0
May 2011	11049	11049	0
June 2011	11049	11049	0
July 2011	11049	11049	0
August 2011	11049	11049	0
September 2011	11408 (2)	11408	0
October 2011	11408	11408	0
November 2011	11408	11408	0
December 2011	11408	11408	0
January 2012	11408	11416	8
February 2012	11416	11408 (4)	0
March 2012	11408	11408	0
April 2012	11408	11408	0
May 2012	11408	11408	0
June 2012	11408	11408	0
July 2012	11408	0 (3)	0
August 2012	0	0	0
September 2012 (1)	0 (5)	0	0
October 2012 (1)	0 (5)	0	0
November 2012 (1)	0 (5)	0	0
December 2012 (1)	0 (5)	0	0
January 2013 (1)	0 (5)	11408	0
February 2013 (1)	11408 (5)	11408	0
March 2013 (1)	11408 (5)	11408	0
April 2013 (1)	11408 (5)	11408	0
May 2013 (1)	11408 (5)	11408	0
June 2013 (1)	11408 (5)	11408	0
July 2013 (1)	99999 (5)	3	3
August 2013 (1)	3	45	42
September 2013 (1)	45	79	34
October 2013 (1)	79	124	45
November 2013 (1)	124	159	35
December 2013 (1)	159	199	40

(1) These months are prior to or after former City Collector Plummer's employment with the city. She was responsible for utility billings for usage during the time period October 2005 to July 2012 because billings are prepared the following month for each month's usage.

(2) City officials were unable to explain the change in sequence of meter readings.

(3) The -0- meter readings could be caused by utility employees failing to read the meter or the former City Collector making adjustments to the utility system.

(4) City officials were unable to explain the decrease in the meter reading and there was no documentation to indicate if an adjustment was made.

(5) City officials were unaware the former City Collector set the meter reading at -0- when she left her position in August 2012, until January 2013. They determined the meter was broken from January 2013 until June 2013 causing a meter reading of 11408 every month. A new meter was installed in July 2013. All new meters begin with a reading of 99999.



John Watson
Missouri State Auditor

Washington County

REVISED REPORT



April 2015
Report No. 2015-008

<http://auditor.mo.gov>



John Watson
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Washington County

Revised Report	This report was originally issued in February 2015 with some inaccurate information. A revised report was issued in April 2015.
Rock Purchases	The county does not maintain documentation detailing job site locations in relation to quarry locations even though the county accepted rock bids based on the combination of rock price and location in relation to the job site. The county purchased approximately \$20,000 of certain types of rock not included on any bid received by the county.
Disbursements	The county did not solicit bids for the purchase of a snow plow truck, jet fuel, and Sheriff's firearms totaling \$326,573. In addition, the county did not retain supporting documentation for a \$10,375 firearms purchase, and the County Commission paid a monthly cellular phone bill with a \$900 past due balance even though the County Commission indicated there was uncertainty about the amount due.
Personnel Issues	The county did not require 29 employees to forfeit their vacation leave after the leave was not used by December 31, 2013, in violation of the County Personnel Policy Handbook. In addition, 16 employees were in violation of the compensatory time balance policy as of January 31, 2014. Also, county officials did not compensate an employee in accordance with county policy, and did not establish clear expectations regarding hours to be worked or sufficiently supervise this employee's work.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated the duties of receiving, recording, depositing, and disbursing monies, and reconciling the general account. A documented independent and/or supervisory review of the accounting records is not performed. The Sheriff uses a mileage rate schedule that has unreasonable standard mileage charges for some locations. The Sheriff also does not maintain a record of accrued costs and there are no procedures in place to monitor and follow up on these costs to ensure payment is properly received for the services billed. The Sheriff has not entered into written agreements with surrounding counties for the boarding of inmates detailing the inmate housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations.
Commissary	The Sheriff has not adequately segregated the duties of receiving, recording, and depositing receipts, disbursing funds, and reconciling the commissary account. The office manager, who also performs all other accounting duties in the Sheriff's office, performs all of these duties. Also, the Sheriff does not perform a documented independent and/or supervisory review of the accounting records. In addition, the Sheriff does not have procedures in place to identify and reconcile month-end liabilities to the commissary account balance.
County Collector's Controls and Procedures	The County Collector has not adequately segregated the accounting duties in his office and does not document his review of bank reconciliations and deposits prepared by the deputy clerk. The County Collector does not file

	his annual settlements with the county timely. In addition, the County Collector does not maintain a listing of liabilities.
Prosecuting Attorney's Restitution	The Prosecuting Attorney does not keep an accurate restitution accounts receivable listing and does not review the listing timely. Of the 11 cases we reviewed, 3 cases totaling \$18,033 should have been removed from the list because the balances were paid in full. Additionally, another 4 cases totaling \$125,407 should have been removed because the Presiding Judge ordered the write off of restitution because the defendant had served more than 120 days in a state correctional facility.
Capital Assets	Various capital assets were not recorded on the capital asset listing properly, and a plotter and stand was listed on the capital asset listing for the County Assessor even though it was traded in on a new plotter in January 2012. The county also does not reconcile capital asset records from year to year and does not always tag or otherwise identify capital assets as county property.
Sunshine Law	The County Commission discussed topics during 2 closed meetings that were not allowable by law.
County Assessor's Office	The County Assessor could not find some requested receipt slips and transmittal records. In addition, the County Assessor does not always transmit receipts to the County Treasurer intact and does not restrictively endorse checks upon receipt.
Public Administrator	The Public Administrator currently faces 2 felony charges (abuse of a person receiving health care and stealing) which were filed on November 10, 2014, and a preliminary hearing is scheduled in February. The allegations pertain to a time period prior to her taking office as Public Administrator effective January 1, 2013. She continues to serve as Public Administrator pending resolution of the charges.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Washington County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Rock Purchases.....4
	2. Disbursements5
	3. Personnel Issues6
	4. Sheriff's Controls and Procedures8
	5. Commissary.....10
	6. County Collector's Controls and Procedures.....11
	7. Prosecuting Attorney's Restitution12
	8. Capital Assets14
	9. Sunshine Law15
	10. County Assessor's Office.....15
	11. Public Administrator16

Organization and Statistical Information	17
---------------------------------------------	----



JOHN WATSON

Missouri State Auditor

To the County Commission
and
Officeholders of Washington County

We have audited certain operations of Washington County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Washington County for the 2 years ended December 31, 2013. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. The objectives of our audit were to:

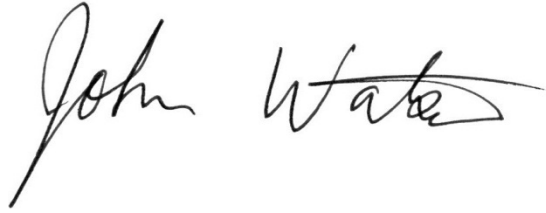
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Washington County.

A handwritten signature in black ink, reading "John Watson". The signature is fluid and cursive, with the first name "John" and last name "Watson" clearly distinguishable.

John Watson
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	David Olson
Audit Staff:	Albert Borde-Koufie, MBA Devin Jackson

Washington County Management Advisory Report State Auditor's Findings

1. Rock Purchases

We identified several problems related to rock purchases for the road and bridge department. At the request of the County Commissioners, we conducted a review of the 2014 bidding procedures for quarry services and rock purchases made from January 2014 to May 2014.

The County Commission annually sends out a bid sheet to various quarries in the county listing various types of rock the county may utilize for road and bridge projects. Quarries submit their price per ton for the various types of rock. The County Commission evaluated and awarded bids in February 2014. Rather than awarding the bid to a single quarry, the county accepted bids from all 5 quarries that submitted price information. The County Commission's Request for Bid indicated when rock is needed for a road and bridge project, county employees should consider a combination of rock price, transportation costs in relation to the project site, gradation, and rock availability when selecting the quarry, with the quarry having the lowest combined cost being selected unless other factors influenced the decision. We evaluated January 2014 rock purchases in comparison to the 2013 rock bids and later purchases against the 2014 rock bids. The county disbursed approximately \$71,100 to 4 quarries from January 2014 through May 2014. Our review identified several problems.

- The county does not maintain documentation detailing job site locations in relation to quarry locations even though the county accepted rock bids based on the combination of rock price and location in relation to the job site, and the county's described method for selecting the quarry for each purchase requires consideration of rock cost and transportation costs. The county could be paying additional transportation costs if the closest approved quarry to the job site is not being utilized. In addition, the same types of rock were purchased from multiple quarries. The price of the same types of rock varies among the quarries. However, the county did not provide documentation regarding the availability of the rock at each quarry or other reasons to justify the instances where the county paid the higher rock price. By not maintaining this documentation, county officials cannot demonstrate they are complying with the approved bids and the county's policy.
- The county purchased approximately \$20,000 of certain types of rock not included in the annual rock bids obtained from quarries.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. In addition, documentation of the various proposals received, the county's selection process (including the location of the job site) should be retained to support future rock purchasing decisions.



Washington County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Commission should ensure that all types of rock being considered for purchase are bid, the results of the competitive procurement process are adhered to, and maintain documentation of decisions made. The County Commission should also maintain records comparing job site location to quarry location.

Auditee's Response

The County Commission provided the following response:

The county will adhere to the bid results and enforce the results as provided in the state statutes.

2. Disbursements

Procedures related to bidding and supporting documentation need improvement.

2.1 Bidding

County bidding procedures need improvement. We noted the following items were not bid as required by state law and the county's policy:

Purchase	Amount
Snow plow truck ¹	\$ 252,129
Jet fuel	64,069
Sheriff's firearms	10,375
Total	\$ 326,573

¹This truck was purchased in 2010 with a loan agreement that ended on February 15, 2014.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the county's selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

2.2 Disbursement documentation

The county did not retain supporting documentation for a \$10,375 firearms purchase. In addition, the county paid a monthly cellular phone bill with a \$900 past due balance even though County Commissioners indicated there was uncertainty about the amount due. County records indicate cellular phone bills are paid regularly. Retaining adequate supporting documentation is necessary to ensure the validity of transactions.

Recommendations

The County Commission:

- 2.1 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.



Washington County
Management Advisory Report - State Auditor's Findings

2.2 Ensure supporting documentation is maintained for all disbursements.

Auditee's Response

The County Commission provided the following responses:

2.1 *This recommendation has already been implemented.*

2.2 *This recommendation has already been implemented.*

3. Personnel Issues

Personnel procedures need improvement. We identified problems related to leave balances and time sheets.

3.1 Leave balance issues

The county did not require 29 employees to forfeit their vacation leave after the leave was not used by December 31, 2013. County Personnel Policy Handbook section 9-4 states that vacation leave will be forfeited if not used within the calendar year it is earned. In addition, 16 employees were in violation of the compensatory time balance policy as of January 31, 2014. County Personnel Policy Handbook section 9-2 states that non-law enforcement employees are not allowed to accrue more than 80 hours in compensatory time.

Strict compliance with personnel policies is necessary to ensure employees are treated equitably and are properly compensated. In addition, employee leave and compensatory time balances can represent significant liabilities to the county.

3.2 Timesheet and overtime issues

County officials did not compensate an employee in accordance with county policy, and did not establish clear expectations regarding hours to be worked or sufficiently supervise this employee's work.

The employee worked for both the County Assessor and Sheriff from January 2013 through August 2013. Effective September 2013, the employee works full-time for the Sheriff's office. The employee primarily works offsite at various locations around the county. While this is an acceptable arrangement, a lack of direct supervision or an established work schedule makes it difficult to determine whether the hours worked by the employee are accurate. A review of 2013 timesheets and payroll records showed the county included leave hours in the employee's overtime calculations. The County Assessor and Sheriff did not perform sufficient reviews of the timesheets, as no questions were raised regarding hours worked or overtime calculations. The employee claimed 374 hours of overtime in 2013. However, based on our calculations, the employee worked 175 hours of overtime when excluding leave used. The employee's timesheet indicates she earned 140 hours of overtime in June 2013. The employee received a payment of \$3,037 for 219 overtime hours from January 1, 2013, through June 22, 2013. County Personnel Policy Handbook



Washington County Management Advisory Report - State Auditor's Findings

section 6-2 states, "Overtime is based on work hours in excess of forty (40) hours in a workweek, except for law enforcement employees."

By not following county policy, more overtime and compensatory time than required may be paid, resulting in a greater financial burden. Although compensatory time is not paid out unless an employee leaves employment, employees are able to use the compensatory time in lieu of accumulated vacation and sick leave, and therefore these balances are carried longer, resulting in payment for potentially more accumulated vacation leave when an employee leaves employment. In addition, the Fair Labor Standards Act of 1938 (FLSA) requires employees who work 2 jobs for the same employer (the county) to aggregate total hours worked for FLSA pay calculation purposes.

Accurate compensatory time calculation procedures are necessary to ensure compliance with county policy and equitable treatment of county employees.

Recommendations

The County Commission:

- 3.1 Ensure compliance with county leave policies.
- 3.2 Work with other county officials to ensure employees accrue compensatory time in accordance with county policy and the FLSA.

Auditee's Response

The County Commission provided the following responses:

- 3.1 *The County Commission will now enforce county policy. These exceptions to county policy were approved by a prior commission.*
- 3.2 *The County Commission was advised by legal counsel that the county had to pay the employee if her timesheets were approved by her supervisors.*

The County Clerk provided the following written response:

- 3.2 *The County Commission was unaware that the employee in question was working for both the County Assessor and Sheriff until the employee faxed a request for pay from January through June, on June 26, 2013. The County Clerk immediately contacted the Sheriff and the County Commission regarding the employee's request for pay. The Sheriff's first response to the County Clerk regarding this issue was that there must be a misunderstanding. He stated that the employee's work on the pictometry project was supposed to be "on the Assessor's dime" until September 1st. Shortly after that, the County Clerk was advised by the payroll clerk at the Sheriff's office*



Washington County
Management Advisory Report - State Auditor's Findings

that the employee's request for pay should be honored, per Sheriff Andy Skiles.

The County Clerk then reviewed the employee's timesheet from the County Assessor's office and noted several days that the employee worked for both the County Assessor and Sheriff. At this point, the County Clerk advised the County Commission of the situation. It should be noted that the County Clerk and the County Commission were not aware of the fact that the employee was working for both the County Assessor and Sheriff until the employee had already worked in this arrangement for six months. The County Commission sought advice from their attorney and was advised that the employee must be paid overtime for hours worked in excess of eight hours per day in order to not be in violation of the Fair Labor Standards Act. The County Commission advised the Sheriff of the attorney's recommendation and asked the Sheriff to re-calculate the amount due to the employee. The employee was then paid the amount calculated and authorized to be paid by the Sheriff. Since September 1, 2013, this employee has been employed as a Pictometry Clerk and is being paid through the General Revenue Fund, which is controlled by the County Commission.

The County Commission and County Clerk strongly object to this finding being attached to the County Commission due to the facts stated above.

Auditor's Comment

- 3.2 Some of the facts stated above, such as communications with the Sheriff and legal advice from the County Commission's attorney, are not supported by written documentation. The County Commission, along with other county officials, has a fiduciary responsibility regarding monies expended from county funds. Clearly the concerns conveyed are personnel issues, which require the attention of the County Commission.

4. Sheriff's Controls and Procedures

Accounting controls and procedures in the Sheriff's office need improvement.

4.1 Segregation of duties

The Sheriff has not adequately segregated the duties of receiving, recording, depositing, and disbursing monies, and reconciling the general account. The office manager performs all these duties, and a documented independent and/or supervisory review of the accounting records is not performed.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper



Washington County Management Advisory Report - State Auditor's Findings

segregation of duties cannot be achieved, an independent and/or supervisory reviews should be performed and documented.

4.2 Civil mileage amounts

The Sheriff uses a mileage rate schedule by location to determine the amount to charge for mileage serving papers and subpoenas; however, the standard charge is unreasonable for some locations resulting in cases primarily being undercharged. For example, standard mileage charges for 4 common city locations result in undercharges ranging from \$13 to \$18 for each trip. The largest overcharge we identified for a location was \$3.

Section 57.280, RSMo, which relates to civil cases, provides for the Sheriff to be reimbursed for each mile actually traveled to serve any summons, writ, subpoena, or other order of the court. Section 57.430, RSMo, which relates to criminal cases, allows reimbursement for actual miles traveled in serving warrants or any other criminal process and the rate for mileage reimbursement to be equal to the rate prescribed by the Internal Revenue Service.

4.3 Accrued case costs

The Sheriff has not established adequate procedures to ensure all accrued costs are identified and pursued. The Sheriff's office receives fees and mileage for serving civil papers. A bill is completed for papers served and copies of bills are retained. However, paid and unpaid bills cannot be identified since no one marks bills paid upon receipt and copies of paid and unpaid bills are not filed separately. The only overall record is a spreadsheet of payments received. A record of accrued costs is not maintained and there are no procedures in place to monitor and follow up on these costs to ensure payment is properly received for the services billed. By not monitoring accrued costs, these costs could remain uncollected and result in lost revenue.

4.4 Board of prisoners

The Sheriff has not entered into written agreements with surrounding counties for the boarding of inmates detailing the inmate housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations. In addition, although the Sheriff has an agreement with the City of Potosi for housing the city's inmates, it does not provide any details on the number of prisoners to be housed for the \$8,000 annual fee set forth in the agreement.

Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.



Washington County
Management Advisory Report - State Auditor's Findings

Similar conditions
previously reported
Recommendations

Similar conditions to sections 4.1, 4.2, and 4.3 were noted in our prior audit report.

The Sheriff:

- 4.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, independent and/or supervisory reviews should be performed and documented.
- 4.2 Utilize actual miles incurred or establish reasonable mileage rate schedules for use in determining charges for serving papers and subpoenas in civil cases.
- 4.3 Establish procedures to routinely follow up and pursue collection of accrued costs.
- 4.4 Enter into written agreements with other political subdivisions as appropriate, and ensure the agreements are signed by all parties and specify the services to be rendered and the manner and amount of compensation to be paid.

Auditee's Response

The Sheriff provided the following responses:

- 4.1 *We will implement this recommendation.*
- 4.2 *Procedures have already been put in place to ensure the correct amounts are charged.*
- 4.3 *We are currently working on implementing this recommendation.*
- 4.4 *We will improve the contract with the City of Potosi. At this time we do not have room to house other counties' prisoners.*

5. Commissary

Accounting controls and procedures in the commissary need improvement.

5.1 Segregation of duties

The Sheriff has not adequately segregated the duties of receiving, recording, and depositing receipts, disbursing funds, and reconciling the commissary account. The office manager, who also performs all other accounting duties in the Sheriff's office, performs all these duties, and a documented supervisory review of the accounting records is not performed. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, independent and/or supervisory reviews should be performed and documented.



Washington County
Management Advisory Report - State Auditor's Findings

5.2 Reconciliation procedures

The Sheriff does not have procedures in place to identify and reconcile month-end liabilities to the commissary account balance. The account balance as of December 31, 2013, was \$4,457 with \$676 of this amount belonging to inmates. The Sheriff indicated that the remaining amount in this account was commissary profit.

Complete and accurate lists of liabilities should be prepared monthly and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities.

Recommendations

The Sheriff:

- 5.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, independent and/or supervisory reviews should be performed and documented.
- 5.2 Ensure monthly lists of liabilities are prepared and reconciled to the commissary account available cash balance.

Auditee's Response

The Sheriff provided the following responses:

- 5.1 *We will implement this recommendation.*
- 5.2 *We will implement this recommendation.*

6. County Collector's Controls and Procedures

Controls and procedures related to the County Collector's office and annual settlements need improvement.

6.1 Segregation of duties and reviews

The County Collector has not adequately segregated the accounting duties in his office and he does not document his review of bank reconciliations and deposits prepared by the deputy clerk.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties is not possible, the County Collector should ensure documented reviews of accounting and bank records are performed.

6.2 Annual settlements

The County Collector does not file his annual settlements with the county timely. The annual settlement for the year ended February 28, 2014, was not filed until June 23, 2014. The annual settlement for the year ended February 28, 2013, was not filed until June 11, 2013. The annual settlement for the year ended February 29, 2012, was not filed until May 31, 2012.



Washington County Management Advisory Report - State Auditor's Findings

Section 139.160, RSMo, assigns responsibility to the County Commission for the verification of the County Collector's annual settlements and requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources by the first Monday in March. To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements timely. Such procedures are intended to establish checks and balances related to the collection of property taxes.

6.3 Liabilities listing

The County Collector does not maintain a listing of liabilities. As of February 28, 2014, there was a reconciled bank balance of \$13,505 in the County Collector's main account.

Without regular identification and comparison of liabilities to the reconciled bank balance, there is less likelihood errors will be identified and the ability to identify liabilities and resolve errors will be diminished.

Recommendations

The County Collector:

- 6.1 Properly segregate duties or ensure supervisory reviews of accounting records are performed and documented.
- 6.2 Ensure annual settlements are filed timely.
- 6.3 Ensure month-end liabilities are reconciled to the reconciled bank balance.

Auditee's Response

The County Collector provided the following responses:

- 6.1 *We will implement this recommendation.*
- 6.2 *A software change caused a delay in filing the most recent annual settlement. We should be able to file future settlements in a timely manner.*
- 6.3 *The funds making up the reconciled bank balance have been identified and disbursed. In the future we will identify the liabilities included in the reconciled balances.*

7. Prosecuting Attorney's Restitution

The Prosecuting Attorney does not keep an accurate restitution accounts receivable listing and the listing is not reviewed timely. The January 15, 2014, listing contains approximately 150 cases with amounts due totaling approximately \$419,000. We reviewed files pertaining to 11 cases and determined 3 cases totaling \$8,033 should have been removed from the list because defendants had paid off their balances. Based on our inquiry, office



Washington County
Management Advisory Report - State Auditor's Findings

personnel researched and determined 4 other cases totaling \$125,407 should have been removed from the list because the Presiding Judge had ordered the write off of the restitution because the defendant had served more than 120 days in a state correctional facility.

The Prosecuting Attorney should review the status of all old cases on the restitution accounts receivable listing, and if all payments have not been received, collection of outstanding amounts should be pursued. In addition, office personnel should be reviewing the listing on a regular basis. By not adequately monitoring amounts due, the monies could remain uncollected and result in the loss of restitution to victims. An accurate list would allow the Prosecuting Attorney to more easily review the amounts due and take appropriate steps to ensure amounts are collected on a timely basis.

A similar condition was noted in our prior audit report.

Recommendation

The Prosecuting Attorney should ensure the restitution accounts receivable listing is accurate, up to date, and reviewed by office personnel timely.

Auditee's Response

The Prosecuting Attorney provided the following written response:

With respect to the older cases with outstanding balances, this will simply take time to review them. I believe our current methods should result in a less frequent occurrence of these issues. However, I will try to make sure our older cases are up to date. This will be lower on the list of priorities as compared to current cases, but we will try to review all prior cases that carry a balance.

As for our current cases, we are already instituting changes in monitoring the collection of restitution. We have a spreadsheet that keeps track of all individuals currently ordered to pay restitution. It includes a column that shows how many months they are behind. While circumstances in various cases differ, I will generally file a motion to revoke probation on any defendant who has made no payments for three consecutive months. We are constantly updating the spreadsheet and trying to review each defendant's status on a monthly basis.

Also, changes to the law in the last couple of years now allow prosecutors to collect restitution from defendants while they are incarcerated and on parole. Hypothetically, a parolee could have his or her parole revoked for a failure to pay restitution, although it remains to be seen whether probation and parole will commit to this.



8. Capital Assets

Capital asset records and procedures are in need of improvement.

8.1 Asset listings

The county's capital asset listings are not accurate. We noted the County Collector's computers are not recorded on the capital asset listing, a Sheriff's office vehicle valued at approximately \$14,000 was recorded twice on the listing, and a plotter and stand valued at approximately \$5,400 listed on the capital asset listing for the County Assessor could not be located. On March 25, 2015, additional information was provided indicating the plotter and stand had been traded in when a new plotter was purchased in January 2012. However, the County Assessor's capital asset listing indicated the plotter and stand were still in storage.

Adequate capital asset records and procedures are necessary to ensure effective internal controls. Procedures to track capital assets throughout the year and compare physical inventory results would enhance the county ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or his/her designee of each county department is responsible for performing annual inspections and inventories of county property used by that department and for submitting an inventory report to the County Clerk.

8.2 Asset reconciliations

The county does not reconcile capital asset records from year to year and does not always tag or otherwise identify capital assets as county property. The County Clerk's office provides county tags to each office and department, but tags are not always affixed to property items. We identified a Sheriff's office all-terrain vehicle and some County Collector's office computers without tags. In addition, capital asset records are not always updated to reflect the results of the county's physical inventory results.

Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur. All capital assets should be identified with a tag.

Recommendations

The County Commission:

- 8.1 Work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.
- 8.2 Ensure capital asset records are reconciled from year to year and all assets are tagged for identification.



Washington County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission provided the following responses:

8.1 *We will work with county officials to implement the recommendation.*

8.2 *We will implement the recommendation.*

9. Sunshine Law

The County Commission discussed topics during 2 closed meetings that were not allowable by state law. The County Commission discussed a work agreement with a nearby prison and ways to address concerns with the installation of culverts along county roads.

The Sunshine Law, Chapter 610, RSMo, limits discussion topics in closed meetings to only those specifically allowed by law.

Recommendation

The County Commission discuss only allowable topics in closed meetings.

Auditee's Response

The County Commission provided the following response:

We will implement the recommendation.

10. County Assessor's Office

The County Assessor's receipting and depositing procedures are not adequate.

- The County Assessor could not find some requested receipt slips and transmittal records for the period September 2013 through December 2013. The County Assessor's office collected \$4,332 in receipts for the year ended December 31, 2013.
- The County Assessor does not always transmit receipts to the County Treasurer intact. For example, \$26 in cash counted during our January 9, 2014, cash count had been held for 13 days prior to transmittal while checks had been transmitted the day of the cash count.
- The County Assessor does not restrictively endorse checks upon receipt. Restrictive endorsements are applied by the County Treasurer after transmittal.

Proper receipting and depositing procedures are necessary to reduce the risk of loss, theft, or misuse of monies received.

Recommendation

The County Assessor ensure receipt slips and transmittal receipts are maintained, receipts are transmitted to the County Treasurer intact, and checks and money orders are restrictively endorsed immediately upon receipt.



Washington County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Assessor provided the following response:

We are currently implementing new procedures to address these recommendations.

11. Public Administrator

On November 10, 2014, the Missouri Attorney General's office filed 2 felony charges against Kathy O'Neail, the Washington County Public Administrator. Ms. O'Neail is charged with one count of Class C felony-abuse of a person receiving health care and one count of Class C felony-stealing. The allegations pertain to transactions occurring during Ms. O'Neail's previous employment, prior to her taking office as the Public Administrator effective January 1, 2013. The case is ongoing and a preliminary hearing is scheduled for February 26, 2015.

Ms. O'Neail continues to serve in her capacity as the Public Administrator. Our audit covered the calendar year 2013 and did not identify significant problems with the Public Administrator's cases or procedures reviewed. However, given the serious nature of these allegations, it is imperative the Washington County Circuit Court - Probate Division continue to perform diligent reviews of the Public Administrator's cases and supporting documents.

Washington County

Organization and Statistical Information

Washington County is a county-organized, third-class county. The county seat is Potosi.

Washington County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 91 full-time employees and 12 part-time employees on December 31, 2013.

In addition, county operations include a Handicapped Board and a Senior Citizens' Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2014	2013
Marvin Wright, Presiding Commissioner	\$	29,390
Mike Riddle, Associate Commissioner		27,390
Cody Brinley, Associate Commissioner		27,390
Judy Cresswell Moyers, Recorder of Deeds		41,500
Jeanette Allen, County Clerk		41,500
Joshua E. Hedgecorth, Prosecuting Attorney		116,859
Andy Skiles, Sheriff		46,000
Phyllis Long, County Treasurer		41,500
Brian Declue, County Coroner		14,000
Kathy O'Neail, Public Administrator		41,500
Michael P. McGirl, County Collector (1), year ended February 28,	43,816	
Charlotte Boyer, County Assessor, year ended August 31,		41,781
R. Timothy Daughtery, County Surveyor (2)		

(1) Includes \$2,316 of commissions earned for collecting city property taxes.

(2) Not compensated by the county.

Financing Arrangements

In 2013, the county entered into a line of credit to support the general operations of the county and had \$70,025 in drawdowns with an interest rate of 3 percent as of December 31, 2013. Interest remaining to be paid over the life of the loan is \$2,922.



Washington County
Organization and Statistical Information

The county entered into capital leases for various vehicles and equipment. These leases are scheduled to be paid off in 2015. The remaining principal outstanding at December 31, 2013, was \$266,517. Interest remaining to be paid over the life of the agreements totals \$15,149.



Thomas A. Schweich
Missouri State Auditor

Clinton County Collector and Property Tax System



February 2015
Report No. 2015-009

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Clinton County Collector and Property Tax System

Background	Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. The County Collector resigned effective May 31, 2014, and a successor was appointed and sworn into office on June 17, 2014. The scope of our audit included, but was not necessarily limited to, the period from March 1, 2014, to May 31, 2014, and the year ended February 28, 2014.
County Collector's Controls and Procedures	The County Collector did not take steps to oversee day to day operations of the office, and was generally not in the office during regular work hours. The Deputy Collector found \$46,208 in cash in the County Collector's office closet during the audit. The County Collector's staff could not provide reasons why these monies were on hand and stored in the closet. Liabilities exceeded the cash balance of the County Collector's main bank account by \$4,147, indicating a shortage in the account. In addition, \$961 recorded on receipt records for August and September 2013 were not deposited, and may be missing. Problems with duplicate property tax receipt fees and advertising fees receipt records indicated additional funds may be missing. The County Collector's office did not receipt all monies received timely or make deposits timely or intact. In addition, the County Collector's office did not always prepare bank reconciliations on all accounts, and the County Collector's office did not always disburse liabilities timely. Also, the County Collector's office did not properly document the amount of money received during a tax sale in the property tax system.
Property Tax System	The County Collector did not timely file the February 28, 2014, annual settlement with the County Clerk. The County Commission and County Clerk do not adequately review additions and abatements entered into the property tax system and neither the County Commission nor the County Clerk adequately reviews the annual settlements of the County Collector. Also, the County Collector had not established adequate password controls.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Clinton County Collector and Property Tax System

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. County Collector's Controls and Procedures.....4 2. Property Tax System 11
-------------------------------------------------------------	----------------------------------------------------------------------------------------

Organization and Statistical Information	14
---------------------------------------------	----

Supporting Documentation for Differences Between Receipts and Deposits	15
------------------------------------------------------------------------------	----



THOMAS A. SCHWEICH

Missouri State Auditor

To the County Commission
and
County Collector
Clinton County, Missouri

We have audited the County Collector and Property Tax System of Clinton County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. The County Collector resigned effective May 31, 2014, and a successor was appointed and sworn into office on June 17, 2014. The scope of our audit included, but was not necessarily limited to, the period from March 1, 2014, to May 31, 2014, and the year ended February 28, 2014. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owing to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Clinton County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Kenneth Erfurth
Audit Staff:	Amanda Messick

Clinton County Collector and Property Tax System

Management Advisory Report

State Auditor's Findings

1. County Collector's Controls and Procedures

Despite similar concerns noted in our prior audits, significant weaknesses in internal controls and record-keeping procedures in County Collector Cockrum's office still existed. A total of \$46,208 in cash was discovered in the County Collector's office closet during the audit. Liabilities exceeded the cash balance by \$4,147 at May 31, 2014, indicating a shortage in the account. In addition, receipts per the receipt slips exceeded bank deposits by \$961 for the 2 months ending September 30, 2013, and these undeposited monies may be missing. Problems with duplicate property tax receipt fees and advertising fees receipt records indicated additional funds may be missing.

Receipt slips are not prepared for all types of receipts, deposits are not made intact or timely, bank reconciliations are not always performed for all accounts, and liabilities of the County Collector's office are not disbursed timely. The amount of money received during tax sales is not properly documented in the property tax system.

1.1 County Collector duties

The County Collector's duties were not routinely performed in the County Collector's office within the Clinton County courthouse and the County Collector did not take steps to oversee day to day operations of the office or her office staff. According to the Deputy Collector, the County Collector came to the office during regular work hours once every 2 to 3 weeks during 2013. The County Clerk estimated the County Collector came to the office during regular work hours only a few days during the 5 months preceding her May 31, 2014, resignation.

Office staff indicated the County Collector was responsible for performing the duties of depositing receipts, reconciling bank accounts, writing and signing checks, preparing month-end reports and monthly settlements, and preparing annual settlements. Many of these duties require a physical presence in the office in order to access the property tax system. Failure to perform these tasks places the burden upon County Collector's staff to perform many of the duties for the County Collector. The County Collector's absence creates staffing issues in which sufficient personnel are not present to ensure all duties are performed, properly segregated, independently reviewed, and performed timely.

According to the County Collector's staff, they delivered monies for deposit, day-end reports, and monthly reports to the County Collector's personal residence, where she would perform her official duties, including preparing and delivering deposits to the bank. In addition, the Clinton County Commissioners indicated they received a concern on June 11, 2013, stating bank deposits were made by a relative of the County Collector who was not an employee of the County Collector's office. Beginning in March 2014, the Deputy Collector began taking deposits directly to the bank.



Clinton County Collector and Property Tax System
Management Advisory Report - State Auditor's Findings

Monies found in closet

Monies in the County Collector's office were not stored according to described office procedures, making them prone to loss and theft. On May 28, 2014, we asked the County Collector to explain the reasons approximately \$50,000 in deposits in transit were listed on the most recent bank reconciliation from November 2013. After this conversation, the County Collector instructed the Deputy Collector to search specific locations in the County Collector's office where office staff stated money is not usually kept, including a cabinet in the office closet. The Deputy Collector found 2 money bags with \$46,208 in cash (including \$42,000 in \$100 and \$50 denominations) in this cabinet. She found the bags after an extensive search, hidden within a nook in the cabinet that held a coffee pot and adding machine tape, and in a way where only an individual kneeling on the ground to look for items would find them. The County Collector's staff did not provide the \$46,208 to the auditors during a cash count on April 14, 2014. Staff indicated they did not know about these monies when we requested all monies for the count and monies are normally stored overnight in an office safe. Office staff deposited these monies on May 29, 2014. The staff could not explain why money would have been placed in the closet cabinet and indicated the money likely would not have been found for a considerable period of time, if at all, if the County Collector had not described where to search. Additionally, the composition of the bills being predominantly large denominations is unusual for a County Collector's office; because deposits generally include a large number of small denominations. The results of the April 14, 2014, cash count included cash in various denominations and several dollars in change. It is also more likely an office would hold back small denominations from a deposit, because smaller denominations are often retained for a change fund. A similar condition was noted in our prior audit report with \$92,000 in cash held for up to 9 months.

Account shortage and
undeposited monies

A review of the County Collector's office bank accounts and receipts determined the County Collector would not be able to meet liabilities owed from the main bank account given the remaining balance, indicating monies may not have been deposited. Per the May 31, 2014, bank statement, the main account balance was \$417,479; however, liabilities for the County Collector's main bank account totaled over \$421,626, indicating a \$4,147 shortage. We were unable to determine the reason for the difference due to poor records. The County Collector did not prepare a complete list of monthly liabilities, bank reconciliations had not been performed on the County Collector's main bank account since November 2013, and the County Collector was not present to perform her duties or oversee her staff.

The County Collector did not deposit some recorded cash receipts and did not receipt all monies. A comparison of receipt records to deposit records for July 31, 2013, through September 30, 2013, identified a total of \$961 in undeposited cash receipts. For one deposit, total cash deposited was \$96 less



Clinton County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

than cash recorded in the receipt records while the total amount of checks deposited was \$96 more than checks recorded in the receipt records. In addition, the deposit slips often only included a total of the deposit, not a composition of the cash and checks in the deposit, a list of receipt slip numbers, names of payers, or other identifying information.

During this period, 42 deposits did not agree to the corresponding amounts recorded in the property tax system, resulting in a net shortage of \$961. Of the 42 deposits, 10 included advertising fees collected that were not receipted or recorded into the property tax system. The advertising fees were documented on the deposit slip separately from monies normally receipted in the property tax system, not part of the deposit slip totals, and were not included in the amount delivered to the bank.

The Supporting Documentation for Differences Between Receipts and Deposits section at the end of this report provides details regarding the deposit discrepancies between July 31, 2013, and September 30, 2013.

Other missing monies

Due to inadequate or incomplete records, additional missing monies could exist but cannot be readily determined. The County Collector did not issue receipt slips for duplicate property tax receipt payments received or record when these monies were received. The annual settlement for the year ending February 29, 2012, reported duplicate property tax receipts of \$645.

Section 139.090, RSMo, requires the County Collector to charge a one dollar fee for each duplicate property tax receipt issued, and Section 52.269.4, RSMo, requires the County Collector to collect these funds on behalf of the county and deposit them in the county general revenue fund. According to the County Clerk and County Treasurer, the county has not received any duplicate tax receipt monies from the County Collector since 2012.

1.2 Receipting and depositing

Significant weaknesses exist in the County Collector's procedures for receipting payments and making deposits. Monies received were not always receipted timely and in some cases were not receipted at all. In addition, deposits were not made timely or intact.

Receipting

The state Department of Conservation payments in lieu of tax of \$4,055 each year were received in December 2012 and December 2013 and deposited 60 and 91 days later, respectively, into the County Collector's main bank account. These monies were not receipted and were not distributed to the County Treasurer. The annual settlement for the year ended February 28, 2013, did not include the December 2012 payment for \$4,055 and the annual settlement for the year ended February 28, 2014, did not include the December 2013 payment for \$4,055.



Clinton County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

As noted previously, in addition to payment in lieu of taxes monies not being receipted, duplicate property tax receipt and advertising fees monies were not receipted. The County Collector receives advertising fees for the presentation of delinquent tax sale information in local newspapers from the person who pays the delinquent property tax (either the individual who purchases the property at the tax sale or the original owner who pays the delinquent taxes). These fees are assessed at \$35 per property. Deposit slips prepared from July 31, 2013, through September 30, 2013, indicated over \$3,000 in advertising fees had been received during this period.

Depositing

Deposits in the County Collector's office were not always identifiable by the composition of receipts, cash and checks shown as received on the same date are often deposited separately and on different dates, and deposits were not made timely. Office staff indicated 2 deposits were prepared daily with one deposit for cash received and the other deposit for checks received. Our review of the check register indicated 2 deposits were usually prepared per day; however, the deposits were not always immediately taken to the bank.

- Receipts could not be traced to specific deposits. The deposit slips only indicated the total amount deposited. The amount deposited did not usually agree to the receipt records. The cash deposit amount did not usually agree to the cash amount received per the receipt records and the check amount deposited did not usually agree to the check amount receipted. For example, during April 2014, the County Collector made 2 cash deposits totaling \$11,228 into the main bank account that could not be traced to any receipt listings. The County Collector was not available to explain these deposits and her office staff did not know why the deposits occurred or what the monies related to.
- Though the County Collector's office staff indicated that during 2013, the majority of deposits were made every 2 to 3 days, our review of bank records for the County Collector's office accounts revealed significant concerns with the timeliness of deposits. Cash was often deposited several months after checks. The County Collector used a check scanner in the office to deposit checks with the bank instead of actually physically taking checks to the bank, but the checks were not always deposited timely because the County Collector was not at the office every day to scan them. Only cash had to be taken to the bank. For receipts from July 30, 2013, and July 31, 2013, checks totaling \$5,713 and \$7,097, respectively, were deposited on August 6, 2013. Cash receipts of \$176 on July 30, 2013, and \$2,252 on July 31, 2013, were deposited on December 27, 2013.
- We determined the average number of days from receipt of monies in the County Collector's office to the date deposited was 25 days, using information from the check register and the bank records for the period



Clinton County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

March 1, 2013, through December 31, 2013. During the audit period, there were 14 different days in which at least 10 separate deposits occurred. Many of these deposits were recorded in the check register more than 60 days prior to being deposited. For example, 27 separate deposits totaling \$47,223 cleared the bank on July 9, 2013. The dates of these deposits per the check register ranged from March 15, 2013, through July 8, 2013. Additionally, 23 of these deposits were shown as deposits in transit on the June 30, 2013, bank reconciliation and 3 of these deposits were related to March.

To reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies are properly receipted, promptly recorded, and deposited intact and timely upon receipt.

1.3 Bank accounts and reconciliations

The County Collector's office did not prepare bank reconciliations for 4 of the 5 bank accounts, maintain a check register for 4 bank accounts, or identify or reconcile liabilities with cash balances for any of the 5 bank accounts. At May 31, 2014, the bank balances were \$9,940, \$28,151, \$9,672, and \$25,550, in the credit card, partial payment, protested tax, and Tax Maintenance Fund accounts, respectively. In the main account, bank reconciliations were not performed from December 2013 through April 2014, bank reconciliations from March 2013 through November 2013 were insufficient, a check register was not prepared from January 2014 through May 2014, and the check register did not contain sufficient information when prepared. Additionally, a listing of liabilities was not prepared or reconciled with cash balances for the County Collector's main account. The bank balance in the County Collector's main account was \$417,479 on May 31, 2014.

The County Collector had not established procedures to ensure bank statements were reviewed for the credit card, partial payment, protested tax, and Tax Maintenance Fund accounts. When reconciliations were performed for the County Collector's main account, the County Collector did not investigate differences; instead an adjustment for the amount was entered in the check register to account for the difference. Our review of bank statements and available bank reconciliations identified the following concerns:

- The County Collector overdrew the Tax Maintenance Fund account in October 2013 because Tax Maintenance Fund fees disbursed from the main account were not deposited timely and the County Collector did not maintain a running book balance.
- A returned check for \$249 included on the December 2013 main account bank statement was not recorded on the check register. No adjustment occurred in the property tax system for this returned



Clinton County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

payment and it was ultimately disbursed to the taxing authorities, though the monies had not been received.

- Numerous deposits in transit were listed on the County Collector's main account bank reconciliations. For example, the November 2013 bank reconciliation listed 34 deposits in transit totaling \$519,232, dating as far back as May 2013.
- A deposit in transit listed on the County Collector's main account bank reconciliation for November 2013 had cleared in September 2013.
- Bank reconciliations performed for the County Collector's main account for the 4 years prior to November 2013 and the check register for the 4 years prior to December 2013 were all prepared in just a few weeks by the County Collector, after the arrival of audit staff in April 2014, according to County Collector's office staff.
- The partial payment and protested tax bank accounts carried significant balances at May 31, 2014, of \$28,151 and \$9,672, respectively; however, there was no activity in the accounts for the period of March 2013 through May 2014. In addition, there was no listing of liabilities maintained identifying where the payments originated from and the current status.

Without maintaining a cumulative book balance and preparing monthly bank reconciliations, there is little assurance cash receipts and disbursements have been properly handled and recorded. In addition, bank and book errors may not be detected and corrected timely. Without regular identification and comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

1.4 Disbursements

The County Collector did not adequately evaluate liabilities when reconciliations were performed. As a result, the County Collector did not disburse some monies timely. Our review of County Collector records noted the following concerns:

- Interest was not turned over to the County Treasurer on a monthly basis and was not included on the annual settlement for the years ended February 28, 2013, and February 28, 2014. Interest proceeds from the main account earned from property tax collections are to be distributed to the County Treasurer monthly for disbursement to taxing authorities. The last interest disbursement by the County Collector was made in January 2010. The total interest accumulated and undistributed at May 31, 2014, was \$45,143.



Clinton County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

- Fees collected from the delinquent property tax sale conducted in August 31, 2012, totaling \$20,364 were not disbursed until January 9, 2013.
- Surtax collections totaling \$219,474 from the year ended February 28, 2014, were not disbursed until June 2, 2014.

Adequate reviews of open items and performance of bank reconciliations are necessary to ensure all collections are properly identified and disbursed timely.

1.5 Tax sale

The County Collector did not record the actual amounts received during the August 2013 tax sale in the property tax system, but instead recorded the amounts due as the amount received. There was no record maintained of amounts received at the tax sale. The county has chosen to sell some properties for less than the delinquent taxes, interest, penalties, and costs due when the property has not sold after 3 offerings (tax sales).

Tax sale receipts of \$30,794 were recorded in the property tax system although records indicate only \$19,426 was disbursed to the applicable taxing authorities. The Deputy County Collector indicated no receipt slips were issued for the sale and no receipt listing maintained. Thus, the amount of monies received from the tax sale is not known and it is not possible to determine if the proper amount was deposited and disbursed.

No adjustment was made in the property tax system to account for the difference in the amount received or to write off uncollected amounts after the tax sale. In addition, a listing of individual properties sold at the tax sale and the amount collected was not maintained to support differences from the property tax system or for purposes of reconciling to bank records. Without this information, the County Collector could not document these monies were properly handled and accounted for.

Similar conditions
previously reported

Similar conditions to sections 1.2, 1.3, and 1.4 were noted in our prior audit report.

Recommendations

The County Collector:

- 1.1 Adequately perform or delegate and oversee the duties of the office of County Collector and account for monies found in the closet.
- 1.2 Ensure all monies received are issued receipt slips, timely receipted, and deposits are made intact and timely.



Clinton County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

- 1.3 Maintain a check register for all bank accounts. In addition, the County Collector should prepare and document bank reconciliations on a monthly basis and compare lists of liabilities to the reconciled balance. An attempt should be made to identify and resolve the differences in the cash balance that currently exist in the main account.
- 1.4 Distribute collections of interest, surtax, and tax sales timely.
- 1.5 Ensure receipt slips are issued for monies received during the tax sale. Any differences between the amount received and the amount owed should be documented and properly adjusted.

Auditee's Response

The County Collector provided the following responses:

1.1-1.3

&1.5 Since assuming office on June 17, 2014, I have implemented changes to address the audit recommendations.

1.4 I agree with the recommendation. I am in the process of identifying and disbursing these monies. Tax sales monies have already been disbursed. Surtax and interest monies will be disbursed in March 2015.

2. Property Tax System

The County Clerk and County Commission do not provide adequate monitoring over property tax system activities. The County Collector collected approximately \$20.2 million annually in property taxes and other monies during the year ended February 28, 2014.

2.1 Annual settlements

The County Collector's annual settlement for the year ended February 28, 2014, was filed with the County Clerk on November 12, 2014.

Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission by the first Monday in March the accounts of all monies received from taxes and other sources. To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file timely annual settlements.

2.2 Additions and abatements

The County Commission and County Clerk do not adequately review additions and abatements entered into the property tax system. The County Assessor communicates needed additions and abatements changes to the property tax records to the County Collector's office on manual forms. The County Collector's office then posts these changes to the property tax system. Each month, the County Clerk prepares court orders indicating only the grand totals of additions and abatements for the County Commission to approve based on reports the County Clerk generates from the property tax



Clinton County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

system. The County Clerk does not receive a copy of the manual forms from the County Assessor's office or a monthly summary of additions and abatements from the County Assessor for comparison to the property tax system. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected. As previously noted, the County Collector has access in the property tax system to make addition and abatement changes and can also make address changes, enter tax rates, and outlaw taxes. Because the County Collector is responsible for collecting tax monies, good internal controls require the County Collector not have access rights allowing alteration or deletion of information.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. An independent review of approved additions and abatements to changes made to the property tax system would help ensure changes to the property tax system records are proper.

2.3 Review of activity

Neither the County Commission nor the County Clerk adequately reviews the annual settlements of the County Collector. The County Clerk does not investigate the identified differences between the County Clerk's account book and the County Collector's reports from the property tax system. In addition, the County Commission does not perform procedures to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, and misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate.

Maintaining the statutorily required account book is of little value if the County Clerk does not use it to ensure taxes charged and credited to the County Collector are complete and accurate or the County Clerk and County Commission do not use it to verify the County Collector's annual settlements.

2.4 Password controls

The County Collector had not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees were not required to change passwords on a periodic basis and employees shared passwords.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords did not have to be periodically changed and were shared, there is less assurance passwords were effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and



Clinton County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

	confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.
Similar conditions previously reported	Similar conditions to sections 2.2 and 2.3 were noted in our prior audit report.
Recommendations	<p>2.1 The County Collector file timely annual settlements.</p> <p>2.2 The County Commission and the County Clerk develop procedures to ensure all property tax additions and abatements are properly approved and monitored. In addition, the County Collector ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.</p> <p>2.3 The County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.</p> <p>2.4 The County Collector require unique passwords for each employee that are kept confidential and periodically changed, to prevent unauthorized access to the County Collector's computers and data.</p>

Auditee's Response

The County Collector provided the following responses:

- 2.1 *The annual settlement is due in March. My term expires on February 28, 2015. I have performed the monthly settlements, which have reconciled with the County Clerk. The monthly settlements will be available for the incoming County Collector to complete the annual settlement.*
- 2.2 *I have limited access to the extent possible and have established compensating controls to identify unauthorized changes.*
- 2.4 *I understand and will take the recommendation under advisement. I will research options to implement the recommendation.*

The County Commission and County Clerk provided the following responses:

- 2.2 *We agree. We have implemented the auditor's recommendations to ensure that all property tax additions and abatements are properly approved and monitored.*
- 2.3 *We understand the recommendation and will take it under advisement.*

Clinton County Collector and Property Tax System

Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Sharon Cockrum served as County Collector until May 31, 2014. Shelly King was appointed the Clinton County Collector and sworn into office on June 17, 2014.

The County Collector received compensation of \$13,759 for the period March 1, 2014, to May 31, 2014. During the year ended February 28, 2014, the County Collector received compensation of \$71,930. Compensation was in accordance with statutory provisions.

Clinton County Collector and Property Tax System
Supporting Documentation for Differences Between Receipts and Deposits

Deposit Date	Recorded Cash Receipts	Recorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Total Deposited	Cash Long/(Short)	Checks Long/(Short)	Total Difference
7/31/2013*	\$ 2,285.70	7,039.13	9,324.83	2,251.74	7,097.13	9,348.87	(33.96)	58.00	24.04
8/01/2013*	157.74	2,074.61	2,232.35	122.74	2,074.61	2,197.35	(35.00)	-	(35.00)
8/02/2013	834.50	3,368.51	4,203.01	800.52	3,368.51	4,169.03	(33.98)	-	(33.98)
8/05/2013*	1,885.79	1,600.63	3,486.42	1,871.48	1,670.63	3,542.11	(14.31)	70.00	55.69
8/06/2013	958.54	-	958.54	862.54	96.00	958.54	(96.00)	96.00	-
8/07/2013	40.00	1,902.66	1,942.66	29.54	1,902.66	1,932.20	(10.46)	-	(10.46)
8/08/2013	220.00	1,099.28	1,319.28	203.86	1,099.28	1,303.14	(16.14)	-	(16.14)
8/09/2013	350.00	4,183.74	4,533.74	671.39	3,820.07	4,491.46	321.39	(363.67)	(42.28)
8/12/2013	2,530.13	946.21	3,476.34	2,393.04	946.22	3,339.26	(137.09)	0.01	(137.08)
8/13/2013*	737.48	14,647.09	15,384.57	754.65	14,686.98	15,441.63	17.17	39.89	57.06
8/14/2013	2,648.62	2,035.67	4,684.29	2,640.04	2,035.67	4,675.71	(8.58)	-	(8.58)
8/15/2013	260.89	4,671.84	4,932.73	257.40	4,671.84	4,929.24	(3.49)	-	(3.49)
8/16/2013*	1,236.21	7,449.62	8,685.83	1,214.51	7,519.49	8,734.00	(21.70)	69.87	48.17
8/19/2013	2,093.74	478.24	2,571.98	2,080.22	478.24	2,558.46	(13.52)	-	(13.52)
8/20/2013*	2,238.25	9,403.61	11,641.86	2,142.78	9,418.88	11,561.66	(95.47)	15.27	(80.20)
8/21/2013*	1,114.12	17,048.96	18,163.08	1,069.21	17,118.96	18,188.17	(44.91)	70.00	25.09
8/22/2013*	1,244.07	2,797.31	4,041.38	1,189.87	2,832.92	4,022.79	(54.20)	35.61	(18.59)
8/23/2013*	8,200.55	5,476.40	13,676.95	8,137.52	5,501.40	13,638.92	(63.03)	25.00	(38.03)
8/26/2013*	792.65	3,035.35	3,828.00	813.33	3,070.35	3,883.68	20.68	35.00	55.68
8/27/2013	100.00	2,110.41	2,210.41	54.97	2,110.38	2,165.35	(45.03)	(0.03)	(45.06)
8/28/2013	294.61	1,883.63	2,178.24	293.80	1,885.63	2,179.43	(0.81)	2.00	1.19
8/29/2013	1,222.38	10,151.56	11,373.94	1,094.63	10,236.79	11,331.42	(127.75)	85.23	(42.52)
8/30/2013	1,670.00	5,927.74	7,597.74	1,598.40	5,930.74	7,529.14	(71.60)	3.00	(68.60)
9/03/2013	1,031.24	6,569.08	7,600.32	1,019.76	6,569.08	7,588.84	(11.48)	-	(11.48)
9/04/2013	140.00	367.09	507.09	136.18	367.09	503.27	(3.82)	-	(3.82)
9/05/2013	786.21	575.35	1,361.56	746.47	525.24	1,271.71	(39.74)	(50.11)	(89.85)
9/06/2013	860.03	1,432.31	2,292.34	858.76	1,432.31	2,291.07	(1.27)	-	(1.27)

Clinton County Collector and Property Tax System
Supporting Documentation for Differences Between Receipts and Deposits

Deposit Date	Recorded Cash Receipts	Recorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Total Deposited	Cash Long/(Short)	Checks Long/(Short)	Total Difference
9/09/2013	1,490.00	5,146.85	6,636.85	1,488.17	5,146.85	6,635.02	(1.83)	-	(1.83)
9/10/2013	566.45	1,201.52	1,767.97	432.82	1,280.52	1,713.34	(133.63)	79.00	(54.63)
9/11/2013	180.00	424.46	604.46	148.72	426.46	575.18	(31.28)	2.00	(29.28)
9/12/2013	200.00	2,156.43	2,356.43	184.97	2,156.43	2,341.40	(15.03)	-	(15.03)
9/13/2013	925.00	2,589.41	3,514.41	790.17	2,589.41	3,379.58	(134.83)	-	(134.83)
9/16/2013	305.51	3,389.99	3,695.50	261.82	3,390.43	3,652.25	(43.69)	0.44	(43.25)
9/17/2013	198.26	10,187.55	10,385.81	194.60	10,187.12	10,381.72	(3.66)	(0.43)	(4.09)
9/18/2013	603.00	2,227.59	2,830.59	602.62	2,227.59	2,830.21	(0.38)	-	(0.38)
9/19/2013	500.00	1,032.72	1,532.72	483.44	1,032.72	1,516.16	(16.56)	-	(16.56)
9/20/2013	34.00	2,231.33	2,265.33	33.53	2,231.32	2,264.85	(0.47)	(0.01)	(0.48)
9/23/2013	300.00	18,412.70	18,712.70	222.23	18,412.70	18,634.93	(77.77)	-	(77.77)
9/25/2013	920.00	1,217.68	2,137.68	852.68	1,217.68	2,070.36	(67.32)	-	(67.32)
9/26/2013	210.00	8,381.20	8,591.20	192.04	8,381.20	8,573.24	(17.96)	-	(17.96)
9/27/2013	3,322.95	6,495.18	9,818.13	3,248.87	6,520.18	9,769.05	(74.08)	25.00	(49.08)
9/30/2013	190.94	10,312.00	10,502.94	175.29	10,312.00	10,487.29	(15.65)	-	(15.65)
\$	45,879.56	193,682.64	239,562.20	44,621.32	193,979.71	238,601.03	(1,258.24)	297.07	(961.17)

* Deposit slip contained one or more advertising fees of \$35. These fees were identified because they were documented on the deposit slip, though they were not included in the deposit itself. These fees were not receipted in the property tax system.



Thomas A. Schweich
Missouri State Auditor

CORRECTIONS

Department of Corrections



February 2015
Report No. 2015-010

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Department of Corrections

Execution Team Cash Disbursements	State law requires the Department of Corrections (DOC) to select an execution team and to keep the identity of team members confidential. To help protect their identities, the DOC pays members of the execution team in cash. However, the DOC did not record the amount of cash payments on signed receipt forms and did not always require a witness signature to acknowledge the exchange of the cash payments, as required by DOC policy. We reviewed 10 cash disbursements totaling \$21,266 and found none showed the amount paid to the team member, and two lacked a witness signature.
Working Capital Revolving Fund	During the 3 years ended June 30, 2013, the DOC spent approximately \$7.3 million from the Working Capital Revolving Fund (WCRF) instead of the General Revenue Fund for items purchased from Missouri Vocational Enterprises (MVE) for department usage. WCRF funds are statutorily restricted to funding operations of the vocational enterprise program. These purchases consisted of uniforms and clothing, clothing supplies, custodial supplies, laundry and linen supplies, and other repair and maintenance supplies sold by the MVE. Section 217.595, RSMo, authorizes the WCRF to be used for the establishment, maintenance, rehabilitation, expansion and operation of the vocational enterprises programs.
Escapee Monies	As noted in previous audits, the DOC continues to retain monies seized from offenders who escaped or absconded from supervision. It is unclear whether the DOC has statutory authority to retain these monies. At June 30, 2014, the DOC was holding approximately \$654,000 in escapee monies in the Inmate Account Fund, and approximately \$333,000 in the Inmate Canteen Fund that had been transferred to that account in 2007 and 2008.

In the areas audited, the overall performance of this entity was **Good**.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Corrections

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Execution Team Cash Disbursements4 2. Working Capital Revolving Fund5 3. Escapee Monies6
-------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	8
---------------------------------------------	---

Appendixes

	Combined Statements of Receipts, Disbursements, and Changes in Cash and Investments, Year Ended -	
A-1	June 30, 2014	9
A-2	June 30, 2013	10
B	Comparative Statement of Receipts, Years Ended June 30, 2014 and 2013	11
C	Comparative Statement of Appropriations and Expenditures, Years Ended June 30, 2014 and 2013	12
D	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2014	15
E	Comparative Statement of Revenues, Expenses, and Net Income - Inmate Canteen Fund, Years Ended June 30, 2014 and 2013	16
F	Comparative Statement of Income, Expenses, and Net Income – Working Capital Revolving Fund, Years Ended June 30, 2014 and 2013	17
G	Comparative Statement of General Capital Assets, Years Ended June 30, 2014 and 2013	18



THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
George Lombardi, Director
Jefferson City, Missouri

We have audited certain operations of the Department of Corrections, in fulfillment of our duties under Chapter, 29 RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014 and June 30, 2013. The objectives of our audit were to:

1. Evaluate the Department of Correction's internal controls over significant management and financial functions.
2. Evaluate the Department of Correction's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified deficiencies in internal control, noncompliance with legal provisions, and the need for improvements in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Corrections.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Department of Corrections

Management Advisory Report

State Auditor's Findings

1. Execution Team Cash Disbursements

The Department of Corrections (DOC) has not consistently complied with established procedures to ensure payments to execution team members are properly authorized, controlled, and documented.

Between March 11, 2013 and February 26, 2014, the DOC paid a total of \$75,273 to execution team members related to training, participation and execution services. In total, the DOC made 32 individual payments ranging from \$75 to \$11,091 for these services. Section 546.720, RSMo, requires the DOC Director to select an execution team consisting of persons to administer lethal gas or chemicals and other persons that provide direct support for the administration of the execution. State law also requires that the identities of the execution team be kept confidential. Members of the execution team are paid in cash to protect their identities.

Incomplete documentation

The DOC did not record the amount of the cash payments on receipt forms signed by execution team members and did not always require the exchange of the cash payments to be acknowledged by a witness signature, as required by DOC procedures. We reviewed 10 of the 32 cash disbursements, totaling \$21,266, and found (1) none of the tested disbursements showed the amount paid to the execution team member, and (2) two disbursements, totaling \$11,291, lacked a witness signature on receipt form.

The Division of Adult Institutions Director indicated the DOC failure to record the amount of the payment was an oversight and the department would immediately begin recording the amount of the cash payment on the receipt form, and at times DOC employees are not available to witness payment deliveries.

To comply with established procedures and ensure cash payments are properly authorized and documented, the amount of the cash payment should be documented on the receipt form and supported by the signature of a witness who verified the delivery of the cash payment.

Recommendation

The DOC ensure the payment amounts and the witness signatures are recorded on the execution team member receipts.

Auditee's Response

While internally the DOC has appropriate measures in place to account for cash payments, the DOC acknowledges the audit findings regarding the current policy and offers the following to resolve those findings.

To ensure the DOC is in compliance with Section 546.720, RSMo, and to ensure proper accounting for cash payments, the department has established procedures to ensure that cash payments are properly authorized and documented, the amount of each cash payment will be documented either on a receipt form supported by the signature of a witness or recorded on other forms of approved documentation to verify the delivery



Department of Corrections
Management Advisory Report - State Auditor's Findings

of the cash payment. The DOC's revised procedures meet the standards required in the finding.

2. Working Capital Revolving Fund

During the 3 years ended June 30, 2013, the DOC spent approximately \$7.3 million from the Working Capital Revolving Fund (WCRF) instead of the General Revenue Fund for items purchased from Missouri Vocational Enterprises (MVE) for department usage. WCRF funds are statutorily restricted to funding operations of the vocational enterprise program.

The purchases consisted of uniforms and clothing, clothing supplies, custodial supplies, laundry and linen supplies, and other repair and maintenance supplies sold by the MVE. As a result of these transactions, the MVE recorded both the expenditure and the related sales within the WCRF. The expenditures were made from DOC appropriations authorized by the General Assembly. These appropriations totaled \$1.5 million in state fiscal year 2013, and \$3 million in both state fiscal years 2012 and 2011 from the WCRF. The General Assembly did not renew this appropriation for state fiscal year 2014.

DOC officials indicated the General Assembly intended the WCRF appropriations to be used in place of General Revenue funds and that they had expressed concerns about the propriety of using the WCRF for the acquisition of departmental goods and services to legislative officials prior to the passage of the 2011 appropriation bill. In response to an inquiry from department officials, the State Auditor issued a letter in January 2011 to the department advising department officials to discontinue use of the appropriation for purposes not authorized by state law.

The WCRF is authorized under Section 217.595, RSMo, to be used for the establishment, maintenance, rehabilitation, expansion and operation of the vocational enterprises programs. The statute also requires that none of the earnings of the vocational enterprises program shall be transferred to the General Revenue Fund and that earnings of the WCRF shall be retained to obtain new equipment, material and real property for expansion and maintenance of the enterprises' programs with a goal that all general population offenders shall learn a skill or service and are employed.

Recommendation

The DOC continue to work with the legislature to ensure WCRF expenditures comply with the statutory restrictions of the fund.

Auditee's Response

Budget shortfalls during fiscal years 2011, 2012, and 2013 resulted in General Revenue funds being reduced and replaced with Working Capital Revolving Fund monies during the appropriation process for the purchase of items such as offender clothing, linen supplies, uniforms, etc. This budgetary practice ceased following the 2013 legislative session when



Department of Corrections
Management Advisory Report - State Auditor's Findings

General Revenue funding was restored and no additional action is necessary.

3. Escapee Monies

As noted in previous audits, the DOC continues to retain monies seized from offenders who escaped or absconded from supervision. However, it is unclear whether the DOC has statutory authority to retain these monies.

At June 30, 2014, the DOC held approximately \$654,000 in escapee monies in the Inmate Account Fund, and approximately \$333,000 in the Inmate Canteen Fund that had been transferred to that account in 2007 and 2008. The DOC did not spend any of the escapee monies since our prior audit. DOC officials indicated they have no current plans to spend these monies, therefore the holding of the escapee monies provides no benefit to the department or to the state.

Escapee monies consist of funds held by the DOC in inmates' accounts at the time of their escape, less withholdings for certain inmate obligations such as court-ordered payments and child support. Chapter 447, RSMo, provides that abandoned property once belonging to persons known or unknown should be turned over to the State Treasurer's office (STO) Unclaimed Property Section. DOC officials disagreed with the prior audit recommendations, responding that Chapter 447, RSMo, does not apply to these monies and they believe the handling of these funds is in compliance with various statutory provisions, court rulings, and department policy. However, these officials have not consulted with the STO to confirm the accuracy of their understanding.

Due to the absence of clear statutory authority for the DOC to retain and spend confiscated escapee monies, the DOC should resolve the issue with the STO and/or seek legislative authority allowing these monies to be retained and spent by the department. If spending authorization is obtained, the DOC should ensure transfers and expenditures of these monies are in accordance with departmental policies and state law.

Recommendation

The DOC resolve the issue with the STO and/or seek legislative authority allowing these monies to be retained and spent by the department. If spending authorization is obtained, the DOC should ensure transfers and expenditures of these monies are in accordance with departmental policies and state law.

Auditee's Response

With respect to escapee balances held by the DOC, the DOC maintains its position that Chapter 447, RSMo, does not apply to the DOC. Inmate money is inmate personal property and the existing case law with respect to escapee's property is applicable to money held for inmates by the DOC. See, Herron v. Whiteside, 782 S.W.2d 414 and Charron v. Thompson, 939



Department of Corrections
Management Advisory Report - State Auditor's Findings

S.W.2d 885. Inmate personal property is governed by DOC policy pursuant to Section 217.197, RSMo.

The DOC plans to spend those moneys in accordance with the requirements set forth in Section 217.195, RSMo.

Department of Corrections

Organization and Statistical Information

The Missouri Division of Corrections and the Board of Probation and Parole were transferred to the Department of Social Services on July 1, 1974, following passage of the Omnibus State Reorganization Act of 1974. Effective September 28, 1981, the Missouri Department of Corrections and Human Resources was established as a cabinet-level department of state government as a result of legislation approved by the Eighty-First General Assembly and signed by the Governor. With the revision made to Chapter 217, which became effective August 28, 1989, the Department of Corrections and Human Resources was renamed to the Department of Corrections.

The department has the responsibility of supervising and managing the 20 correctional institutions located throughout the state and probation and parole services. The department is composed of the Office of the Director and four divisions: Human Services, Adult Institutions, Offender Rehabilitative Services and Probation and Parole. As of June 30, 2014, the department employed 11,070 employees and the prison population was 32,660 inmates. The Governor appointed George Lombardi as Director of the Department of Corrections on January 29, 2009.

Board of Probation and Parole

The Board of Probation and Parole consists of seven full-time members appointed by the Governor, subject to the advice and consent of the Senate. Terms of members are for 6 years on a staggered basis. The chairman is appointed by the Governor and is the chief administrative officer of the board in charge of the board's operations, funds and expenditures. Members of the board at June 30, 2014, were:

Board Members	Term Expires
Ellis McSwain, Chairman	August 28, 2012 (1)
Kenneth C. Jones	December 10, 2017
Jimmie Lee Wells	February 16, 2015
Chuck R. Pryor	April 7, 2014 (1)
Martin Rucker	April 3, 2016
Don Ruzicka	December 20, 2018
Vacant	

(1) Members continue to serve until a replacement is named

The Probation and Parole Division includes 63 district and satellite offices and 2 Community Release Centers. Seven of those locations also serve as Community Supervision Centers. Community Release and Supervision Centers house offenders during transition from institutional to community placement. At June 30, 2014, 64,571 offenders were under the supervision of the division.

Appendix A-1

Department of Corrections
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2014

	Department of Corrections - Federal Fund	Working Capital Revolving Fund	Inmate Fund	Inmate Incarceration Reimbursement Act Fund	Correctional Substance Abuse Earnings Fund	Inmate Canteen Fund *	Inmate Account Fund *	Total (Memorandum Only)
RECEIPTS								
Federal	\$ 3,360,429	0	0	0	0	0	0	3,360,429
Product sales	0	26,594,328	0	0	0	0	0	26,594,328
Leases and rentals	0	196,950	0	0	0	0	0	196,950
Offender intervention fees	0	0	9,173,590	0	0	0	0	9,173,590
Substance abuse traffic offense fee	0	0	0	0	57,977	0	0	57,977
Offender reimbursement of incarceration costs **	0	0	0	665,839	0	0	0	665,839
Interest	0	0	0	0	2,038	0	0	2,038
Refunds/rebates	0	6,726	1,575	0	0	0	0	8,301
Inmate canteen deposits	0	0	0	0	0	42,794,595	0	42,794,595
Inmate account deposits	0	0	0	0	0	0	43,952,534	43,952,534
Transfers	0	0	1,100,000	0	0	0	0	1,100,000
Total Receipts	3,360,429	26,798,004	10,275,165	665,839	60,015	42,794,595	43,952,534	127,906,581
DISBURSEMENTS ***								
Personal service	1,600,659	5,962,468	618,472	102,119	0	0	0	8,283,718
Employee fringe benefits	754,680	3,171,022	340,047	50,084	0	0	0	4,315,833
Expense and equipment	946,827	15,578,063	6,536,718	449,238	217,745	0	0	23,728,591
Leasing operations	0	1,597,940	0	9,453	0	0	0	1,607,393
Building maintenance and repair	15,328	580,632	10,888	14,445	0	0	0	621,293
Program distributions	75,394	3,203	2,984,521	0	0	0	0	3,063,118
Inmate canteen disbursements	0	0	0	0	0	46,144,362	0	46,144,362
Inmate account withdrawals	0	0	0	0	0	0	43,612,502	43,612,502
Other	522	2,690	152,424	2,277	530	0	0	158,443
Total Disbursements	3,393,410	26,896,018	10,643,070	627,616	218,275	46,144,362	43,612,502	131,535,253
RECEIPTS OVER (UNDER) DISBURSEMENTS	(32,981)	(98,014)	(367,905)	38,223	(158,260)	(3,349,767)	340,032	(3,628,672)
CASH AND INVESTMENTS, JULY 1, 2013	817,145	8,227,569	925,909	488,420	386,808	12,900,185	4,004,027	27,750,063
CASH AND INVESTMENTS, JUNE 30, 2014	\$ 784,164	8,129,555	558,004	526,643	228,548	9,550,418	4,344,059	24,121,391

* Funds held in bank accounts outside the state treasury. Receipts, disbursements, and balances reflect bank account activity. Detailed Inmate Canteen Fund income and expenses are included at Appendix E.

** Receipts for offender reimbursement of incarceration costs are deposited by the Attorney General's office.

*** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to (1) appropriated transfers out for personal service benefits costs and (2) disbursements made by other state agencies.

Appendix A-2

Department of Corrections
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2013

	Department of Corrections - Federal Fund	Working Capital Revolving Fund	Inmate Fund	Inmate Incarceration Reimbursement Act Fund	Correctional Substance Abuse Earnings Fund	Inmate Canteen Fund *	Inmate Account Fund *	Total (Memorandum Only)
RECEIPTS								
Federal	\$ 5,722,895	0	0	0	0	0	0	5,722,895
Product sales	0	26,599,834	0	0	0	0	0	26,599,834
Leases and rentals	0	193,640	0	0	0	0	0	193,640
Offender intervention fees	0	0	10,016,096	0	0	0	0	10,016,096
Substance abuse traffic offense fee	0	0	0	0	52,000	0	0	52,000
Offender reimbursement of incarceration costs **	0	0	0	456,692	0	0	0	456,692
Interest	0	0	0	0	3,330	0	0	3,330
Refunds/rebates	0	3,750	29,465	0	0	0	0	33,215
Inmate canteen deposits	0	0	0	0	0	41,746,158	0	41,746,158
Inmate account deposits	0	0	0	0	0	0	41,690,008	41,690,008
Transfers	0	417	750,000	0	0	0	0	750,417
Total Receipts	5,722,895	26,797,641	10,795,561	456,692	55,330	41,746,158	41,690,008	127,264,285
DISBURSEMENTS ***								
Personal service	1,689,802	6,039,577	625,459	80,148	0	0	0	8,434,986
Employee fringe benefits	757,743	2,944,562	323,914	37,722	0	0	0	4,063,941
Expense and equipment	2,728,594	18,005,200	6,367,776	244,059	215,265	0	0	27,560,894
Leasing operations	125	1,600,216	0	9,905	0	0	0	1,610,246
Building maintenance and repair	0	656,613	1,457	9,727	0	0	0	667,797
Program distributions	79,412	5,801	3,536,288	162	0	0	0	3,621,663
Inmate canteen disbursements	0	0	0	0	0	44,667,940	0	44,667,940
Inmate account withdrawals	0	0	0	0	0	0	41,744,874	41,744,874
Other	20,727	960	127,127	3,118	1,205	0	0	153,137
Total Disbursements	5,276,403	29,252,929	10,982,021	384,841	216,470	44,667,940	41,744,874	132,525,478
RECEIPTS OVER (UNDER) DISBURSEMENTS	446,492	(2,455,288)	(186,460)	71,851	(161,140)	(2,921,782)	(54,866)	(5,261,193)
CASH AND INVESTMENTS, JULY 1, 2012	370,653	10,682,857	1,112,369	416,569	547,948	15,821,967	4,058,893	33,011,255
CASH AND INVESTMENTS, JUNE 30, 2013	\$ 817,145	8,227,569	925,909	488,420	386,808	12,900,185	4,004,027	27,750,062

* Funds held in bank accounts outside the state treasury. Receipts, disbursements, and balances reflect bank account activity. Detailed Inmate Canteen Fund income and expenses are included at Appendix E.

** Receipts for offender reimbursement of incarceration costs are deposited by the Attorney General's office.

*** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to (1) appropriated transfers out for personal service benefits costs and (2) disbursements made by other state agencies.

Appendix B

Department of Corrections Comparative Statement of Receipts

	Year Ended June 30,	
	2014	2013
General Revenue Fund		
Filing fees	\$ 17,543	20,741
Donated assets	368,923	64,110
Inmate social security benefits	365,600	381,600
Refunds of criminal case reimbursements	1,055,769	958,828
Recoveries	65,594	61,945
Cost reimbursements-State*	1,369,575	540,283
Rebates	124,416	95,659
Fees for copying public records	2,479	1,725
Miscellaneous	55,917	16,600
Total General Revenue Fund	<u>3,425,816</u>	<u>2,141,491</u>
Institution Gift Trust Fund		
Private donations	<u>21,160</u>	<u>28,384</u>
Total Institution Gift Trust Fund	<u>\$ 21,160</u>	<u>28,384</u>

* Cost reimbursements-State are primarily reimbursements from the Inmate Canteen Fund for canteen employee salaries.

Appendix C

Department of Corrections
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
General Revenue Fund						
Eastern Reception and Diagnostic Correctional Center						
- Personal Service	\$ 18,904,327	18,212,009	692,318	18,914,251	18,113,381	800,870
Population Growth Pool - Personal Service	824,210	336,138	488,072	441,203	56,508	384,695
Corrections Leasing	5,859,393	5,607,077	252,316	5,779,051	5,539,729	239,322
Officers Clothing	1,052,218	1,052,199	19	666,304	666,303	1
Vehicle Replacement	999,855	999,855	0	1	0	1
Inmate Clothing	3,218,223	3,218,223	0	0	0	0
Institutional Community Purchases	2,646,548	2,646,548	0	2,688,566	2,687,886	680
Department of Corrections Command Center - Expense and Equipment	4,981	4,487	494	5,094	4,941	153
Division of Human Services Staff - Personal Service	8,415,858	8,065,491	350,367	8,244,531	8,073,425	171,106
Division of Human Services Staff - Expense and Equipment	119,173	118,963	210	108,259	101,133	7,126
Employee Health and Safety	580,135	562,687	17,448	581,933	564,473	17,460
Probation and Parole Staff - Personal Service	63,644,526	62,763,546	880,980	63,336,831	62,689,606	647,225
Probation and Parole Staff - Expense and Equipment	3,107,099	3,106,895	204	3,107,099	3,106,903	196
South Central Correctional Center - Personal Service	12,772,580	11,938,904	833,676	12,618,370	11,974,990	643,380
Costs In Criminal Cases	38,060,616	36,918,797	1,141,819	38,060,616	38,060,595	21
Western Reception and Diagnostic Correctional Center - Personal Service	15,358,541	14,743,228	615,313	15,270,694	14,467,493	803,201
Maryville Treatment Center	5,727,937	5,333,677	394,260	5,688,137	5,338,737	349,400
General Services - Expense and Equipment	318,680	309,100	9,580	318,052	307,798	10,254
Medical Services - Expense and Equipment	156,416,977	155,634,837	782,140	146,644,097	146,644,097	0
Medical Equipment - Expense and Equipment	219,087	217,336	1,751	219,087	209,954	9,133
South East Correctional Center - Personal Service	12,563,284	11,951,463	611,821	12,495,657	11,557,543	938,114
Restitution Payment:	75,278	73,000	2,278	75,278	73,000	2,278
Crossroads Correctional Center	12,050,247	11,436,867	613,380	12,057,767	11,270,547	787,219
Missouri Eastern Correctional Center	10,553,797	9,652,647	901,149	10,264,987	9,594,607	670,380
Northeast Correctional Center	16,471,917	15,610,087	861,829	16,368,557	15,332,467	1,036,089
Ozark Correctional Center Sewer System	0	0	0	417,997	360,897	57,099
Chillicothe Correctional Center	12,352,799	12,332,025	20,774	12,297,744	12,199,393	98,351
Food Purchases	30,505,700	29,717,297	788,403	30,631,539	30,628,996	2,543
Jefferson City Correctional Center	16,755,035	16,165,472	589,563	16,800,354	15,824,300	976,054
Central Missouri Correctional Center	0	0	0	546,310	376,336	169,974
Womens Eastern Reception and Diagnostic Correctional Center	13,371,954	12,716,279	655,675	13,301,987	12,626,829	675,158
Ozark Correctional Center	5,305,144	5,044,178	260,966	5,268,285	4,995,760	272,525
Tipton Correctional Center	9,952,033	9,348,691	603,342	9,748,362	9,158,833	589,529
Moberly Correctional Center	12,462,707	11,543,633	919,074	12,131,072	11,483,988	647,084
Alcoa Correctional Center	10,357,164	9,772,543	584,621	10,007,635	9,387,320	620,315
Amachi - Family Support Services	284,093	273,439	10,654	284,093	273,439	10,654
Office of the Director Staff - Personal Service	4,308,317	3,911,696	396,621	4,056,152	4,004,687	51,465
Office of the Director Staff - Expense and Equipment	136,043	131,612	4,431	124,043	117,050	6,993
Division of Adult Institutions Staff - Personal Service	1,535,427	1,377,572	157,855	1,504,071	1,371,725	132,346
Division of Adult Institutions Staff - Expense and Equipment	126,358	122,549	3,809	126,358	122,152	4,206
St. Louis Community Release Center	4,187,137	3,861,768	325,369	4,088,864	3,820,809	268,055
Kansas City Community Release Center	2,445,866	2,293,347	152,519	2,425,089	2,299,828	125,261
Population Growth Pool - Expense and Equipment	489,721	489,720	1	834,429	806,240	28,189
Boonville Correctional Center	9,675,560	9,036,773	638,787	9,181,736	8,648,357	533,379
Wage and Discharge Costs	3,259,031	3,161,259	97,772	3,103,897	3,055,280	48,617
Telecommunications	2,035,539	2,008,463	27,076	1,853,320	1,853,304	16
Staff Training	914,702	914,590	112	878,702	850,210	28,492
Division of Offender Rehabilitative Services Staff - Personal Service	\$ 1,343,641	1,283,388	60,253	1,275,052	1,129,822	145,230

Appendix C

Department of Corrections
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
Division of Offender Rehabilitative Services Staff - Expense and Equipment	\$ 45,476	40,529	4,947	47,071	32,618	14,453
Farmington Correctional Center	17,871,124	16,936,627	934,497	17,762,383	16,672,634	1,089,749
Fulton Reception and Diagnostic Correctional Center	13,113,064	12,422,526	690,538	12,983,495	12,199,290	784,205
Overtime	5,994,997	5,837,320	157,677	5,990,099	5,810,332	179,767
Substance Abuse Service - Personal Service	3,790,185	3,658,592	131,593	3,659,031	3,554,325	104,706
Substance Abuse Service - Expense and Equipment	5,146,536	5,026,238	120,298	5,146,536	4,979,475	167,061
Toxicology	517,601	504,869	12,732	519,438	503,316	16,122
Academic Education - Personal Service	8,594,913	7,777,757	817,156	7,697,222	7,696,882	340
Academic Education - Expense and Equipment	71,924	7,153	64,771	871,174	146,971	724,203
Community Supervision Center - Personal Service	4,332,552	4,275,996	56,556	4,392,937	4,380,205	12,732
Community Supervision Center - Expense and Equipment	111,178	107,842	3,336	201,178	194,901	6,277
Kansas City Reentry Program	178,000	172,619	5,381	178,000	166,000	12,000
Corrections State Owned	865,858	865,857	1	860,805	834,981	25,824
Corrections Institutional - Expense and Equipment	43,502,601	43,502,601	0	43,666,749	42,916,747	750,002
Local Sentencing Initiative	2,000,000	1,939,628	60,372	2,000,000	1,923,922	76,078
Western Missouri Correctional Center	15,268,217	14,428,398	839,819	15,142,963	14,362,906	780,057
Potosi Correctional Center	10,548,807	9,990,419	558,388	10,657,423	9,888,454	768,969
Justice Reinvestment	100,000	0	100,000	100,000	0	100,000
St. Louis Reentry Program	750,000	750,000	0	0	0	0
Institutional - Expense and Equipment Pool	9,457,503	9,456,705	798	10,093,720	10,092,659	1,061
Total General Revenue Fund	674,029,9860	653,722,011	20,307,975	656,811,7300	638,188,280	18,623,450
Facilities Maintenance Reserve Fund						
Boonville Correctional Center Phase II Electrical, Various	0	0	0	214,967	0	214,967
Fulton Correctional Center Water System Improvement	0	0	0	100	0	100
Fulton Correctional Center Fire Alarm System	0	0	0	433,064	13,200	419,864
Western Missouri Correctional Center Security Improvement Various	0	0	0	839,016	0	839,016
Statewide Facilities Maintenance Reserve Fund Expenditure	12,530,250	6,304,810	6,225,440*	33,618	33,617	1
Statewide Facilities Maintenance Reserve Fund Expenditure	12	0	12 *	3,211,296	3,211,295	1
Unprogrammed Maintenance and Repair	83,425	7,220	76,205 *	337,819	337,818	1
Roofing Management System	3,202,791	0	3,202,791*	0	0	0
Heating, Ventilation, and Air Conditioning Improvement	3,492,911	63,136	3,429,775*	0	0	0
Security Improvements	561,668	47,599	514,069*	0	0	0
Hazardous Materials Remediation	38,532	38,531	1 *	0	0	0
Northeast Correctional Center Bar Screen	750,000	29,087	720,913*	0	0	0
Total Facilities Maintenance Reserve Fund	20,659,589	6,490,383	14,169,206	5,069,880	3,595,930	1,473,950
Department Of Corrections - Federal Fund						
Food Purchases	250,000	89,408	160,592	250,000	184,817	65,183
Amachi - Family Support Services	71,024	71,024	0	71,024	71,024	0
Federal Programs - Personal Service	2,586,553	1,601,321	985,232	2,645,234	1,689,138	956,096
Federal Programs - Expense and Equipment	2,988,076	873,271	2,114,805	7,287,279	2,568,573	4,718,706
Total Department Of Corrections - Federal Fund	5,895,653	2,635,024	3,260,629	10,253,537	4,513,552	5,739,985
Working Capital Revolving Fund						
Vocational Enterprises - Expense and Equipment	25,345,002	16,058,576	9,286,426	25,613,226	17,068,743	8,544,483
Vocational Enterprises - Personal Service	8,340,691	5,909,509	2,431,182	8,278,853	5,989,711	2,289,142
Prison Industry Enhancement	866,486	0	866,486	866,486	0	866,486
Corrections Leasing	179,453	161,718	17,735	179,400	161,382	18,018
Institutional - Expense and Equipment Pool	0	0	0	1,500,000	1,497,501	2,499
Corrections Institution	1,425,607	1,425,607	0	1,425,607	1,425,607	0
Total Working Capital Revolving Fund	\$ 36,157,239	23,555,410	12,601,829	37,863,572	26,142,944	11,720,628

Appendix C

Department of Corrections
Comparative Statement of Appropriations and Expenditures

Year Ended June 30,						
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
Inmate Fund						
Boonville Correctional Center	\$ 34,953	0	34,953	34,525	0	34,525
Residential Treatment Facility	3,989,458	3,086,265	903,193	3,989,458	3,087,251	902,207
Ozark Correctional Center - Personal Service	268,926	0	268,926	266,508	0	266,508
Electronic Monitoring	1,780,289	1,128,501	651,788	1,780,289	1,212,646	567,643
Local Sentencing Initiative	40,000	39,990	10	815,337	39,990	775,347
Department of Corrections Command Center - Personal Service	557,390	460,693	96,697	553,338	446,513	106,825
Reentry - Expense and Equipment	199,500	28,421	171,079	316,232	165,464	150,768
Division of Human Services Staff - Personal Service	138,225	116,532	21,693	136,863	133,627	3,236
Division of Human Services Staff - Expense and Equipment	34,068	7,846	26,222	37,764	33,372	4,392
Tipton Correctional Center	90,471	0	90,471	89,897	0	89,897
Probation and Parole Staff - Expense and Equipment	4,703,605	1,830,009	2,873,596	7,703,605	1,625,055	6,078,550
Kansas City Community Release Center	48,622	41,247	7,375	48,332	45,319	3,013
Chillicothe Correctional Center - Personal Service	28,635	0	28,635	28,362	0	28,362
Community Supervision Center - Expense and Equipment	740,000	600,219	139,781	750,000	354,077	395,923
Total Inmate Fund	12,654,142	7,339,723	5,314,419	16,550,510	7,143,314	9,407,196
Inmate Incarceration Reimbursement Act Revolving Fund						
Inmate Incarceration Reimbursement Act	750,000	426,858	323,142	750,000	224,508	525,492
Total Inmate Incarceration Reimbursement Act Revolving Fund	750,000	426,858	323,142	750,000	224,508	525,492
Correctional Substance Abuse Earnings Fund						
Required Educational Assessment and Community Treatment (REACT)	264,600	217,745	46,855	264,600	215,265	49,335
Total Correctional Substance Abuse Earnings Fund	264,600	217,745	46,855	264,600	215,265	49,335
Institution Gift Trust Fund						
Institutional Gift Trust	30,000	9,839	20,161	10,000	9,865	135
Total Institution Gift Trust Fund	30,000	9,839	20,161	10,000	9,865	135
Total All Funds	\$ 750,441,209	694,396,993.00	56,044,216	727,573,829	680,033,658	47,540,171

* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the first year.

** The lapsed balances include the following withholdings made at the Governor's request:

Year Ended June 30,		
	2014	2013
General Revenue Fund		
Personal Service	\$ 10,104,696	11,837,084
Expense and Equipment	1,019,563	1,269,972
Costs in Criminal Cases	1,141,818	0
Total General Revenue Fund	\$ 12,266,077	13,107,056

Appendix D

Department of Corrections Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	\$ 352,188,343	348,666,611	341,900,328	347,585,453	351,174,133
Travel, in-state	1,782,789	1,766,914	1,743,718	1,613,206	1,861,731
Travel, out-of-state	184,236	193,039	211,337	209,014	173,884
Fuel and utilities	1,116,241	651,172	626,289	650,054	643,835
Supplies	56,886,948	58,326,111	56,737,906	56,032,373	55,239,002
Professional development	145,350	178,273	212,300	181,463	189,047
Communication services and supplies	1,792,247	1,964,947	2,327,392	1,509,483	1,666,569
Services:					
Professional	171,555,912	162,434,329	158,914,221	156,299,070	150,544,292
Housekeeping and janitorial	1,517,878	1,507,232	1,539,123	1,593,869	1,699,045
Maintenance and repair	2,121,960	1,802,457	2,218,241	1,942,117	2,010,006
Equipment:					
Computer	1,282	318,644	456,101	1,006,338	13,378
Motorized	1,246,067	583,961	732,189	251,492	1,098,578
Office	413,556	476,479	378,770	462,697	466,954
Other	3,269,466	3,273,252	4,650,419	4,006,471	3,193,227
Property and improvements	6,454,887	4,463,923	2,204,084	1,525,158	6,466,115
Debt service	28,999	0	0	418,503	1,024,915
Real property rentals and leases	50,747,545	50,118,955	49,511,857	47,173,101	49,519,047
Equipment rental and leases	87,228	82,554	84,163	107,269	110,396
Miscellaneous expenses	4,412,703	4,279,842	4,554,259	4,493,641	4,649,073
Rebillable expenses	6,321	124,591	0	0	0
Refunds	157,040	149,700	0	0	1,588
Program distributions	38,279,995	38,670,672	38,590,600	37,334,510	43,456,775
Total Expenditures	\$ <u>694,396,993</u>	<u>680,033,658</u>	<u>667,593,297</u>	<u>664,395,282</u>	<u>675,201,590</u>

Appendix E

Department of Corrections Comparative Statement of Revenues, Expenses, and Net Income Inmate Canteen Fund

	Year Ended June 30,	
	2014	2013
Revenues		
Institutional sales	\$ 41,443,159	40,594,824
Total Income	41,443,159	40,594,824
Cost of Sales		
Merchandise purchases	33,015,975	32,433,660
Total Cost of Sales	33,015,975	32,433,660
Gross Margin	8,427,184	8,161,164
Expenses		
Institutional Expense		
Offender wages	706,698	696,877
Inmate benefit	759,010	722,899
Education	1,352,195	1,223,320
Vocational education	254,285	168,314
Library	376,178	337,114
Law library	551,815	551,300
Recreation	1,393,486	1,161,509
Religion	232,594	260,179
Cable television	1,142,634	1,120,251
Therapeutic organization	360,346	211,648
Canteen operations	2,145,640	1,234,730
Total Institutional expense	9,274,881	7,688,141
Other Income & Expense		
Other income and expense	\$ (1,674,228)	(1,352,048)
Total Other Income & Expense	(1,674,228)	(1,352,048)
Total Expenses	10,949,109	9,040,189
Net Income (Loss)	(2,521,925)	(879,025)

Note: Income and expenses on this statement will not agree to receipts and disbursements on Appendix A because this statement was prepared using the accrual basis of accounting and Appendix A was prepared using the cash basis of accounting.

Appendix F

Department of Corrections Comparative Statement of Income, Expenses, and Net Income Working Capital Revolving Fund

	Year Ended June 30,	
	2014	2013
Income		
Sales - regular	\$ 25,892,229	25,666,803
Sales - interdepartmental	1,236,315	1,386,188
Other	893,938	1,025,852
Total Income	<u>28,022,482</u>	<u>28,078,843</u>
Cost of Goods Sold		
Material	12,382,748	12,171,857
Inmate labor	1,356,997	1,281,023
Freight	50,088	47,256
Physical inventory adjustment	71,900	395,996
Total Cost of Goods Sold	<u>13,861,733</u>	<u>13,896,132</u>
Gross Profit Margin	14,160,749	14,182,711
Expenses		
Salaries and wages	5,949,977	6,043,121
Benefits	2,911,609	2,808,600
Other	5,950,872	7,662,539
Total Expenses	<u>14,812,458</u>	<u>16,514,260</u>
Net Income (Loss)	\$ <u>(651,709)</u>	<u>(2,331,549)</u>

Note: Income, cost of goods sold, and expenses on this statement will not agree to receipts and disbursements on Appendix A because this statement was prepared using the accrual basis of accounting and Appendix A was prepared using the cash basis of accounting.

Appendix G

Department of Corrections
Comparative Statement of General Capital Assets

Asset Type:	Department of Corrections		Missouri Vocational Enterprises	
	June 30,		June 30,	
	2014	2013	2014	2013
Buildings	\$ 1,205,841,010	1,201,137,842	6,245,850	6,245,850
Equipment	63,851,007	61,420,763	963,311	952,427
Land Improvements	21,295,905	20,635,784	62,453	62,453
Land	6,777,825	6,777,825	40,500	40,500
Software and Miscellaneous Intangible Assets	930,801	930,801	332,106	332,106
Tools	44,217	44,217	15,071,292	14,940,670
Vehicles	10,345,308	9,084,518	3,667,246	3,588,717
Total	\$ 1,309,086,073	1,300,031,750	26,382,758	26,162,723

Fund of Acquisition:	June 30, 2014	June 30, 2014
General Revenue Fund	\$ 703,588,281	0
Elementary and Secondary Education - Federal and Other	89,568	0
Facilities Maintenance Reserve Fund	77,461,316	0
Department of Corrections - Federal	74,280,771	0
Department of Natural Resources - Federal and Other	3,204	0
Revenue Sharing Trust Fund	7,302,678	0
Federal and Other Fund	513,000	0
Gaming Proceeds for Education Fund	15,671	0
Bingo Proceeds for Education Fund	1,998	0
Board of Public Buildings - Series A 2003 Bond Proceeds-Projects Fund	4,219,491	0
Third State Building - Pre Tax Act 1986 Fund	4,006,235	0
Third State Building Trust - Pre Tax Act 1986 Fund	72,475,917	0
Fourth State Building - Series A 1995 Fund	22,521,167	0
Fourth State Building - Series A 1996 Fund	67,564,933	0
Fourth State Building - Series A 1998 Fund	33,852,562	0
Working Capital Revolving Fund	0	26,382,758
Inmate Fund	193,197	0
State School Money Fund	42,265	0
ADA Compliance Fund	1,624,624	0
Inmate Incarceration Reimbursement Act Revolving Fund	86,248	0
Board of Public Buildings - Series A2006 - Chillicothe Prison	3,133,131	0
Board of Public Buildings - Capital Assets	236,044,905	0
Inmate Canteen Fund	64,911	0
Total All Funds	\$ 1,309,086,073	26,382,758



Thomas A. Schweich
Missouri State Auditor

Compilation of 2014 Criminal Activity Forfeiture Act Seizures



February 2015
Report No. 2015-011

<http://auditor.mo.gov>



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Compilation of 2014 Criminal Activity Forfeiture Act Seizures

Compliance with Submitting Required Reports	For property seized during calendar year 2014, the State Auditor received 114 of the total possible 116 Criminal Activity Forfeiture Act (CAFA) reports from prosecuting attorneys and the Attorney General. Two counties, Chariton and Lawrence, did not submit a report to indicate if the county received any seizures or not. A report is required if the county received seizures, and Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirements shall be a class A misdemeanor. Of those counties that did submit the required copy of the CAFA report to the State Auditor, all but four counties, Barton, Iron, Miller, and Jefferson, did so by the January 31, 2015, deadline.
Disposition of Seizures Reported	Of the \$5,415,686 reported seized in 2014, the reported disposition was as follows: \$1,290,741 pending, \$509,923 returned, \$3,361,468 transferred to a federal agency, \$127,856 transferred to the state, \$1,389 other, and \$124,309 disposition not reported.
Compliance with Reporting Required Information	The 114 reports received reported 526 total cases. Some of the reports did not include all of the required information, such as date, time, and place of seizure, estimated value of property seized, criminal charges filed, and disposition of criminal actions.

Because of the nature of this compilation, no overall rating is provided.

Compilation of 2014 Criminal Activity Forfeiture Act Seizures

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

I. 2014 CAFA Seizures Disposition Reported.....	5
II. 2014 CAFA Seizures Required Information Reported.....	8



THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

As required by Section 513.607, RSMo, we have compiled the 2014 Criminal Activity Forfeiture Act (CAFA) seizure reports submitted to the State Auditor by prosecuting attorneys and the Attorney General. The compilation is limited to presenting information that is submitted. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them. The primary objectives of this compilation were to:

1. Compile the 2014 CAFA seizure information reported.
2. Identify those officials who submitted 2014 CAFA seizure reports to the State Auditor.

Section 513.607, RSMo, requires prosecuting attorneys and the Attorney General to report CAFA seizures for the previous calendar year by January 31, to both the Director of the Department of Public Safety and the State Auditor. Of the 116 potential reporting entities, we received 114 CAFA seizure reports; 110 of these reports were submitted by the required due date of January 31, 2015.

Compliance with Section 513.653, RSMo, which requires law enforcement agencies involved in using the federal forfeiture system to submit reports regarding federal seizures and the proceeds therefrom to both the Department of Public Safety and the State Auditor's office, will be separately reported.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: Harry J. Otto, CPA
Director of Audits: Regina Pruitt, CPA
In-Charge Auditor: Becky Webb, CPA, CFE
Audit Staff: Dana Wansing, MPA

Compilation of 2014 Criminal Activity Forfeiture Act Seizures

Executive Summary

Compliance with Submitting CAFA Seizure Reports

The State Auditor received 114 of the total possible 116 CAFA seizure reports from prosecuting attorneys and the Attorney General for property seized during calendar year 2014. All but 4 of the 114 reports were received by the January 31, 2015, deadline. The following table lists the total number of CAFA seizure reports submitted to the State Auditor for 2014, 2013, and 2012.

Reporting Status	2014		2013		2012 ¹	
By January 31	110	94.8 %	114	98.3 %	114	98.3
After January 31	4	3.5	2	1.7	2	1.7
Total Reported	114	98.3	116	100.0	116	100.0
Did Not Report	2	1.7	0	0.0	0	0.0
Total Possible Reports	116	100.0 %	116	100.0 %	116	100.0

¹ Includes CAFA seizure reports submitted by prosecuting attorneys to the State Auditor after the annual compilation reports were issued.

Barton County, Iron County, and Miller County reported after the reporting deadline and reported no seizures. Jefferson County reported after the reporting deadline and reported seizures.

Conclusions regarding the 2 counties (Chariton and Lawrence) that did not submit a 2014 CAFA seizure report to the State Auditor's office cannot be made as it is unknown whether or not either county had any seizures to report.

Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirement shall be a class A misdemeanor punishable by a fine of up to \$1,000.

Disposition of the Seizures Reported

We compiled the disposition of all seizures as reported by prosecuting attorneys and the Attorney General for property seized during calendar year 2014. The following table lists the overall dollar value of the dispositions by category as reported to the State Auditor for 2014, 2013, and 2012.

Reported Disposition	2014		2013		2012 ¹	
Pending	\$ 1,290,741	23.8 %	\$ 1,776,653	38.5 %	\$ 1,982,551	32.3 %
Returned	509,923	9.4	384,568	8.3	311,430	5.1
Transferred to Federal Agency	3,361,468	62.1	2,300,764	49.8	3,734,293	60.9
Transferred to State	127,856	2.4	116,220	2.5	83,868	1.4
Other	1,389	0.0	2,513	0.1	2,290	0.0
Disposition Not Reported	124,309	2.3	34,800	0.8	20,186	0.3
Total	\$ 5,415,686	100.0 %	\$ 4,615,518	100.0 %	\$ 6,134,618	100.0 %

¹ Includes CAFA seizure reports submitted by prosecuting attorneys to the State Auditor after the annual compilation reports were issued.

See Appendix I for a list of the 2014 CAFA seizures disposition reported by each prosecuting attorney and the Attorney General.



Compilation of 2014 Criminal Activity Forfeiture Act Seizures Executive Summary

Compliance with Reporting the Required Information

Section 513.607.8, RSMo, requires prosecuting attorneys and the Attorney General to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions. For the 526 cases reported in the CAFA seizure reports received, the following table lists the required information and the number of cases that reported each required item. Some reports did not include all of the required information; therefore, our compilation includes only the information reported.

Required Information	2014		2013		2012 ¹	
Date	525	99.8 %	614	99.8 %	556	99.6 %
Time	386	73.4	472	76.7	433	77.6
Place of Seizure	516	98.1	614	99.8	555	99.5
Property Seized	526	100.0	615	100.0	558	100.0
Estimated Value of Property Seized	513	97.5	604	98.2	536	96.1
Person(s) Property Seized From	526	100.0	615	100.0	558	100.0
Criminal Charges Filed	313	59.5	357	58.0	330	59.1
Disposition of Seizure	526	100.0	615	100.0	558	100.0
Disposition of Criminal Actions	419	79.7	498	81.0	425	76.2
Total Cases Reported	526	100.0 %	615	100.0 %	558	100.0 %

¹ Includes CAFA seizure reports submitted by prosecuting attorneys to the State Auditor after the annual compilation reports were issued.

See Appendix II for a list of the number of 2014 CAFA seizure cases that contained the required information reported for each prosecuting attorney and the Attorney General.

Appendix I
2014 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Cases Reported	Status Reported as of December 31, 2014					Not Reported
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	
Adair	\$ 38,473	38,473					
Andrew	18,000	18,000					
Atchison	0						
Attorney General	0						
Audrain	213	213					
Barry	1,852	1,377			475		
Barton*	0						
Bates	0						
Benton	1,936		1,936				
Bollinger	0						
Boone	160,439	76,833		83,606			
Buchanan	25,331	7,481			17,850		
Butler	0						
Caldwell	0						
Callaway	39,930	39,930					
Camden	11,907	11,907					
Cape Girardeau	15,790			13,750	2,040		
Carroll	0						
Carter	0						
Cass	60,225	60,225					
Cedar	1,647	1,647					
Chariton	DNF						
Christian	21,916	18,278	3,638				
Clark	0						
Clay	15,328	15,328					
Clinton	0						
Cole	74,664	47,683	5,870	21,111			
Cooper	5,155	5,155					
Crawford	122,811	5,859		116,952			
Dade	19,964	14,964	5,000				
Dallas	1,549	1,090			459		
Daviess	0						
DeKalb	0						
Dent	0						
Douglas	1,759				1,759		
Dunklin	0						
Franklin	15,829	13,726	2,103				
Gasconade	3,420	3,420					
Gentry	0						
Greene	41,060	41,060					
Grundy	0						
Harrison	4,161	4,161					
Henry	0						
Hickory	0						
Holt	0						
Howard	0						
Howell	43,267	31,303	8,975		1,600	1,389 **	

Appendix I
2014 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Cases Reported	Status Reported as of December 31, 2014					Not Reported
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	
Iron*	0						
Jackson	247,710	211,135	36,575				
Jasper	6,433	6,433					
Jefferson*	69,629	65,347	4,282				
Johnson	24,157	24,157					
Knox	0						
Laclede	33,919	33,919					
Lafayette	112,280	9,740	63,100		39,440		
Lawrence	DNF						
Lewis	0						
Lincoln	31,718	28,582	3,046		90		
Linn	0						
Livingston	0						
Macon	460	460					
Madison	15,342			15,342			
Maries	0						
Marion	41,845	11,820		30,025			
McDonald	6,842		6,842				
Mercer	0						
Miller*	0						
Mississippi	7,468			7,468			
Moniteau	0						
Monroe	0						
Montgomery	9,950	9,950					
Morgan	0						
New Madrid	31,988			18,097	13,891		
Newton	19,337	18,575		762			
Nodaway	0						
Oregon	12,887						12,887
Osage	3,390	390		3,000			
Ozark	0						
Pemiscot	0						
Perry	0						
Pettis	6,836	6,136					700
Phelps	1,950,599	3,755	6,566	1,931,278	9,000		
Pike	29,295	29,295					
Platte	61,740	61,740					
Polk	0						
Pulaski	30,184	30,184					
Putnam	0						
Ralls	0						
Randolph	4,854	4,854					
Ray	1,679	1,679					
Reynolds	0						
Ripley	0						
Saline	7,074	7,074					
Schuyler	0						

Appendix I

2014 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Cases Reported	Status Reported as of December 31, 2014					Not Reported
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	
Scotland	0						
Scott	44,832	12,496	1,710	29,395	1,231		
Shannon	0						
Shelby	0						
St. Charles	933,666	15,684	29,582	888,400			
St. Clair	20,000						20,000
St. Francois	22,758	22,758					
St. Louis City	404,892	69,581	240,998	60,067	34,246		
St. Louis County	287,861	51,319	89,580	56,240			90,722
Ste. Genevieve	0						
Stoddard	3,459	3,459					
Stone	12,383	12,383					
Sullivan	0						
Taney	12,855	9,689	120		3,046		
Texas	0						
Vernon	56,385	56,385					
Warren	11,111	9,342			1,769		
Washington	3,218	3,218					
Wayne	85,975			85,975			
Webster	1,089	1,089					
Worth	0						
Wright	960				960		
	\$ 5,415,686	1,290,741	509,923	3,361,468	127,856	1,389	124,309

DNF - Did not file a 2014 CAFA seizure report with the State Auditor's office.

* Submitted the 2014 CAFA seizure report to the State Auditor's office after the reporting deadline.

**This amount was applied to the defendant's jail costs.

This appendix compiles only the information reported to the State Auditor by prosecuting attorneys and the Attorney General. We did not verify this data. In analyzing this appendix, some disparity may result due to different methods used by the various prosecuting attorneys and the Attorney General in presenting essentially the same information.

Appendix II

2014 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated Value of Cases Reported	Number of Cases that Reported Required Information								
			Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Seized From	Criminal Charges Filed	Disposition	
										Seizure	Criminal Actions
Adair	3	\$ 38,473	3	3	3	3	3	3	3	3	3
Andrew	1	18,000	1	1	1	1	1	1	1	1	1
Atchison	0	0									
Attorney General	0	0									
Audrain	2	213	2	2	2	2	2	2	2	2	2
Barry	3	1,852	3		3	3	3	3	3	3	2
Barton*	0	0									
Bates	0	0									
Benton	1	1,936	1	1	1	1	1	1		1	1
Bollinger	0	0									
Boone	13	160,439	13		12	13	13	13	10	13	12
Buchanan	4	25,331	4	4	4	4	4	4	4	4	2
Butler	0	0									
Caldwell	0	0									
Callaway	5	39,930	5	5	5	5	5	5	1	5	5
Camden	4	11,907	4	4	4	4	4	4	4	4	
Cape Girardeau	3	15,790	3	3	3	3	3	3	3	3	3
Carroll	0	0									
Carter	0	0									
Cass	4	60,225	4	4	4	4	4	4	1	4	4
Cedar	1	1,647	1		1	1	1	1	1	1	1
Chariton	DNF										
Christian	10	21,916	10	9	10	10	10	10	7	10	10
Clark	0	0									
Clay	2	15,328	2	2	2	2	2	2		2	
Clinton	0	0									
Cole	13	74,664	13	13	13	13	13	13	13	13	13
Cooper	3	5,155	3	3	3	3	3	3	3	3	3
Crawford	4	122,811	4		4	4	4	4	3	4	1
Dade	3	19,964	3	3	3	3	3	3	3	3	3
Dallas	2	1,549	2	2	2	2	2	2	2	2	2
Daviess	0	0									
DeKalb	0	0									
Dent	0	0									
Douglas	1	1,759	1		1	1	1	1	1	1	1
Dunklin	0	0									
Franklin	14	15,829	14	7	14	14	14	14	12	14	4
Gasconade	2	3,420	2		2	2	2	2	2	2	2
Gentry	0	0									
Greene	5	41,060	5	3	5	5	5	5	1	5	5
Grundy	0	0									
Harrison	7	4,161	6		2	7	5	7	6	7	5
Henry	0	0									
Hickory	0	0									
Holt	0	0									
Howard	0	0									
Howell	11	43,267	11	9	11	11	11	11	9	11	11

Appendix II

2014 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated Value of Cases Reported	Number of Cases that Reported Required Information								
			Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Seized From	Criminal Charges Filed	Disposition	
										Seizure	Criminal Actions
Iron*	0	0									
Jackson	54	247,710	54	47	54	54	54	54	8	54	54
Jasper	3	6,433	3		3	3	3	3	3	3	3
Jefferson*	43	69,629	43	43	43	43	43	43	21	43	38
Johnson	7	24,157	7	6	7	7	7	7	4	7	4
Knox	0	0									
Laclede	2	33,919	2	2	2	2	2	2	1	2	1
Lafayette	3	112,280	3	3	3	3	3	3	3	3	2
Lawrence	DNF										
Lewis	0	0									
Lincoln	6	31,718	6		5	6	6	6	6	6	1
Linn	1	0	1		1	1		1		1	1
Livingston	0	0									
Macon	1	460	1		1	1	1	1	1	1	1
Madison	1	15,342	1			1	1	1		1	
Maries	0	0									
Marion	4	41,845	4	4	4	4	4	4	4	4	4
McDonald	3	6,842	3		3	3	2	3	3	3	3
Mercer	0	0									
Miller*	0	0									
Mississippi	2	7,468	2	2	2	2	2	2	1	2	2
Moniteau	0	0									
Monroe	0	0									
Montgomery	1	9,950	1	1	1	1	1	1	1	1	1
Morgan	0	0									
New Madrid	8	31,988	8		8	8	8	8	8	8	8
Newton	5	19,337	5		5	5	5	5	5	5	5
Nodaway	0	0									
Oregon	2	12,887	2	2	2	2	2	2	2	2	2
Osage	2	3,390	2		2	2	2	2	1	2	1
Ozark	0	0									
Pemiscot	0	0									
Perry	0	0									
Pettis	8	6,836	8		8	8	8	8	8	8	8
Phelps	15	1,950,599	15	15	15	15	15	15	3	15	3
Pike	2	29,295	2		2	2	2	2	1	2	2
Platte	7	61,740	7	7	7	7	7	7	2	7	7
Polk	0	0									
Pulaski	2	30,184	2	2	2	2	2	2	2	2	2
Putnam	0	0									
Ralls	0	0									
Randolph	7	4,854	7		7	7	7	7	7	7	7
Ray	1	1,679	1		1	1	1	1	1	1	1
Reynolds	0	0									
Ripley	0	0									
Saline	2	7,074	2	2	2	2	2	2	2	2	2
Schuyler	0	0									

Appendix II

2014 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated Value of Cases Reported	Number of Cases that Reported Required Information								
			Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Seized From	Criminal Charges Filed	Disposition	
										Seizure	Criminal Actions
Scotland	0	0									
Scott	9	44,832	9	8	9	9	9	9	8	9	9
Shannon	0	0									
Shelby	0	0									
St. Charles	19	933,666	19	19	19	19	19	19	3	19	5
St. Clair	1	20,000	1			1	1	1	1	1	1
St. Francois	5	22,758	5		5	5	5	5	4	5	5
St. Louis City	75	404,892	75	75	75	75	75	75	55	75	55
St. Louis County	68	287,861	68	61	67	68	59	68	19	68	51
Ste. Genevieve	0	0									
Stoddard	2	3,459	2		2	2	2	2	2	2	2
Stone	3	12,383	3	2	3	3	3	3	3	3	3
Sullivan	0	0									
Taney	17	12,855	17		17	17	17	17	15	17	16
Texas	0	0									
Vernon	3	56,385	3		3	3	3	3	2	3	3
Warren	6	11,111	6	5	6	6	6	6	5	6	5
Washington	1	3,218	1		1	1	1	1	1	1	1
Wayne	2	85,975	2		2	2	2	2		2	2
Webster	1	1,089	1	1	1	1	1	1	1	1	1
Worth	0	0									
Wright	1	960	1	1	1	1	1	1	1	1	1
	526	\$ 5,415,686	525	386	516	526	513	526	313	526	419

DNF - Did not file a 2014 CAFA seizure report with the State Auditor's office.

* Submitted the 2014 CAFA seizure report to the State Auditor's office after the reporting deadline.

This appendix compiles the total number of 2014 CAFA seizure cases, the total estimated value of cases reported, and the number of cases that reported the required information by each prosecuting attorney and the Attorney General. We did not verify this data. In analyzing this appendix, some disparity may result due to different methods used by the various prosecuting attorneys and the Attorney General in presenting essentially the same information.



Thomas A. Schweich

Missouri State Auditor

Joplin Schools



February 2015
Report No. 2015-012

<http://auditor.mo.gov>



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Joplin School District

Financial Condition	The financial condition of the Joplin Schools General and Capital Projects Funds have declined in recent years. The General Fund balance is projected to decline from approximately \$16 million in July 2011 to \$4.6 million in June 2015. The Capital Projects Fund balance is projected to decline from approximately \$29 million in July 2011 to \$5 million in June 2015. The declining fund balances are due in large part to the impact of the May 22, 2011, tornado and atypical disaster related expenditures. Decreased property values and a tax increment financing agreement entered into between the city, master developer, and the district has also affected local funding. In addition, the decline in the Capital Projects Fund balance necessitates the district obtaining additional financing to pay for construction expenditures until the district receives final federal and state disaster funding.
Accounting Controls and Procedures	District employees do not always issue receipt slips and reconcile them to transmittals/deposits, record receipts timely, or deposit receipts timely and intact. In addition, school officials do not maintain adequate supporting documentation or track receipts and disbursements for the petty cash funds at South Middle School and the high school. The district does not issue tickets to those who attend district athletic events or have another method to account for attendees, and as a result has no method to reconcile collections to deposits and ensure all receipts are deposited. Further, the district does not maintain inventory records of concession items purchased, sold, and on hand. The district also has not adequately segregated the duties of receiving, recording, and depositing or transmitting monies at any of the 5 schools auditors visited or perform documented reviews of accounting records.
School Stores	The student run school store and coffee shop collection procedures at the high school need improvement. Neither the teachers nor student workers maintain proper inventory records, conduct periodic physical inventories, or reconcile inventory to sales and purchases.
Financing Arrangements, Procurement Procedures, and Contracts	The district used the same provider to serve as both financial advisor and bond underwriter for all bond and lease participation certificates, and sold general obligation bonds and lease participation certificates using a negotiated sale rather than a competitive bid process. In addition, the district did not always follow its purchasing policy, enter into written contracts when appropriate, or monitor contracts effectively. For example, the district made payments totaling approximately \$4.3 million to the rebuild projects construction manager for general conditions fees and acceleration costs without obtaining adequate supporting documentation to ensure reasonableness and compliance with contract terms.
Sunshine Law	The district did not adequately document justification for Sunshine Law fees charged prior to November 2013 and does not maintain a log of public requests to ensure the district handles all requests in compliance with the Sunshine Law. Also, the Board of Education did not make public the results of some votes taken and the final disposition of matters discussed in closed meetings, when required.

Bright Futures Joplin	District personnel do not reconcile the Bright Futures (BF) Joplin store inventory to purchases and sales and do not conduct periodic physical inventories. In addition, personnel at the BF Joplin distribution center do not maintain a perpetual inventory record and do not perform periodic inventories.
Attendance	The district's attendance system does not adequately track all changes made to attendance records or limit the time frame during which district employees can make changes. Further, district officials do not review changes made to current school year attendance records to ensure they are appropriate.
Student Promotion and Retention	The district did not require eleven at-risk 4th grade students who were reading below a 3rd grade level at the end of the 2013-2014 school year to attend summer school prior to the district promoting them to 5th grade. Although summer school is required by statute in this situation, the district suggests at-risk students attend summer school, and does not require attendance if the parents refuse.
Capital Assets, Fuel Usage, and Mileage Logs	The district has not performed an annual physical inventory of district assets since 2010, and has yet to remove numerous items destroyed in the May 22, 2011, tornado from the district's capital asset listing. In addition, the capital asset listing does not include more than \$11.7 million in capital assets purchased after the tornado. The district also does not reconcile fuel purchased for its 2 bulk fuel tanks to usage recorded on district mileage logs, and for 2 of the district's 9 fuel cards the district does not reconcile charge receipts to fuel card statements. Also, the district's mileage logs are not always complete.
Personnel Policies and Procedures	The district hired some employees for positions in which they did not possess the minimum required qualifications, and there was no documentation supporting the district's acceptance of other qualifications or experience in lieu of the stated qualifications. The district has not documented the basis for administrative employee mileage stipends, and does not have a travel policy to address meal allowances, mileage reimbursements, mileage stipends and the submission of related supporting documentation. The district's cell phone policy is also out of date.
Internal Audit Function	The district does not have an internal audit function to audit its numerous cash collection points and compliance and policy requirements.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Joplin Schools

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Financial Condition4
	2. Accounting Controls and Procedures6
	3. School Stores..... 10
	4. Financing Arrangements, Procurement Procedures, and Contracts 12
	5. Sunshine Law 18
	6. Bright Futures Joplin20
	7. Attendance.....21
	8. Student Promotion and Retention.....22
	9. Capital Assets, Fuel Usage, and Mileage Logs23
	10. Personnel Policies and Procedures26
	11. Internal Audit Function28

Organization and Statistical Information	29
---------------------------------------------	----

Appendixes

A	Statement of Revenues Collected, Expenditures, and Changes in Fund Balances.....31
B	Summary of Disaster Recovery Funding and Expenditures.....32



THOMAS A. SCHWEICH

Missouri State Auditor

To the Board of Education
Joplin Schools

The State Auditor conducted an audit of the Joplin Schools under the authority granted in Section 29.205, RSMo. We have audited certain operations of the district in fulfillment of our duties. The district engaged Mense, Churchwell & Mense P.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2014. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2014. The objectives of our audit were to:

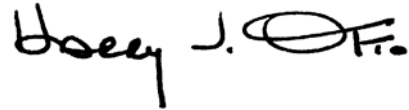
1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Joplin Schools.

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large, looped "H" and a distinct "O" at the end.

Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
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	Tessa Rusatsi
	Amber M. Carlile
	Katelyn Crosson

Joplin Schools

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The financial condition of the Joplin Schools (district) General and Capital Projects Funds have declined in recent years. The financial impact of the May 22, 2011, tornado significantly affected the decline in these fund balances. In addition, the declining Capital Projects Fund balance necessitates the district obtaining additional financing to cover construction expenses coming due before disaster funding reimbursements are received. As shown in Appendix B, the district expended approximately \$250 million for disaster recovery as of December 31, 2014.

General Fund

The financial condition of the General Fund has declined and is not expected to improve by the June 30, 2015, fiscal year end. The following table presents General Fund activity and balances as reflected in the district's current budget and the recent independent CPA audit reports.

	Year Ended June 30,			
	2015 Projected ¹	2014 Actual ²	2013 Actual ²	2012 Actual ²
Beginning Fund Balance	\$ 7,031,263	10,220,140	13,294,813	15,991,357
Total Revenues	39,342,771	39,167,268	38,154,271	40,634,973
Total Expenditures	(29,677,337)	(28,963,283)	(31,061,668)	(32,110,120)
Other Financing Sources (Uses)	(12,090,620)	(13,392,862)	(10,167,276)	(11,221,397)
Ending Fund Balance	\$ 4,606,077	7,031,263	10,220,140	13,294,813

¹ Projected revenues and expenditures and other financing sources (uses) amounts agree to the district's fiscal year 2015 budget after adjustments to remove self-insurance and scholarship funds since these amounts are separately reported in prior years in the audited financial statements.

² Amounts agree to the district's audited financial statements.

Expenditures and other financing uses have exceeded revenues in each of the last 3 years and are expected to again in 2015. District expenditures have exceeded revenues due, in large part, to the financial impact of the tornado. The district incurred many atypical disaster related expenditures including extensive construction projects and leasing temporary school buildings, after the May 22, 2011 tornado. The district also transfers monies from the General Fund to the Capital Project Fund each year to cover district construction projects and maintenance. In addition, the amount of local funding (property tax revenues) decreased significantly after the tornado due to decreased property values. Local funding has also been affected by a tax increment financing agreement entered into between the city, master developer, and district. Under this arrangement a portion of property taxes collected from property owners within the TIF Redevelopment Area are disbursed to the TIF Special Allocation Fund, for retirement of the TIF debt, rather than the district.

Capital Projects Fund

The financial condition of the Capital Projects Fund has declined and is not expected to improve by the June 30, 2015, fiscal year end. Expenditures exceeded revenues and other financing sources in 2014 and are expected to again in 2015. In addition, the declining Capital Projects Fund necessitates



Joplin Schools
Management Advisory Report - State Auditor's Findings

the district obtaining additional financing to pay for construction expenditures until final federal and state disaster funding is received. The following table presents Capital Projects Fund activity and balances as reflected in the district's current budget and the recent independent CPA audit reports.

	Year Ended June 30,			
	2015 Projected ¹	2014 Actual ²	2013 Actual ²	2012 Actual ²
Beginning Fund Balance	\$ 8,576,974	107,183,484	66,807,124	29,333,684
Total Revenues	57,509,559	6,647,419	11,595,995	9,112,051
Total Expenditures	(62,690,900)	(112,236,391)	(54,793,418)	(37,988,173)
Other Financing Sources (Uses)	1,700,000	6,982,462	83,573,783	66,349,562
Ending Fund Balance	\$ 5,095,633	8,576,974	107,183,484	66,807,124

¹ Projected revenues, expenditures and other financing sources (uses) amounts agree to the district's fiscal year 2015 budget.

² Amounts agree to the district's audited financial statements.

After the May 2011 tornado, the district started numerous construction projects including 4 new buildings to replace 5 damaged schools (2 elementary schools, a middle school, and a high school and technical center). Excess unplanned expenditures incurred during the construction of the high school contributed to the declining fund balance including site remediation due to an old abandoned lead mine at the building site; and the inclusion of a track, additional tennis courts, concession stand, bleachers, lighting, and artificial turf at the sports complex. After the beginning of construction, the district determined it would be more efficient in the long term to have athletic facilities onsite. At December 31, 2014, the district was still finishing rebuilding the high school and adding various safe rooms throughout the district.

The district obtained \$37 million in short-term financing in August 2014 and anticipates obtaining an additional \$14 million in short-term financing in March 2015 to cover construction expenses coming due before the district receives final reimbursements from the Federal and State Emergency Management Agencies (FEMA and SEMA).

It is important the Board of Education (Board) continue to monitor the budget and cash flow projections to maintain a balanced budget and sound financial condition.

Recommendation

The Board of Education continue to monitor the district's financial condition and take the necessary steps to improve the overall financial condition of the General and Capital Projects Funds.



Joplin Schools
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Education provided the following written response:

Within a few months of the tornado, the administration disclosed to the Board of Education and the community that the initial emergency disaster recovery effort would result in an estimated fund balance decline in the General Fund to as low as 8 percent of General and Teacher's Fund expenditures by fiscal year 2016. The incurred expenses following the May 22, 2011, tornado were necessary for a quick recovery and to ensure that families in Joplin stayed in Joplin. District fund balances have fallen to 10.64 percent as of June 30, 2014, on the path to our early 8 percent estimates. As a district, we will remain diligent in our efforts to meet or improve upon that early estimation as we expend fund balances to meet disaster-incurred and education-related expenses.

In June 2013, the Board of Education adopted the Standards of Excellence. Standard 5 includes an indicator of financial stability with a goal to reach an operating fund balance of 25 percent. As the fiscal year 2015-2016 budget is developed, the district will construct a plan to begin increasing General Fund and Capital Projects Fund balances over time.

2. Accounting Controls and Procedures

Significant improvements are needed in the handling of student activity, athletic, and other student fees; and concession monies. These types of receipts are at greater risk because a large portion is received in cash, and there is a variety of handling and record-keeping methods throughout the schools. As a result of numerous control weaknesses, there is less assurance these monies have been handled and accounted for properly. We reviewed cash controls and procedures at the Joplin High School, Franklin Technical Center, East Middle School, South Middle School, North Middle School, the Bright Futures (BF) Joplin office in the administrative building, and the Early Childhood Center.

School secretaries are generally responsible for the receipting, recording, depositing, and reconciling of monies collected and the secretaries maintained petty cash funds at each of the facilities visited. Athletic event attendance and concession sales are generally handled by applicable school organizations. School administrators provide minimal oversight of the secretaries' duties or athletic event attendance and concession sales.

2.1 Receipting, recording, depositing/transmitting, ticketing, and concessions

We noted several concerns regarding receipting and recording, and identified numerous instances where staff did not transmit or deposit receipts timely and intact. In addition, improvement is needed in controls over school athletic event attendance tracking and concessions.

Receipting

Receipt slips are not always issued and are not reconciled to transmittals/deposits, receipts are not always recorded timely, and receipts are not always deposited timely or intact.



Joplin Schools
Management Advisory Report - State Auditor's Findings

- Receipt slips are not always issued and are not reconciled to deposits. The high school did not issue receipt slips for various athletic monies collected. We performed a cash count at the high school athletic office on September 23, 2014, and counted \$2,954 received from sporting events, participation fees, and a fundraiser. Of this amount, \$398 in cash pertained to a September 16, 2014, event. In addition, we noted checks included in the monies counted that predated September 2014.
- Receipts are not always recorded timely. Bright Futures (BF) Joplin personnel did not record monies in the financial management system when received, but rather when deposited. Deposits were generally not made daily.
- Some receipts cannot be traced to receipt slips. Due to the number of student fees collected at the beginning of the year, the high school secretary used 5 different receipt books in September 2014. The secretary subsequently entered the receipts from the 5 books into a master book individually for some receipts and in summary for others. The master book is utilized to deposit monies and tie to deposits. Some receipts cannot be traced to deposits because entries in the master book that tie to deposits may only be in summary making it difficult to identify the receipts that comprise the master book receipt slips. Because of this system, we were unable to trace 8 checks on hand during our September 17, 2014, cash count to receipt slips.
- Receipts are not always transmitted or deposited timely or intact. As noted above, we performed a cash count at the high school on September 17, 2014, and traced most of the checks to receipts dated from September 4, 2014, to September 17, 2014. We counted a total of \$5,247 for activity funds (\$358 in cash and \$4,889 in checks) and \$410 held for technology fees (\$220 in cash and \$190 in checks). We were unable to tie any cash amounts back to receipts due to the poor quality of the records and secretary's depositing process. The secretary had deposited receipts earlier that day, but did not include the checks we counted because she was going through each of the 5 receipt books numerically to enter the fees into the computer system. However, in order to get cash out of her office she deposited the cash first regardless of the type of monies received for those fees or whether they were entered in the system. The secretary indicated because of the volume of receipt activity at the beginning of the school year she did not have time to record and deposit all receipts, but wanted to at least get the cash deposited. As a result, we noted 1 of the 8 checks, discussed in the preceding bullet above, was deposited September 19, 2014, and the other 7 checks were deposited September 22, 2014.
- In another instance, an Early Childhood Center deposit was not intact. Receipt slips issued between April 28 and May 29, 2014, totaled \$1,490



Joplin Schools
Management Advisory Report - State Auditor's Findings

(\$950 in checks and \$540 in cash), but the associated total deposit on May 30, 2014, did not agree. The deposit was comprised of \$1,018.05 in checks and \$413 in cash (a total of \$1,431.05). Deposited checks included one check for \$68.05 that was not recorded on a receipt slip. The deposit slip also indicated that \$50 in cash was included from employee payments to wear jeans. This cash was also not receipted. Based on this information and receipt slips, the total deposit should have included \$1,018.05 in checks and \$590 in cash. The difference is \$177 in cash that was not included in the deposit. The Early Childhood secretary did not know why monies would not have been deposited.

- Some district receipts are handled by several employees before deposit and there is not always adequate documentation to support the transmittal of monies from one district employee to another. We identified this weakness at all facilities visited.
- Receipt slips at the East and South Middle Schools and the Early Childhood Center did not always indicate the method of payment (cash, check, or money order), and the district does not reconcile the method of payment on the receipt slips to the composition of receipts recorded in the accounting system or to the deposit or transmittal.
- Checks received are not always restrictively endorsed immediately upon receipt. We identified this weakness at all facilities visited except North Middle School.

Petty Cash

Petty cash fund procedures at the high school and South Middle School were inadequate. The petty cash fund (\$900) at the high school is mostly used for out-of-town athletic trips to give students meal money of \$5 apiece. However, there is no documentation maintained to ensure students receive the \$5 for athletic trips or if any money should be returned if a student does not attend the trip. We also noted a petty cash fund with a balance of \$102 at South Middle School with inadequate supporting documentation. The secretary stated that the National Junior Honor Society will place money in an envelope in the school safe and periodically spend it. However, there was no tracking of receipts and disbursements of this money and the petty cash funds are not maintained on an imprest basis.

Athletic events and concession sales

Accounting controls for the district athletic events and concession sales need improvement. Tickets are not issued to attendees of district athletic events and the district has no other method to count attendees. Without this there is no method for the district to reconcile collections to deposits and ensure all receipts are deposited. We identified this weakness at the high school and middle schools visited.

Per a district employee, gatekeeping start-up money is provided to workers to make change at each event. At the end of the event all monies are counted



Joplin Schools Management Advisory Report - State Auditor's Findings

and the difference between the starting cash and total cash is deposited and recorded as admissions fees for that event. The employee indicated after a varsity football game the deposit is normally completed the same evening. Admissions to a varsity football game are \$4 for adults and \$3 for students, while admission to all other athletic events is \$3 for adults and \$2 for students. The district collected approximately \$44,700 in admissions fees for the 2013-2014 school year.

In addition, the district does not require inventory records of concession items purchased, sold, and on hand to be maintained, and reconciled to concession monies collected. We identified this weakness at all 3 middle schools. North Middle School also pays concession stand workers from money collected prior to deposit, so deposits are not intact. Workers are paid \$10 per hour and the school keeps a log of what is paid. North Middle School paid workers \$350 between the beginning of the school year in September 2014 through October 15, 2014.

Conclusion

To provide guidance to district employees and improve accountability over monies collected, the district should establish written policies for the collection and processing of monies. To properly account for all receipts and ensure monies are accounted for properly and deposited, official prenumbered receipt slips should be issued in numerical order for all monies received, the method of payment should be recorded on receipt slips and reconciled to the composition of receipts recorded in the accounting system and deposits or transmittals, and tickets should be issued for athletic events or another method developed to account for attendees. The failure to transmit and deposit monies intact and timely and properly document such procedures increases the risk of loss, theft, or misuse of funds. In addition, to properly account for concession sales, employees should not be paid from concession receipts and an inventory of concession merchandise purchased, sold and on hand should be maintained and reconciled to collections.

2.2 Segregation of duties

The district has not adequately segregated the duties of receiving, recording, and depositing or transmitting monies at the 5 schools visited, and documented supervisory or independent reviews of the accounting records are not performed. Secretaries at the 5 schools receive and record monies and prepare deposits.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, periodic supervisory or independent reviews of the records should be performed and documented.

Recommendations

The Board of Education:

- 2.1 Establish written policies to address records to be maintained and procedures to be followed for the collection of district monies and



Joplin Schools
Management Advisory Report - State Auditor's Findings

monitor controls and procedures in all district schools. In addition, the Board should ensure monies are properly receipted, deposited timely and intact, and receipts are reconciled to the composition of deposits. Also, the Board should ensure transmittals of monies between employees are documented, checks are issued for payments, checks are endorsed upon receipt, gate monies collected are reconciled to the number of people paying, petty cash funds are properly documented and amounts collected for concessions are periodically reconciled to changes in concession inventory.

- 2.2 Ensure duties of receipting and depositing monies are segregated or implement adequate supervisory reviews if duties cannot be appropriately segregated.

Auditee's Response

The Board of Education provided the following written responses:

- 2.1 *The district will review and improve current internal control procedures to ensure they are sufficient to correct deficiencies in the area of school-based monies collections and deposits that result from student activities.*

The district agrees that an effective and efficient system of internal controls is necessary for petty cash, student activities, athletics, fees and event concessions. The system should function in the same manner it serves general district administration operations.

Initial discussions with school principals and staff took place last fall to improve compliance with current internal control procedures and to help identify and correct system shortcomings. Existing procedures require same-day deposits to the bank for amounts over \$100, deposits of all funds on hand at the end of the week, and the safeguarding of all funds collected. The district will expand and update current written procedures and provide training to staff with cash handling responsibilities.

- 2.2 *The district's review to improve internal controls over student-based activities and written procedures referred to in the response to item 2.1 will address segregation of duties and procedures to be performed by principals and supervisors.*

3. School Stores

School store controls need improvement. To provide additional educational value to the students working in the school stores, students should be taught how to operate the stores with effective internal controls.

We visited a student run school store and coffee shop at the high school. Both the store and coffee shop are run by the same group of students under



Joplin Schools Management Advisory Report - State Auditor's Findings

the supervision of a store sponsor (teacher) and have the same controls and procedures. The store sells various school spirit apparel and accessories, school supplies, beverages, snacks, and candy. The coffee shop sells coffee and a few snacks. The stores are open before and during school.

3.1 Cash controls

Improvements are needed in the handling of school store and coffee shop collections.

- Receipts are not transmitted intact and there are no receipt records utilized to record and reconcile receipts to transmittals. The school store and coffee shop use cash boxes rather than a cash register for receipts, and no receipt records are utilized to record the amount of monies collected. In addition, the teacher uses some collections from the store and coffee shop to pay the expenses of running the shops rather than transmitting the collections to the school secretary for deposit. In addition, all coins are withheld from transmittals and only transmitted to the school secretary once a week. There is no record to ensure that transmittals agree to the amount or composition of monies collected. According to school store records, store income from September 2, 2014, through September 22, 2014, exceeded \$5,000.
- The change fund is not maintained at a constant amount. The school store and coffee shop each receive starting cash from the change fund. The teacher withholds cash from transmittals to maintain the change fund; however, the fund is not maintained at a constant amount and the balance of the change fund is not tracked. At our September 17, 2014, cash count the change fund had \$164.

To properly account for all receipts and ensure monies are accounted for properly and transmitted, receipt records should be used and reconciled to monies collected and the method of payment should be recorded and reconciled to the composition of receipts recorded in the accounting system transmittals. In addition, to safeguard against possible loss, theft, or misuse of funds, change funds should be maintained at a constant amount. Periodically, the funds should be counted and reconciled to the authorized balance by an independent person.

3.2 Inventory

Neither the teachers nor student workers maintain perpetual inventory records, conduct periodic physical inventories counts, or reconcile inventory to merchandise sales and purchases. The students perform a weekly check to determine what is needed to run the stores.

Loss, misuse, or theft of school store inventory may go undetected without adequate inventory records and documented reconciliations. Effective inventory internal controls require maintaining perpetual records of all inventory items and performing a reconciliation of the balances obtained



Joplin Schools
Management Advisory Report - State Auditor's Findings

during the physical inventory count and the balances recorded on the perpetual inventory records.

Recommendations

The Board of Education:

- 3.1 Ensure sales are receipted and transmitted timely and intact. In addition, ensure the change fund is maintained at a constant amount.
- 3.2 Maintain perpetual inventory records and ensure regular inventories are performed at the school store and coffee shop, and inventory balances are reconciled to purchases and sales.

Auditee's Response

The Board of Education provided the following written responses:

- 3.1 *In collaboration with instructional leadership, the district will strengthen controls for student-operated school stores so that monies and inventories are properly accounted for and safeguarded. Written procedures and training referred to in item 2.1 will include school store activities.*
- 3.2 *The district will identify and research practical solutions for maintaining perpetual inventory records for school stores and the coffee shop. Staff members responsible for these activities will be assisted in implementing an inventory system with the proper level of internal controls.*

4. Financing Arrangements, Procurement Procedures, and Contracts

District bond and lease participation certificate financing, procurement procedures, and contracting practices need improvement.

4.1 Bond and Lease Participation Certificate Financing

The district used the same provider to serve as both financial advisor and bond underwriter for all bond and lease participation certificates, and sold general obligation (GO) bonds and lease participation certificates using a negotiated sale rather than a competitive bid process.

Bonds

The school district sold GO bonds totaling \$35,000,000 in July 2012 and \$27,000,000 in April 2013 through negotiated sales. For each sale, the bond underwriter also served as a financial advisor to the district. Using the same provider to act in the dual capacity of underwriter and financial advisor for a bond issue creates an inherent conflict of interest. In addition, bonds were sold privately to the underwriter instead of seeking open bids, which would ensure the most competitive rate of return for the taxpayers. The



Joplin Schools Management Advisory Report - State Auditor's Findings

underwriter, George K. Baum & Company, was paid a total of \$279,000 for these bond issuances.

The district issued the bonds to fund acquiring, constructing, repairing, improving, furnishing, and equipping school facilities, including a new Joplin High School/Franklin Technical Center, a new East Middle School, and 2 new elementary schools. Projects also included repairs and improvements to existing schools to include community safe rooms (tornado shelters). Per a district official, the Board used the underwriting firm because it had worked with the district for at least the last 8 years.

Lease participation certificates

The district issued \$37 million in short-term lease participation certificates in August 2014 and anticipates issuing \$14 million in additional short-term lease participation certificates in 2015 (see MAR finding number 1). Lease participation certificates are a method of financing capital projects whereby a financial institution sells interests in the capital projects, leases the projects to a local government, and repays the certificates with the lease payments. After the certificates have been repaid, the local government typically has the option to purchase at a nominal amount the capital projects it has been leasing. Lease participation certificates are not required to be approved by district voters. The short-term certificates will cover construction expenses coming due before the district receives final reimbursements from the FEMA and SEMA. The underwriter for the bond discussed above was utilized to issue the \$37 million in lease participation certificates receiving \$20,000 in fees for financial advising services.

Conclusion

The lack of independent financial advice could result in the district not being adequately informed of bond issuance options or being unable to adequately evaluate bond proposals. The underwriter does not have a fiduciary responsibility to the district.

The State Auditor's office completed a statewide review of general obligations bond sales practices¹ that determined negotiated bond sales historically result in increased interest costs. While Missouri law does not require competitive bond sales or competition in selecting bond underwriters, the historically lower interest costs on competitive sales suggest such sales to be in the best interest of the district. In addition, competition in selecting financial advisors is important to ensure services are obtained from the best qualified providers at a fair price.

4.2 Competitive purchasing

The district did not always follow its purchasing policy.

¹ Report No. 2013-116, *General Obligation Bond Sales Practices*, issued in November 2013.



Joplin Schools
Management Advisory Report - State Auditor's Findings

Bidding

Board policy requires purchases totaling \$1,501-\$4,500 to have documented oral quotes from reputable providers, purchases totaling \$4,501-\$9,000 to have at least 3 written quotes, and purchases totaling \$9,001-\$15,000 to be bid and receive approval from the Board before purchase. While the purchasing policy does not specifically address expenditures over \$15,000, all expenditures greater than \$9,000 are handled in the same manner. Board policy does not address documentation required for sole source procurement or establish time frames for which threshold amounts will apply. Our review of select 2013-2014 school year disbursements determined the district did not always solicit bids in compliance with policy prior to receiving the service, document sole source procurement, or solicit bids when the district purchased over \$1,501 in goods/services from the same vendor within a short period of time. The following chart lists the goods and services reviewed that were not adequately bid.

Item or Service	Cost
Clerical/custodial service	\$ 62,023
Furniture	60,872
Alarm system maintenance	39,797

Professional services

Board policy indicates that if the purchasing officer determines that a purchase requires competitive negotiations; services may be purchased by competitive proposals. We noted several professional services procured without conducting a competitive selection process.

Service	Cost
Legal services	\$ 26,710
Training/consultation	14,000
Redistricting company	6,200
Educational consultant	5,600
Training instructor	4,248

The district has used the same legal counsel for approximately 18 years. The Board approves the legal counsel each fiscal year, but does not request proposals from other attorneys. The Board's legal counsel retired in December 2014 and recommended his replacement. The Board accepted the replacement without requesting proposals from other firms.

Sole source

The district did not adequately document that 3 purchases (training/consultation, educational consultant, and training instructor) were from sole source providers and why these vendors qualified as sole source providers. In addition, district personnel completed the bid forms for 2 of these vendors after the services were provided. The district needs to ensure identifying a vendor as a sole source is not used to circumvent the bidding process.



Joplin Schools Management Advisory Report - State Auditor's Findings

Conclusion

Competitive bidding not only ensures the district is complying with Board policy, but also helps ensure all parties are given an equal opportunity to participate in district business. Documentation of the selection process and criteria, including sole source procurement, should be retained to support purchasing decisions. Also, a more comprehensive procurement policy establishing time frames for which threshold amounts apply and establishing procedures for classifying vendors as sole source providers would provide a more effective framework for economic management of district resources. In addition, periodically soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make better-informed decisions to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and/or cost into consideration.

4.3 Contracts

The district did not always enter into written contracts when appropriate or monitor contracts effectively.

Written contracts

The district did not enter into written contracts with some entities.

- The district did not enter into contracts with a redistricting firm, clerical/custodial firm, crossing guard service provider, alarm system maintenance firm, training professional service provider, and grocery distributor. The district paid these firms \$6,200, \$62,023, \$12,736, \$39,797, \$4,248 and \$50,573, respectively, during the 2013-2014 school year.
- The district did not enter into a new contract with the substitute placement and absence management service. The district started this service in January 2011 and entered into a contract for the 2010-2011 and 2011-2012 school years. Contract provisions allow for the automatic renewal of this contract, but does not allow for rate increases. However, rates have increased since the original contract from \$1.30 per employee needing a substitute to \$1.34, and \$.75 per employee not needing a substitute to \$.77. The district paid \$11,117 for these services during the 2013-2014 school year.
- The district provided an office in its administration building to Bright Futures USA, a separate not-for-profit entity, without a written agreement and without charge.

Grant compliance

The school district did not comply with reporting requirements of a grant from a private foundation. The \$1 million grant awarded to the Joplin Schools Foundation (Foundation) and passed through to the district was to help cover rebuilding costs from the tornado before receiving insurance proceeds and federal and state funding. According to the grant terms a financial report was to be submitted by March 2013 documenting what the monies were spent on and what was accomplished. The district had not



Joplin Schools Management Advisory Report - State Auditor's Findings

requested funding from the Foundation as of March 2013. However, upon requesting funding in May 2014, the district submitted an invoice to the Foundation and the Foundation provided the funding, but no accomplishment details or financial report accompanied the invoice to demonstrate what rebuilding costs the grant was covering.

Construction contracts

The district did not adequately monitor some construction contracts. We reviewed selected school construction projects and the related contracts and identified various problems.

- The district did not ensure payments made to the construction manager for the rebuild projects are reasonable and comply with the construction management contract. The contract allows the construction manager to be reimbursed for certain expenses for the general conditions. General conditions refer to performance of services including temporary toilets, temporary roads, cleaning sites/roads, legal, etc. In addition, the construction manager incurred acceleration costs to ensure the high school and technical center would open in time for the 2013-2014 school year despite delays from site remediation of an old abandoned mine at the building site. The district did not obtain adequate supporting documentation to ensure payments to the construction manager were reasonable and comply with the contract provisions for the general conditions fees and acceleration costs. While other construction invoices are reviewed by the construction manager prior to district review, only the district is responsible for reviewing the construction manager's invoices so it is important the district receive detailed information to do this effectively. General conditions fees and acceleration costs totaled \$1,474,489 and \$2,788,146 as of November 2014, respectively, for the school construction projects.
- The district did not always ensure payments approved matched contracted amounts. The district accepted a combined bid of \$290,000 for structural steel for the first 5 community safe rooms and received a \$31,306 discount from the vendor which was applied evenly to each of 5 separate project contracts (\$6,261.20 per contract). However, when vendor pay applications were submitted for payment, the entire discount was applied to only 1 of the 5 projects. Although the district had not overpaid on the contracts as of October 2014 (\$265,087), it is much harder for the district to ensure individual project payments were in accordance with each separately approved contract's provisions.

Conclusion

Clear and detailed written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure district monies are used appropriately and effectively. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.



Joplin Schools
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Education:

- 4.1 Consider a competitive sale for future bond issuances. In addition, ensure competitive selection is utilized to select financial advisors.
- 4.2 Solicit bids in compliance with Board policy and amend the policy to add timeframes for bid thresholds and sole source procedures. If sole source procurement is necessary, the district should retain documentation of these circumstances.
- 4.3 Enter into written agreements defining services provided and benefits received, and establish procedures to properly monitor contract requirements.

Auditee's Response

The Board of Education provided the following written responses:

- 4.1 *The district will give due consideration to competitive sales for future bond issuances. The district will also review its current practice of periodically selecting firms to provide financial services on a competitive basis. The review will include the frequency of competitively selecting financial advisors.*

Depending on the facts, circumstances, and market analysis performed prior to a bond issue, the district will consider the best approach to meet its needs. Historically, the district initiates a process every few years to competitively select a financial services firm. The last competitive selection for an investment banker took place in May 2006.

- 4.2 *The district will review and revise purchasing practices as needed to ensure compliance with the Board of Education purchasing policy. In addition, the district will review the purchasing policy to ensure it addresses the time frames for bid thresholds and provides clear direction for sole source providers. Procedures will be revised accordingly to require sufficient documentation to support a sole source determination.*

The Board of Education purchasing policy was revised in July 2014, to correct an inconsistency in bid thresholds. It was approved on first reading by the Board of Education at that time. The second reading is currently pending while the district completes the final review. The correct, current bidding/purchasing procedure and practice continues as established prior to the change.

- 4.3 *The district will review current practices and develop procedures describing circumstances that warrant a written contract to ensure*



Joplin Schools Management Advisory Report - State Auditor's Findings

that services are delivered with clear, accountable expectations. The procedures will include the proper monitoring of contract requirements.

The district is in the process of fulfilling the grant reporting requirements for the \$1 million grant cited.

The district has requested proper documentation to more fully clarify and substantiate the payments made on the structural steel and construction management contracts.

5. Sunshine Law

The district did not always comply with the Sunshine Law.

5.1 Sunshine law requests

The district did not adequately document justification for Sunshine Law fees charged prior to November 2013. In addition, while we did not identify specific concerns with the tracking of Sunshine Law requests, the district does not maintain a log of public requests to ensure all requests are handled in compliance with the Sunshine Law.

We noted 3 instances where it is not clear how the district determined the hourly rate charged for research and duplication for a Sunshine Law request. In all 3 instances (July, August, and October 2013), requests for documents were charged at \$18 per hour for research time and there is no documentation showing how this rate was calculated. In another instance, in September 2013, the district estimated fees for a request to be charged at approximately \$150 total, but did not document the estimated number of hours to be spent for research/duplication activities or the estimated number of copies to be provided. This request was ultimately withdrawn.

Section 610.026, RSMo, allows a maximum of 10 cents per page plus an hourly fee for copying public records, not to exceed the average hourly rate of pay of clerical staff, plus the actual costs incurred for any research time for processing the request. To ensure fair and equitable treatment of citizens, the district should ensure its charges for records requests are in compliance with state law and district policy and calculations of charges are properly documented. To ensure compliance with state law, the district should document adequate information in a log to determine if requests are completed timely and all requests are adequately completed. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated cost.

5.2 Closed meetings

The Board did not make public the results of some votes taken and the final disposition of matters discussed in closed meetings, when required.



Joplin Schools Management Advisory Report - State Auditor's Findings

- On January 12, 2012, the Board voted to begin negotiation for a land purchase. The final contract purchasing the land was not approved by the Board or disclosed in the open minutes.
- On March 27, 2012, the Board voted and approved to sell a Franklin Technical Center built house. The district did not disclose the approval of this real estate sale in open minutes.
- On April 21, 2014, the Board voted and approved a settlement agreement with a vendor. The district did not make public the approval of the settlement agreement.
- The Board did not provide final approval in open session to some contracts approved in closed session. These contracts included the Superintendent's contract and various construction contracts entered into after the May 22, 2011, tornado.

Chapter 610.021, RSMo, provides that after a closed meeting, the governmental body must make any votes or decisions public or available to the public, depending on the reason for the meeting.

Recommendations

The Board of Education:

- 5.1 Document compliance with the Sunshine Law regarding fees charged, consistently charge fees for Sunshine Law requests, and establish a public request log.
- 5.2 Ensure votes taken and decisions made in closed meetings are properly made public when required.

Auditee's Response

The Board of Education provided the following written responses:

- 5.1 *The district has implemented changes to document compliance, consistently charge fees, and establish a public request log of Sunshine Law information requests.*
- 5.2 *The district will review procedures and practices currently in place with a citizens' panel to determine the best path going forward related to this recommendation. Historically, the district has released results of closed session publicly disclosable votes when requested by the public to satisfy Sunshine Law requirements. However, further discussion with our community on this topic is important to ensure we are consistent with reasonable community expectations.*

Auditor's Comment

- 5.2 Public disclosure of votes taken and decisions made in closed meetings is a requirement under the Sunshine Law. Approval of



Joplin Schools Management Advisory Report - State Auditor's Findings

settlements under Section 610.021(1), as well as purchase and sale of land under Section 610.021(2), require votes to be "made public" upon final disposition or execution. The release of these votes only upon request does not satisfy the requirement of the statute that upon approval or execution the votes must be made public. Made public requires more than waiting for a request to be made. Furthermore, because the general public would not have sufficient information to know what occurred in closed session to make such a request, disclosure only upon request defies the intent of the statute.

6. Bright Futures Joplin

Improvements are needed in the handling of inventory at the BF Joplin store and distribution center. BF Joplin was established in 2010 to improve student graduation rates and operate various programs to support students and their families in need. As the BF program became larger and gained more recognition and interest, other school districts wanted to implement a similar program. As a result, a national not-for-profit organization, Bright Futures USA, was created in July 2011. BF Joplin is an activity fund of the school district, budgeted as part of the district's General Fund, and remains a separate entity from Bright Futures USA.

BF Joplin distributes items to students identified by staff that are in need of basic necessities such as shoes and clothing. BF Joplin operations include maintaining a distribution center to distribute donations received from the community and operating a district store selling merchandise to support the BF Joplin activities.

Store

Store inventory is not reconciled to merchandise purchases and sales and periodic physical inventories are also not conducted by district personnel. The last inventory completed was in July 2012, when the store opened. Store sales totaled \$9,844 for the year ended June 30, 2014.

Distribution center

A physical inventory is not taken of distribution center items. The distribution center is maintained to accept donations and is kept separately from the store. BF Joplin personnel assign a value to the donations based on Goodwill Industries International, Inc. determined values. They track the value of items disbursed and received by month. However, they do not maintain a perpetual inventory record and do not perform periodic inventories.

Effective inventory internal controls require maintaining perpetual records of all inventory items and performing a reconciliation of the balances obtained during the physical inventory count and the balances recorded on the perpetual inventory records. Loss, misuse, or theft inventory may go undetected without adequate records and documented reconciliations.



Joplin Schools
Management Advisory Report - State Auditor's Findings

Recommendation

The Board of Education ensure procedures are developed to periodically reconcile inventory on hand to the purchases/donations and sales/distributions of store merchandise and distribution center donations.

Auditee's Response

The Board of Education provided the following written response:

The district agrees that the proper level of internal controls is needed for all store operations and inventories in order to safeguard funds and inventory, and properly account for transactions. (Also described in responses 3.1 & 3.2.)

The district plans to close the Bright Futures Joplin store after final accounting is complete, including an ending inventory count. Remaining inventory will be merged with the high school student store operation. A single, efficiently operated student store will provide significant educational value.

The distribution center was established out of necessity in 2011 following the tornado disaster. Large quantities of student clothing were generously donated to meet students' basic needs. Recent operations have been reviewed by management. The district has determined the distribution center has served its original purpose. The current plan is to wind down operations and discontinue the distribution center when the administration operation moves to the Memorial location in May. Staff will conduct an ending inventory count and determine the most proper way to account for the disposition of the ending inventory. Student needs will continue to be identified and met by assistance from the Joplin community.

7. Attendance

The district's attendance system does not adequately track some changes made to attendance records, limit the time frame during which changes can be made, and there is no review by district officials to ensure changes made to current school year attendance records are appropriate. Without limiting the time frame during which changes can be made or reviewing changes made, the data is subject to erroneous changes that may significantly affect attendance reports to the Department of Elementary and Secondary Education (DESE).

District procedures require recording of daily student attendance in the attendance system by each teacher or by a school secretary when a teacher is absent. The attendance secretary runs a report to ensure all attendances have been entered. Changes after that day have to be made by the attendance secretary. However, changes to the daily attendance records can be made anytime for the current school year by the attendance secretary. In addition, the system has the ability to track these changes but this feature has not been utilized. Also, an audit trail report or report of changes made is not generated and reviewed by district administrative personnel to ensure all changes made to attendance records are accurate and appropriate.



Joplin Schools
Management Advisory Report - State Auditor's Findings

Correcting attendance data is necessary to ensure accuracy in the reporting process and any changes must be made before attendance can be certified to the DESE. However, review and approval of all changes is necessary to ensure reliability of the attendance data.

Recommendation

The Board of Education should implement additional controls and procedures to ensure student attendance data is accurately recorded and reported, including restricting the time frame during which changes can be made. The Board should also require an audit trail of changes made to attendance data be prepared and reviewed for accuracy.

Auditee's Response

The Board of Education provided the following written response:

The district agrees that reviewing and correcting attendance data is necessary to ensure accuracy before it can be certified to the Department of Elementary and Secondary Education (DESE). Improved control and reporting capabilities were implemented at the beginning of the second semester on January 5, 2015, with the activation of the attendance software system auditing feature. All attendance changes are recorded and subject to review.

Current control by the attendance software system, that limits all teacher access to 24 hours for the day of record, will be continued. The system allows two access period options: 24 hours or all year. Office administrators have access to correct attendance all year, monitored by the auditing feature.

Changes made to attendance data through the year will be reviewed by another administrator on a regular basis for accuracy. A properly designed internal control system with segregation of key duties can also preserve the integrity of the system to accurately record and report attendance. The district will continue to evaluate and develop the best practice for this procedure and provide sufficient training to staff throughout the district.

8. Student Promotion and Retention

The district's promotion and retention practices are not fully compliant with state law.

Eleven 4th grade students reading below the 3rd grade level at the end of the 2013-2014 school year were not required to attend summer school and were promoted to the 5th grade. A district official indicated it is highly suggested at-risk students attend summer school, but it is not mandatory, although summer school attendance is required by statute. Since the parents refused and because the district did not require these students to attend summer school they had no opportunity to receive additional reading instruction and improve their reading level prior to entering the 5th grade.



Joplin Schools
Management Advisory Report - State Auditor's Findings

Section 167.645, RSMo, addresses student reading assessments, reading improvement plans, and additional reading instruction for students grades 3 through 6. The statute also includes mandatory summer school and retention requirements for 4th grade students whose reading skills are more than one grade level below their current grade level. In addition, Board policy IKE indicates "State law requires that all students who are reading below a third-grade reading level according to the district's fourth-grade reading assessment shall be retained if the student has not adequately improved by the end of summer school. Further, if a student fails to attend remediation assigned as a condition of promotion, the student will be retained."

Recommendation

The Board of Education comply with state law and Board policy regarding student promotion and retention.

Auditee's Response

The Board of Education provided the following written response:

The district agrees that effective interventions for students that have significant reading deficiencies are critically important. To further supplement current district interventions provided to students, the district will mandate summer school attendance for elementary students who are more than one grade level behind in reading.

The Board of Education Policy IKE will be reviewed and revised as necessary to address the issue.

The district will continue to implement reading interventions through the school year, both during and outside the school day, to ensure students are making adequate progress in their reading goals.

9. Capital Assets, Fuel Usage, and Mileage Logs

Controls and procedures over district property and fuel usage need improvement.

9.1 Capital assets

The district's capital asset listing is not complete, accurate, or updated timely. In addition, an annual physical inventory of district assets has not been performed since 2010. As a result, district assets are more susceptible to theft or misuse. According to a district official, the value of the district's buildings and contents from their insurance company schedule of values prior to the May 22, 2011, tornado was approximately \$182 million.

These issues were further complicated by the tornado. The capital asset listing does not include more than \$11.7 million in capital assets purchased after the tornado. These purchases are separately tracked in total, but no listing of the individual assets purchased was created due to the large volume of assets acquired. In addition, as a result of the tornado, numerous



Joplin Schools Management Advisory Report - State Auditor's Findings

capital assets were destroyed and these items have not been deleted from the district's capital asset listing.

Adequate capital asset records are necessary to secure better internal control over district property and provide a basis for determining proper insurance coverage on district property. Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur, and include a detailed description of the assets such as acquisition cost, descriptions, make and model numbers, and asset identification numbers; the physical location of the assets; and the date and method of disposition of the assets. All capital assets should be identified with a tag or other similar device, and the district should conduct annual physical inventories and compare the results to detailed records.

9.2 Vehicle and fuel use

The district's controls and procedures over fuel use and purchases need improvement. The district utilizes 2 bulk fuel tanks for its 92 buses, 4 vehicles, and multiple pieces of equipment. In addition to maintaining bulk fuel tanks, 9 fuel cards are available to staff for use on out-of-town trips. The district purchased approximately \$400,000 in fuel during the 2013-2014 school year.

The district does not reconcile fuel purchased for bulk tanks to usage recorded on district mileage logs. In addition, for 2 of 9 fuel cards, charge receipts for fuel purchases are not reconciled to fuel card statements. For these 2 cards checked out for use in the administrative pool vehicles, forms documenting mileage, the purpose of the trip, and the fuel charge receipts are sent to the transportation department from the administration department, but neither department is performing a reconciliation of fuel charge receipts to the fuel card statements.

Failure to reconcile fuel used to fuel purchased could result in theft and misuse going undetected. In addition, to ensure the propriety of fuel purchases a reconciliation of charge receipts to fuel card statements should be performed.

9.3 Mileage logs

The district's mileage logs are not always complete. We determined mileage logs for the district's 2 GMC Yukons were incomplete. There are entries that did not include the location of the trip, purpose of the trip, and starting and ending mileage. In addition, a log was not maintained for the mileage of these vehicles for the first 6 months the district owned them. Per district officials, these vehicles were purchased in December 2011, to transport small groups of students (e.g. sports teams) to various functions not requiring use of a larger district bus. They were also utilized by administration and staff when traveling in small groups to the same location (e.g. conferences, meetings, training, etc.). In total, 9,176 miles driven between July 2012 and June 2014 for these 2 vehicles were not included on



Joplin Schools Management Advisory Report - State Auditor's Findings

mileage logs. Without adequately detailed mileage logs we cannot determine if these vehicles were used for their intended purpose.

Complete mileage logs are necessary to document the appropriate use of vehicles, and to support fuel charges.

Recommendations

The Board of Education:

- 9.1 Ensure a complete and detailed capital asset record is maintained. In addition, the Board should ensure an annual physical inventory is performed and compared to records.
- 9.2 Ensure a periodic reconciliation of fuel purchased to fuel used is performed, and any significant discrepancies are investigated. In addition, fuel charge receipts should be reconciled to fuel card statements.
- 9.3 Ensure mileage logs are kept for all vehicles and all logs are complete.

Auditee's Response

The Board of Education provided the following written responses:

- 9.1 *Prior to the tornado, a process of full accounting of district assets was a regular part of district protocol. The district was in the initial implementation stage of a new financial software system at that time. The payroll and financial accounting software modules were fully operational. Following the tornado, implementation of the new fixed asset module was deferred in order to deal with the significant administrative burden assumed by the district to address the immediate and longer-term issues related to the disaster recovery. There were approximately 19 separate moves of faculty and staff during the post-tornado period.*

The district will complete its update to the existing fixed asset database and consolidate asset records maintained outside of that system. A district-wide physical inventory will be performed to ensure the records are complete. Once the records are updated, an annual physical inventory will be performed and compared to the records.

- 9.2 *To ensure accuracy, the district expanded the fuel card reconciliation process to include all cards issued. The district is also developing a solution to ensure proper controls and procedures for bulk fuel tank usage, which primarily services the entire bus fleet and some district trucks. An efficient, effective*



Joplin Schools
Management Advisory Report - State Auditor's Findings

control system will be established to record the user and vehicle as fuel is dispensed.

- 9.3 *The district has reviewed mileage log usage and implemented corrective procedures to ensure that complete mileage logs are maintained for all vehicles.*

10. Personnel Policies and Procedures

We identified concerns relating to employee qualifications, stipends, and travel policies.

10.1 Employee qualifications

Some employees do/did not possess the minimum required qualifications listed on their position's job description. Two of five employees reviewed do/did not meet the minimum qualifications and there was no documentation supporting the district's acceptance of other qualifications or experience in lieu of the stated requirements. One position requires an administrator's and Parent as Educator's Certificate which the employee does not have. The district transferred this employee to the position in July 2011. The district is aware the individual does not meet the minimum certifications for this position, so the position's supervisory duties are assigned to the employee's supervisor. The employee receives approximately \$76,800 per year for the position and is still working toward meeting the qualification requirements.

Another individual was hired for a position that required a Special Education Administrator's Certificate. The employee did not have this certification. The employee started this position in July 2011, and was transferred in February 2014, to a new position for which the individual is qualified. This individual has the same salary of \$100,900 per year before and after changing positions.

While different qualifications and work experience may be accepted in lieu of stated requirements, written documentation was not prepared at the time of hiring or transfer/promotion indicating this situation for these individuals. To ensure personnel actions are handled appropriately and in accordance with Board policies, adequate documentation should be maintained for all personnel hiring decisions.

10.2 Mileage stipends

The district has not documented the basis for administrative employee mileage stipends intended to compensate employees for driving personal cars within the district to conduct district business. Mileage incurred outside the district is compensated through employee expense reimbursements. The administrative mileage stipend amounts are assigned by position and have not been reviewed since at least 2011.

The district paid 33 administrative employees a total of \$33,170 for mileage stipends during the 2013-2014 school year. Stipends range from \$46 to



Joplin Schools Management Advisory Report - State Auditor's Findings

\$3,393 per year. For example, one administrator received the largest stipend of \$3,393 per year. Using the district's current mileage reimbursement rate of 51 cents per mile, this stipend represents approximately 550 miles traveled per month.

While all payments made were reported as taxable income, the district should periodically review the reasonableness of the mileage stipend paid and, if necessary, adjust the allowances to reasonably reflect the actual expenses incurred by the employees on behalf of the district.

10.3 Travel and cell phone stipend policies

The district does not have a travel policy to address meal allowances, mileage reimbursements, mileage stipends, and submission of related supporting documentation. In addition, the district's cell phone policy is out of date.

Per a district official, the district was working on a draft travel policy prior to the May 22, 2011, tornado, but due to the tornado the policy was never finalized. The district expended \$345,877, \$302,860, and \$349,952 for the 2011-2012, 2012-2013, and 2013-2014 school years, respectively, for travel.

In addition, the district has not updated its cell phone stipend policy since 2010 or reviewed to ensure that the monthly stipend amounts and employees receiving the stipend are appropriate. Stipends range from \$30 to \$100 per month depending on the employee's position and type of phone required. The district spent \$23,162 on these stipends for 2013-2014 school year.

A travel policy should be adopted to ensure the district pays for actual and reasonable travel expenses. The policy should outline items such as daily meal allowances, mileage stipends, acceptable hotel rates, and mileage reimbursement rates. In addition, the policy should outline the documentation required to be submitted for expenses. Also, the cell phone stipend policy should be updated to ensure stipend amounts and employees receiving the stipend are appropriate.

Recommendations

The Board of Education:

- 10.1 Hire personnel that meet the minimum qualifications for the position and adequately document any decisions made that deviate from policy.
- 10.2 Review mileage stipends and set the stipends to reasonably reflect the actual expenses incurred by the applicable employees.
- 10.3 Prepare a written travel policy. In addition, the Board should review and update the district's cell phone stipend policy.



Joplin Schools
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Education provided the following written responses:

- 10.1 *The district is implementing a process to match and document candidate qualifications with respect to position requirements. The process will require that adequate supporting documentation is retained to support all personnel hiring decisions.*
- 10.2 *The district will annually review and approve reasonable allowances for cell phones and mileage.*
- 10.3 *The district will update and complete a comprehensive travel policy and related procedures. In addition, the existing policy/schedule for cell phone allowances will be reviewed and updated.*

11. Internal Audit Function

The district does not have an internal audit function to audit its numerous cash collection points and compliance and policy requirements. If utilized properly, the internal audit function can assist management in performing its duties more efficiently and effectively, and the savings could potentially exceed the cost. In addition, an internal audit function can enhance the district's annual external audit by providing valuable information to those auditors and ensuring the district has strong internal controls and accounting procedures in place. An effective internal audit function could have helped in discovering and/or resolving many of the accounting and procedural control weaknesses, and policy and compliance issues addressed in this report.

Recommendation

The Board of Education consider appointing an internal auditor to conduct audits of district operations and activities.

Auditee's Response

The Board of Education provided the following written response:

The district agrees that an internal audit function could provide value with emphasis on verifying the level of staff compliance with district policies and procedures, identifying opportunities to strengthen the internal control system, and evaluating ways to improve operational efficiency.

As the fiscal year 2015-2016 budget is developed, the district will evaluate ways to provide a practical solution. Reallocating a small portion of existing resources will be considered to establish a limited district-wide internal audit function.

Joplin Schools

Organization and Statistical Information

The Joplin Schools is located in Jasper and Newton Counties.

The district operates a senior high school (grades 9-12), a technical school, 3 middle schools (grades 6-8), 11 elementary schools (grades K-5), the Early Childhood Center, and an alternative school serving Joplin Schools and 16 additional school districts. On May 22, 2011, Joplin was struck by an EF-5 tornado resulting in 158 deaths and more than 900 injuries and damaging or destroying many of the schools within the district. The district entered into multiple operating lease agreements to rent property for use as temporary schools and some schools were divided into separate locations during this transition period. As of June 30, 2014, the district had rebuilt 2 elementary schools and a middle school and completed several new community safe rooms. As of December 2014, the district is in the process of completing the high school/technical center, as well as several additional community safe rooms.

Enrollment was 7,780 for the 2013-2014 school year. The district employed 968 full- and 194 part-time employees, as well as 280 substitutes (teachers, nurses, bus drivers, secretaries) at June 30, 2014.

The Joplin Schools has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

Board of Education

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Board of Education members at June 30, 2014, were

Anne Sharp, President
Michael D. Landis, Vice-President
Jim Kimbrough, Member
Randy Steele, Member
Dawn Sticklen, Member
Lynda Banwart, Member
Deb Fort, Member

Superintendent

The district's superintendent at June 30, 2014, was Dr. C.J. Huff. His annual compensation totaled \$182,975 including an annual salary of \$177,275, a \$4,500 retirement account, and a \$1,200 annual cell phone stipend. He was also provided a district vehicle that he is allowed to use anywhere in the state or within 500 miles if outside the state. The superintendent's compensation is established by the Board of Education.



Joplin School District
Organization and Statistical Information

Financial Activity

A summary of the district's financial activity for the year ended June 30, 2014, and disaster recovery funding and expenditures from May 22, 2011, through December 31, 2014,² follows:

² Disaster recovery funding and expenditures are presented as of December 31, 2014, to provide more current and comprehensive disaster recovery financial information.

Appendix A

Joplin Schools
Statement of Revenues Collected, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2014

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	Totals
REVENUES COLLECTED					
Local	\$ 26,519,868	7,885,811	8,118,026	4,910,462	47,434,167
County	988,184	201,064	392,010	0	1,581,258
State	4,663,987	15,594,588	0	857,786	21,116,361
Federal	6,969,123	2,688,254	0	879,171	10,536,548
Other	26,106	1,066,617	0	0	1,092,723
TOTAL REVENUES COLLECTED	39,167,268	27,436,334	8,510,036	6,647,419	81,761,057
EXPENDITURES					
Instruction	6,223,898	30,455,105	0	1,159,825	37,838,828
Student services	885,945	1,254,883	0	0	2,140,828
Instructional staff support	1,870,892	2,078,787	0	532,899	4,482,578
Building administration	891,362	1,809,620	0	0	2,700,982
General administration	2,388,567	256,320	0	103,186	2,748,073
Operation of plant	9,734,458	0	0	0	9,734,458
Transportation	2,502,676	0	0	619,353	3,122,029
Food service	2,981,113	0	0	74,960	3,056,073
Adult basic education	36,821	163,203	0	0	200,024
Adult continuing education	658,841	1,021,341	0	2,158	1,682,340
Community services	788,710	18,737	0	11,550	818,997
Facilities acquisition and construction	0	0	0	109,732,460	109,732,460
Debt service	0	0	7,690,411	0	7,690,411
TOTAL EXPENDITURES	28,963,283	37,057,996	7,690,411	112,236,391	120,124,232
EXCESS (DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES	10,203,985	(9,621,662)	819,625	(105,588,972)	(38,363,175)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	9,621,662	0	3,771,200	13,392,862
Operating transfers (out)	(13,392,862)	0	0	0	(13,392,862)
Net insurance recovery	0	0	0	3,210,762	3,210,762
Sale of other property	0	0	0	500	500
TOTAL OTHER FINANCING SOURCES (USES)	(13,392,862)	9,621,662	0	6,982,462	3,211,262
EXCESS (DEFICIT) OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	(3,188,877)	0	819,625	(98,606,510)	(100,975,762)
FUND BALANCE, July 1, 2013	10,220,140	0	6,649,181	107,183,484	124,052,805
FUND BALANCE, June 30, 2014	\$ 7,031,263	0	7,468,806	8,576,974	23,077,043

Source: District's independent CPA audit report for the year ended June 30, 2014. Information presented on a modified cash basis.

Appendix B

Joplin Schools
Summary of Disaster Recovery Funding and Expenditures
Period of May 22, 2011 through December 31, 2014

	Disaster Recovery Expenditures			Disaster Recovery Funding										
				Received						Remaining Anticipated Funding				Total Anticipated Funding
	Total Expenditures	Remaining Estimated Costs (1)	Total Estimated Cost (8)	Insurance	FEMA Funding	State Funding (2)	Stormwater and Streets Funding from City of Joplin	CDBG Grant	Bond Proceeds and Donations	FEMA (3)	SEMA (4)	CDBG	Donations	
BUILDING:														
Irving Elementary	\$ 18,763,742	221,097	18,984,839	\$ 5,700,000	3,257,946	0	0	0	0	\$ 3,292,005	753,967	0	0	\$ 13,003,918
East Middle School/Soaring Heights Elementary	53,036,468	487,061	53,523,529	24,440,000	8,979,244	43,200	0	0	0	4,912,327	1,616,043	0	0	39,990,814
Joplin High School/ Franklin Technical School	127,668,431	12,109,955	139,778,386	55,784,229	9,025,139	1,417,929	2,140,470	0	0	17,294,551	2,749,319	0	0	88,411,637
Community safe rooms	26,458,745	4,841,255	31,300,000	0	11,712,019	0	0	1,093,823	0	4,602,451	0	1,706,177	0	19,114,470
Administration	1,473,581	0	1,473,581	486,978	241,714	0	0	0	0	0	32,228	0	0	760,920
NON-LOCATION SPECIFIC FUNDING:														
Temporary leases, professional services, and projects (5)	8,967,254	0	8,967,254	5,257,437	2,052,044	38,871	0	0	0	1,830,984	517,737	0	0	9,697,073
Furnishings and capital assets (6)	13,719,190	1,300,000	15,019,190	15,300,102	0	0	0	0	0	0	0	0	0	15,300,102
Bond proceeds (7)	0	0	0	0	0	0	0	0	68,127,251	0	0	0	0	68,127,251
Donations	0	0	0	0	0	0	0	0	2,824,063	0	0	0	50,000	2,874,063
Totals	\$ 250,087,411	18,959,368	269,046,779	\$ 106,968,746	35,268,106	1,500,000	2,140,470	1,093,823	70,951,314	\$ 31,932,318	5,669,294	1,706,177	50,000	\$ 257,280,248

(1) Remaining estimated costs are only included for the building replacement projects, community safe rooms, and furnishings and capital assets. Because some projects are still in progress, other minimal unknown expenses may still be incurred.

(2) State funding authorized by the Governor to offset the decrease in property tax revenues as a result of the decrease in the district's property tax base.

(3) The FEMA funds are 75 percent of the expenditures that the FEMA approves. Some of these monies have been applied for but are still being processed by the FEMA. Other monies, approximately \$8.4 million, are anticipated by the district but not yet approved and obligated by the FEMA. Short-term financing totaling \$37 million was requested in August 2014 to cover construction expenses as they come due, but before the district receives final FEMA reimbursements. As reimbursements from FEMA are received the financing is repaid. As of December 31, 2014, the balance of the loan was \$23,280,000. The district anticipates requesting an additional \$14 million in short-term financing in March 2015.

(4) SEMA funding is 10 percent of the FEMA approved funding. SEMA funding will not be received by the district until after all of FEMA money is received. Again, short-term financing was/will be obtained in the interim.

(5) The temporary leases are for one of the buildings that the district rented during the period that the new facilities were under construction. Professional services include services provided to the district by FEMA and insurance consultants. The other projects include modifying the leased facility to make it usable for the district as well as demolition costs, replacement/repair of partially damaged facilities, and modular utility hookups.

(6) These items are capital asset purchases that the district tracked after the tornado and purchases of smaller furnishings, supplies, library books, and textbooks not capitalized.

(7) Bonds were issued for the purpose of acquiring, constructing, repairing, improving, furnishing, and equipping school facilities. The bond monies were used district-wide and are not tied to a specific buildings.

(8) Total estimated costs exceed total anticipated funding by approximately \$11.8 million. The shortfall was covered by existing fund balances of both the district's General and Capital Projects Funds which have contributed to the declining fund balances discussed in MAR finding number 1.



John Watson
Missouri State Auditor

Office of Attorney General



March 2015
Report No. 2015-013

<http://auditor.mo.gov>



John Watson
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of Attorney General

Recusal	To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff.
Conflicts of Interest	The Attorney General's office (AGO) lacks adequate policies and procedures to identify and address certain conflicts of interest. The Attorney General recently acknowledged accepting campaign contributions and other gifts from companies, and/or their attorneys and lobbyists, that were under investigation by the AGO. Accepting items from individuals or entities while the AGO has legal actions pending against them, or is investigating them for potential legal action, gives the appearance of a conflict of interest. In November 2014, the Attorney General announced he will no longer take contributions from people or companies under investigation by his office, either currently or in the previous 90 days, or from lobbyists or attorneys representing those individuals or companies; and will not accept gifts from registered lobbyists. As of February 2015, the AGO has yet to adopt this directive in a formal policy.
Personnel Policies and Procedures	In addition to salary increases provided most state employees, the AGO also provided salary increases to over 200 employees during the period January 2012 to August 2014. These increases represented an annual total increase in salaries of \$1.2 million annually and averaged 9 percent per raise. Of 42 raises reviewed, 18 raises (43 percent) totaling \$67,262 do not appear reasonable. The AGO provides 4 hours of personal leave to attorneys who record at least 195 hours on their monthly timesheets; however, this program has not been documented in a formal policy.
Outside Counsel and Experts	As noted in our prior audit, the AGO does not always prepare and retain adequate documentation of the selection process of outside counsel and expert witnesses. The AGO has not analyzed or documented the basis for the hourly rates paid to outside counsel.
Internal Control Procedures	Various divisions of the AGO do not restrictively endorse checks immediately upon receipt. The AGO has not established written receipting procedures regarding monies received in the divisions. As a result, we noted inconsistencies and weaknesses in procedures among the divisions. The AGO does not have adequate procedures to ensure the state General Revenue Fund is reimbursed for legal services provided to professional licensing boards, and amounts due are not recorded in the statewide accounting system.

Employee Travel	AGO employees often make lodging reservations without performing price comparisons or other procedures to ensure lodging costs are reasonable. We noted many instances where lodging costs appeared excessive, and AGO employees did not document why the higher costs were necessary and reasonable.
Computer Password Controls	AGO employees are not required to change network passwords on a periodic basis.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Office of Attorney General

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Conflicts of Interest.....4 2. Personnel Policies and Procedures.....5 3. Outside Counsel and Experts8 4. Internal Control Procedures.....11 5. Employee Travel14 6. Computer Password Controls.....15
-------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	17
---------------------------------------------	----

Appendixes

	Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments, Year Ended -	
A-1	June 30, 2014.....	20
A-2	June 30, 2013.....	21
A-3	June 30, 2012.....	22
B	Comparative Statement of Receipts, 3 Years Ended June 30, 2014.....	23
	Statement of Appropriations and Expenditures, Year Ended -	
C-1	June 30, 2014.....	25
C-2	June 30, 2013.....	30
C-3	June 30, 2012.....	35
D	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2014.....	40
E	Statement of Changes in General Capital Assets, 3 Years Ended June 30, 2014.....	41
F	Comparative Statement of Financial Services Division Collections, 3 Years Ended June 30, 2014.....	42



JOHN WATSON

Missouri State Auditor

Honorable Chris Koster, Attorney General
Jefferson City, Missouri

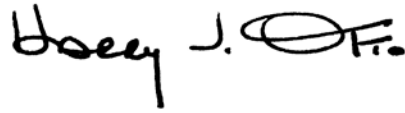
To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited certain operations of the Office of Attorney General, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014, 2013, and 2012. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, contracts, and other pertinent documents; interviewing various personnel of the office; inspection of capital assets; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office. For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of the Attorney General.

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large, looped "H" and a distinct "O" at the end.

Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Wayne Kauffman, MBA
Audit Staff:	Sherrye Lesmes
	Meghan Dowell
	Hailey Turner

Office of Attorney General

Management Advisory Report

State Auditor's Findings

1. Conflicts of Interest

The Attorney General's office (AGO) lacks adequate policies and procedures to identify and address certain conflicts of interest.

Section 105.452, RSMo, prohibits elected officials from acting or refraining from acting in their official capacity in exchange for any payment, offer to pay, promise to pay, or receipt of anything of actual pecuniary value paid or payable, or received or receivable, to him or herself or any third person, including any gift or campaign contribution, made or received in relationship, other than their compensation paid by the state.

Recently, the Attorney General has acknowledged accepting campaign contributions and other gifts from companies (and/or the companies' attorneys and lobbyists) that were under investigation by the AGO. Accepting items from such individuals or entities while the AGO has legal actions pending against, or is investigating for potential legal action, gives the appearance of a conflict of interest. In November 2014, the Attorney General announced he will no longer take contributions from people or companies under investigation by his office, either currently or in the previous 90 days, or from lobbyists or attorneys representing those individual or companies; and will not accept gifts from registered lobbyists. In the announcement, the Attorney General stated "by prohibiting individuals, entities, and their representatives with pending litigation against the Attorney General's office from making political contributions, we are taking unprecedented steps to remove even the appearance of a conflict of interest." However, as of February 2015, this new directive has not been formalized in a policy.

The AGO has not established formal procedures for handling potential conflicts of interest related to the Attorney General accepting campaign contributions from entities (or these entities' lobbyists and legal counsel) the AGO is investigating or considering for multi-state lawsuits. While the AGO lacks procedures regarding conflicts with these entities, the AGO has established procedures regarding conflicts with private attorneys engaged to represent the AGO. Conflicts of interest exist when certain private attorneys that made campaign contributions to the Attorney General's campaign committee are engaged to litigate certain cases on behalf of the AGO. The Deputy Attorney General indicated the AGO mitigates conflicts in these cases by making the Deputy solely responsible for the selection and engagement of private attorneys, without any involvement by the Attorney General. The Deputy Attorney General indicated he has no knowledge of which private attorneys made campaign contributions.

Supreme Court Rule of Professional Conduct 4-1.7, generally prohibits a lawyer from representing a client if representation of one client will be limited by a personal interest of the lawyer. To demonstrate compliance with Supreme Court rules and state law and avoid the appearance of any conflicts of interest, the AGO should adopt procedures to review



Office of Attorney General
Management Advisory Report - State Auditor's Finding

engagements and investigations for potential conflicts of interest. The nature of any identified conflict should be evaluated to determine whether the case should be assigned within the AGO or contracted to a private attorney, and whether the Attorney General or appropriate attorney should be screened from participation in the legal action or investigation.

Recommendation

The AGO adopt written policies and procedures to review for potential conflicts of interest related to ongoing legal actions and investigations.

Auditee's Response

By design, the litigation attorneys in the AGO have no contact with the Attorney General's political organization. They are expected to make decisions on their cases based on the facts and law of each case. Whether or not a particular entity, lobbyist, or attorney may be a political contributor is of no relevance, and AGO attorneys spend no time concerning themselves with that issue. This is the same approach the AGO uses in selecting private attorneys for specialized cases, described with approval in this audit.

The recommendation in the audit, on the other hand, would require that official employees acquaint themselves with the identities of thousands of political contributors, and then make official decisions based on that information. The audit suggests that if an official employee learns that an investigation or lawsuit involves a political contributor or his or her lobbyist or lawyer, the AGO must disqualify itself and hire conflict counsel or screen the Attorney General out of the case. Such a policy would give a potential political contributor inappropriate power over whether the AGO could investigate him or her. The far better solution is to keep campaign business out of the office.

2. Personnel Policies and Procedures

The AGO provided salary increases to many employees that were not provided to other state employees and has not established a written policy regarding personal leave. AGO salaries and wages totaled approximately \$17.9 million, \$16.8 million, and \$16 million during fiscal years 2014, 2013, and 2012, respectively. As of June 30, 2014, the AGO had 348 employees.

2.1 Salary increases

In addition to cost of living adjustments of 2 percent in July 2012 and \$500 in January 2014 (increases provided to most state employees), the AGO provided 279 additional salary increases to 219 employees during the period January 2012 to August 2014, according to records prepared by AGO personnel. These increases totaled approximately \$1.2 million annually; provided annual increases ranging from \$50 to \$35,000; and averaged \$4,314, or 9 percent per raise.

According to the Deputy Chief of Staff, the AGO granted salary increases for various reasons; however, we noted the AGO lacked a cumulative record of the reasons for raises given. To determine the rationale for raises granted, we reviewed supporting documentation and surveyed the Deputy Chief of



Office of Attorney General
Management Advisory Report - State Auditor's Finding

Staff and the Human Resources/Administrative Manager regarding raises provided to 30 employees that received 42 raises totaling approximately \$158,400 annually during the period January 2012 to August 2014. These raises represented 14 percent of the total raise amounts during the period.

Of the 42 raises reviewed, 24 (57 percent) raises totaling \$91,170, appear reasonable. AGO personnel and/or documentation provided indicated these raises were granted (1) to promote employees to new positions, (2) for the AGO's post-graduate compensation program that provides salary increases to attorneys 4 and 7 years after graduation from law school, and (3) to increase existing employee salaries due to increases in entry level salaries. However, 18 raises (43 percent) totaling \$67,262, do not appear reasonable. Explanations provided for these raises included:

- Across-the-board increases to the base salaries of deputy chief counsel, team leader, executive assistant, and legal secretary positions. In total the AGO granted seven raises totaling \$39,420, averaging \$5,631, and ranging from \$492 to \$10,000 per raise for this purpose.
- Merit raises due to employee work performance. In total the AGO granted eleven raises totaling \$27,842, averaging \$2,531 and ranging from \$1,470 to \$5,000 per raise for merit increases.

Although Section 27.020, RSMo, grants the Attorney General the authority to establish employee compensation, given the recent state budget constraints and that other state employees have generally not received such pay increases, the AGO should reevaluate the reasonableness and necessity of further additional salary increases.

2.2 Personal leave

The AGO provides 4 hours of personal leave to attorneys who record at least 195 hours on their monthly timesheets; however, this program has not been documented in a policy. Under this program, which was implemented in 1994, attorneys are required to use the personal leave earned during the following month. According to AGO records of personal leave earned during the period February through June 2014, an average of 51 attorneys earned personal leave each month during this period.

Attorneys record hours worked; vacation, sick, and personal leave used; holidays; and leave without pay on monthly timesheets. The Human Resources/Administrative Manager reviews the timesheets and notifies attorneys when personal leave is earned. The Human Resources Manager indicated 4 hours of personal leave are provided to attorneys whose timesheets include at least 195 hours, excluding leave without pay.

To ensure employees are compensated appropriately and treated consistently, the personal leave program should be formally documented in a policy. The policy should include specific criteria for earning personal



Office of Attorney General
Management Advisory Report - State Auditor's Finding

Recommendations

leave and specify which types of non-working time, if any, should be included when determining when personal leave is earned.

The AGO:

- 2.1 Discontinue providing pay increases significantly over and above those provided to other state employees in the future.
- 2.2 Formalize the personal leave program in a policy.

Auditee's Response

- 2.1 *The audit's critique suggesting that it "does not appear reasonable" to have given 18 AGO employees a pay increase, even for exceptional work performance, reflects an unfortunate approach to state-employee compensation that the AGO has worked hard over the past 6 years to overcome.*

The AGO is committed to providing top-quality legal service to the people of this state. Yet it is sometimes difficult to attract and retain the talented attorneys and staff necessary to fulfill our mission. On average, Missouri's state workers are the lowest paid in the nation. Effective January 1, 2011, the state chose to significantly reduce the retirement benefits available to state workers, requiring workers to pay in an extra 4% from their paychecks into the retirement fund and doubling the required years of service from 5 to 10 before the worker vests in the system. Additionally, effective March 31, 2010, the state eliminated the \$25-per-pay-period matching contribution that was meant to encourage workers to save for their own retirement. The low pay and declining benefits are less than appealing to some professionals, many of whom have families to support and carry substantial student debt.

In an effort to improve our recruitment and retention, the AGO has reduced the size of the office and reinvested the savings by offering higher salaries to our remaining personnel, both in across-the-board pay increases and through targeted, merit-based raises.

Throughout this process, the AGO has remained fiscally responsible. Not only has the office stayed within budget every year, in fiscal year 2014 the office returned over \$100,000 to General Revenue in unspent funds.

Missouri law grants the AGO the authority to establish compensation levels for its own employees. The AGO believes it is in the best interest of our state to continue exercising that authority in a fiscally responsible fashion in an effort to bring the best lawyers and staff in the state to the service of our fellow Missourians.



Office of Attorney General
Management Advisory Report - State Auditor's Finding

2.2 *This program was adopted in 1994, under then-Attorney General Jay Nixon. In the 21 years since, the Auditor's office has audited the AGO 6 times. This is the first time; however, that an audit found fault with the program. We believe the program, as implemented, is properly administered and provides an appropriate recognition for those attorneys who put in significant extra time and effort.*

3. Outside Counsel and Experts

The AGO does not adequately document the selection process of outside counsel and expert witnesses and lacks adequate support for the hourly rates paid for outside counsel.

The AGO contracts with outside counsel (private attorneys) to provide representation for certain cases, primarily cases requiring specialized attorneys or for cases involving a conflict of interest. In addition, the AGO contracts with various expert witnesses. The Deputy Attorney General performs the selection of all outside counsel and approves expert witness engagements exceeding \$5,000.

Services performed by outside counsel and expert witnesses are paid from AGO appropriations and the State Legal Expense Fund (LEF). When the AGO is the plaintiff, expenses are paid from AGO appropriations; and when the AGO is the defendant, expenses are paid from the LEF. The AGO applies the same procedures for selection and payment of outside counsel and expert witnesses paid from both sources, except LEF expenses are paid by the Office of Administration (OA) with AGO approval and certain outside counsel and expert witnesses paid by the LEF are selected by plaintiffs rather than the AGO.

Payments for outside counsel and expert witness services during the 3 years ended June 30, 2014 totaled:

	Year Ended June 30,			
	2014	2013	2012	Total
AGO Appropriations:				
Legal services	\$ 109,981	4,870	71,888	186,739
Expert witnesses	311,598	354,259	519,075	1,184,932
Total	\$ 421,579	359,129	590,963	1,371,671
LEF:				
Legal services	\$ 122,357	132,538	192,415	447,310
Expert witnesses ¹	44,384	22,329	26,476	93,189
Total	\$ 166,741	154,867	218,891	540,499

¹Includes payments to plaintiffs' expert witnesses.



Office of Attorney General
Management Advisory Report - State Auditor's Finding

3.1 Selection of outside counsel and experts

As noted in the prior audit, the AGO does not always prepare and retain adequate documentation of the selection process of outside counsel and expert witnesses.

We reviewed 9 outside counsel engagements totaling approximately \$150,300 and 9 expert witness engagements totaling approximately \$41,000. The AGO did not adequately document the selection process, including the method/criteria used or other attorneys/experts considered, and the reason for selecting the particular attorney/expert for 17 of these 18 engagements. In response to our prior audit recommendation, AGO personnel began documenting in outside counsel/expert witness engagement letters, the general reason the attorney or expert was selected, typically a statement the outside counsel/expert witness was engaged due to their expertise in a certain area. However AGO personnel did not document other information regarding the selection process, including (1) other attorneys/experts considered, (2) the method/criteria used to evaluate the candidates, and (3) detailed reasons for selecting the particular attorney/expert. According to AGO personnel, the selection of outside counsel and expert witness services is based on expertise, past experience, availability, location, and willingness to accept the compensation offered by the state. They also indicated personnel may not document selection information because the information may be considered privileged.

Considering the magnitude of payments for outside counsel and expert witnesses, the AGO could document decisions in a manner that protects confidential information and ensures the propriety of the decision-making process.

3.2 Outside counsel hourly rates

The AGO lacks adequate support for the hourly rates paid for outside counsel.

Effective April 2014, outside counsel for specialized cases are paid an hourly rate of \$160, an increase from \$150. Outside counsel for routine cases are paid \$125 per hour. Additionally, outside counsel is reimbursed certain travel expenses.

The AGO has not prepared an analysis or documentation supporting the basis for the hourly rates paid to outside counsel. AGO officials indicated similar rates have been charged for many years, and the 2014 rate increase for outside counsel for specialized cases resulted from a written request from various private attorneys who periodically provide services to the AGO.

To ensure amounts paid for outside counsel are reasonable and appropriate, the AGO should analyze the rates of private attorneys who provide the



Office of Attorney General
Management Advisory Report - State Auditor's Finding

various types of services needed and revise rates if necessary. Such analysis and revisions should be periodically performed and documented.

Recommendations

The AGO:

- 3.1 Maintain adequate documentation supporting the selection of outside counsel and expert witnesses.
- 3.2 Perform and document periodic analyses to support rates paid for outside counsel.

Auditee's Response

- 3.1 *The overwhelming majority of cases in which the AGO retains outside counsel, including several of the 17 referred to in this audit, are medical malpractice suits that require a special expertise to defend. When such a case is filed, the AGO has a very short period of time (approximately 3 business days) to refer the case to an attorney who has such expertise, as the deadline for filing responsive pleadings approaches.*

To ensure that these cases are handled skillfully and efficiently, the AGO has relied upon a handful of firms with attorneys who specialize in medical malpractice work to take the cases on short notice and provide a zealous defense. These firms have worked with the AGO in this capacity for decades, since long before Attorney General Koster took office. In every case, a retention letter is sent to the retained attorney that explains the reason for and parameters of the retention.

Before an expert witness is retained, the attorney handling the case must submit a form to the Deputy Attorney General explaining the basis for the choice. The selection of expert witnesses is based on expertise, past experience, availability, location, and willingness to accept the rates offered by the state of Missouri.

- 3.2 *The AGO's hourly rates for outside counsel are not only reasonable and appropriate, they are far below the market rate that one might expect to pay for experienced counsel. Recent Missouri cases in which attorneys' fees have been awarded provide a survey of expected rates for attorney work. These cases reveal a range of fees between \$250 and \$500 per hour for attorney time—rates far higher than those currently offered by the state.*



4. Internal Control Procedures

Checks are not restrictively endorsed immediately upon receipt; and because written receipting procedures for monies received in the divisions have not been established, we noted inconsistencies and weaknesses in division procedures. In addition, procedures over professional licensing board billings are inadequate.

4.1 Check receipts

Division personnel do not restrictively endorse checks immediately upon receipt.

The AGO Financial Services Division (FSD) in Jefferson City receives most monies. However, the Consumer Protection Division (CPD), Governmental Affairs Division (GAD) and Agriculture and Environment Division (AED), also receive monies in Jefferson City, and at satellite offices in Kansas City, St. Louis, Springfield, and Cape Girardeau. These divisions transmit monies to the FSD for deposit.

For checks received in the FSD, restrictive endorsements are applied to checks by the electronic check scanner as the checks are processed for deposit. However, a significant number of checks are not restrictively endorsed and deposited on the day of receipt:

- Divisions and satellite offices do not restrictively endorse checks before transmitting the checks to the FSD.
- The FSD holds many checks from deposits and separately stores those checks in the FSD safe until the FSD receives processing instructions from the applicable division. Our count of checks held in the FSD safe on June 4, 2014, noted 114 unendorsed checks totaling \$106,917, with one check dated in June 2011.
- The FSD does not always deposit checks not separately stored in the safe on the day received. Our review of FSD receipts and deposits noted several instances where deposits were made several days after monies were received. FSD personnel indicated this situation occurred due to high caseloads and/or employee absences at the time.

In August 2014, after we shared concerns regarding the lack of check endorsements, the FSD began requiring satellite office personnel to restrictively endorse checks upon receipt. FSD officials indicated similar procedures were not implemented for checks received in the FSD and other divisions because most of those checks are deposited timely and secured prior to deposit. However, as previously noted, because a large number of checks are not deposited and restrictively endorsed the day of receipt, procedures should be established to ensure those checks are endorsed immediately upon receipt.

4.2 Division receipt records and procedures

While the AGO has established written office-wide receipting procedures regarding monies received in the satellite offices, similar procedures have



Office of Attorney General
Management Advisory Report - State Auditor's Finding

not been established for monies received in the divisions. As a result, we noted inconsistencies and weaknesses in the procedures utilized by the divisions.

- Employees of the AED and the GAD do not prepare an initial record of monies received. Because such a record is not prepared, daily receipts in these divisions cannot be reconciled to monies transmitted to the FSD to ensure all monies received are recorded and accounted for properly.
- Employees of the CPD record receipts in a receipts log. While the division Chief Counsel indicated he periodically reviews the receipts logs to ensure each receipt was transmitted to the FSD, this review is not documented.
- GAD staff do not always follow established division procedures related to transmittals of receipts to the FSD. Division procedures provide that employees prepare a referral form for each receipt, transmit the monies to the FSD daily, and obtain FSD staff signature of receipt on the referral form. Our review of 8 GAD receipts transmitted to the FSD noted 1 referral form was not signed by FSD staff and 1 receipt was not transmitted timely.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, the AGO should establish procedures requiring division personnel to prepare an initial record of monies received, transmit receipts to the FSD daily, and perform documented reconciliations of initial records of receipts to transmittals to the FSD.

4.3 Professional licensing board billing procedures

The AGO lacks adequate procedures to ensure the state General Revenue Fund is reimbursed for legal services provided to professional licensing boards, and amounts due are not recorded in the statewide accounting system. During the 3 years ended June 30, 2014, the AGO billed the boards approximately \$1.5 million.

The GAD provides representation to various boards, and charges the boards an hourly rate (\$115 for fiscal year 2014) based on actual costs. Annually, GAD personnel notify the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration (DPR) of the hourly rate applicable for the year. GAD personnel prepare a monthly detailed listing of attorney hours worked for each board; however, they do not calculate amounts due, provide invoices to the DPR, or record amounts due in the statewide accounting system. Instead, GAD personnel email the DPR the listing of attorney hours worked and the DPR calculates and transfers payment to the state General Revenue Fund. GAD personnel perform no procedures to monitor DPR payments.

To ensure the state is appropriately and timely reimbursed for AGO attorney services provided to professional registration boards and proper recording of



Office of Attorney General
Management Advisory Report - State Auditor's Finding

amounts due, the AGO should calculate monthly amounts due, send invoices to the DPR, record amounts due in the statewide accounting system, and monitor for subsequent payment. Statewide accounting system financial policies and procedures provide that internal billings should be recorded on the system.

Recommendations

The AGO:

- 4.1 Restrictively endorse all checks immediately upon receipt.
- 4.2 Establish procedures requiring division personnel to prepare an initial record of monies received, transmit receipts to the FSD daily, and perform documented reconciliations of initial records of receipts to transmittals to the FSD.
- 4.3 Establish procedures to calculate and prepare invoices for monthly reimbursement amounts due for legal services provided to professional licensing boards. Amounts due should be entered into the statewide accounting system and monitored for subsequent payment.

Auditee's Response

- 4.1 *The AGO recognizes the importance of restrictively endorsing checks. The office already restrictively endorses checks received in our FSD using an electronic scanner that automatically adds the restrictive endorsement, and we restrictively endorse all checks received in our outer offices by hand. We are implementing a process to restrictively endorse by hand the small percentage of remaining checks received by other divisions in our Jefferson City office.*

Of course, the AGO can restrictively endorse only those checks whose payee is the state of Missouri itself, the AGO, or an agency of the state. The AGO sometimes receives checks intended for other payees, and cannot endorse those checks at all. The AGO's practice with respect to those checks is to forward them to the intended payees.

- 4.2 *As part of the policy extending the above-referenced check-handling processes to all the divisions in our Jefferson City office, the AGO is implementing additional documentation procedures regarding the intake/transmission of funds throughout the office.*
- 4.3 *The AGO will prepare monthly invoices for legal services provided to the professional licensing boards and confirm the transfer of monies to the General Revenue Fund.*



5. Employee Travel

Employees often make lodging reservations without performing price comparisons or other procedures to ensure lodging costs are reasonable. During the 3 years ended June 30, 2014, the AGO paid approximately \$582,000 for lodging costs.

Our review of lodging costs noted many instances that exceeded Continental United States (CONUS) rates (federal employee per diem maximums, established by the U.S. General Services Administration). In addition, AGO personnel did not document why the higher lodging costs were necessary and reasonable. Of payments for 80 lodging nights totaling approximately \$9,800 reviewed, lodging costs exceeded CONUS rates for 43 nights. Lodging costs exceeded CONUS rates by \$25 to \$51 per night, or a total of \$1,464 for these 43 nights.

The AGO paid lodging vendors directly for the 43 nights for trips made by 3 employees to prepare for and attend trials and 4 employees to attend training. For example, the AGO paid lodging costs totaling \$2,167 for 2 employees that worked on a trial in Kansas City, Missouri, in September 2012. These employees stayed 7 and 8 nights each at lodging rates of \$139 and \$129 per night, while the CONUS rate was \$99 per night; however, no documentation supporting the higher lodging costs was maintained. In another example, the AGO paid lodging costs of \$134 per night for an 11-night trip to Jefferson City, Missouri, in February 2014 while the CONUS rate was \$83 per night. In response to questions from the fiscal unit prior to payment of the hotel invoice, the employee obtained a letter from the hotel explaining the government rate was not available the dates of the trip; however, documentation supporting the reasons for staying at this hotel was not maintained. The employee indicated the hotel was selected due availability and proximity to the trial.

In cities where multiple hotels or motels are located, lodging can often be procured at rates less than CONUS rates. The state travel policy (SP-6) requires that "in areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher priced lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures that require performing price comparisons and ensuring rates do not exceed CONUS rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation should be maintained to support any lodging expenses exceeding CONUS rates.



Office of Attorney General
Management Advisory Report - State Auditor's Finding

Recommendation

The AGO require employees to perform price comparisons and ensure rates do not exceed CONUS rates when making lodging arrangements. If it is necessary to exceed CONUS rates, the AGO should ensure adequate documentation of the justification and reasoning is prepared and retained.

Auditee's Response

Since Attorney General Koster took office, the AGO has stayed well within its travel budget every year. The AGO endeavors to obtain the best rates available when attorneys and staff must stay in hotels or motels overnight for trial or other work-related events.

In selecting accommodations, AGO personnel must consider, in addition to rates, whether the particular location is suitable for the purpose of the trip. Trials, for example, often require attorneys and staff to work long hours each day, including at the hotel after court has recessed. Internet availability, convenient parking, on-site meals, etc., are factored into the choice of accommodation.

6. Computer Password Controls

The AGO has not established strong password controls to reduce the risk of unauthorized access to computer systems and certain data.

Employees are not required to change network passwords on a periodic basis. While access to certain network applications is protected by a second application-specific password that must be periodically changed; access to most network applications is only protected by the network password, which is not required to be periodically changed.

Passwords are necessary to authenticate authorized user access to computers and systems. OA Information Technology Services Division (ITSD)

Enterprise Architecture guidance¹ provides that passwords should be changed at least every 90 days, and more frequently commensurate with the sensitivity, criticality, and value of the information protected. Without strong password controls, including the requirement that passwords be periodically changed, the likelihood that user accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

¹ The Enterprise Architecture provides the core business and strategic plan for technology in Missouri state government. For example, the Security Domain defines the roles, technologies, standards, and policies necessary to protect information and technology assets from unauthorized access and to ensure the appropriate level of protection is provided for the state's information technology assets. The AGO is not required to comply with the Enterprise Architecture since the AGO technology resources have not been consolidated with the OA ITSD. However, compliance with the Enterprise Architecture or similar standards would help to protect computer systems and reduce security risk.



Office of Attorney General
Management Advisory Report - State Auditor's Finding

Recommendation

The AGO require employees to periodically change computer passwords.

Auditee's Response

The AGO will implement a process that requires employees to change their passwords every 90 days.

Office of Attorney General

Organization and Statistical Information

The Office of Attorney General was created in 1806, when Missouri was still a territory. The Missouri Constitution of 1820 provided for an appointed attorney general. It remained an appointed position until 1865, when a new constitution provided for an attorney general elected by the people.

The Attorney General's office is located in Jefferson City. There are branch offices in Kansas City, St. Louis, Springfield, and Cape Girardeau. The AGO is organized into eight divisions: Agriculture and Environment, Consumer Protection, Criminal, Financial Services, Governmental Affairs, Labor, Litigation, and Public Safety. Each division is headed by a chief counsel who is responsible for the operations of the division.

Agriculture and Environment Division: This division protects Missouri's natural resources and agricultural productivity, and represents the Department of Natural Resources including its constituent boards and commissions that regulate the use of Missouri's air, land and waters, as well as the Department of Agriculture. Attorneys take legal action to stop pollution of the state's air, water, and soil and penalize polluters through fines, penalties, and, in the most serious cases, incarceration. The division also works to protect and enhance agriculture and the quality of life for rural Missourians by enforcing the law and advocating responsible public policy. Enforcement litigation is filed primarily in state courts to seek preliminary and permanent injunctions to assure compliance with state environment laws. The division also obtains civil penalties and recovers costs and damages for the state.

Consumer Protection Division: The division handles fraud investigations and litigation. Attorneys in this division represent Missouri consumers as a group in cases of consumer fraud, securities fraud, and antitrust matters. Also, these attorneys are active in discovering businesses that commit merchandising practices fraud in connection with the sale and advertising of products or services. This division includes an investigative staff that assists attorneys in investigations involving violations of the state's Merchandising Practices Act. The No Call program, to reduce telemarketing calls, is also under this division.

Criminal Division: This division represents the state in every felony case appealed to the Supreme Court of Missouri and Missouri Court of Appeals. The attorneys in this division also defend the state in all habeas corpus actions filed by prison inmates in state and federal court and assist with extraditions to and from Missouri of those charged in criminal cases.

Financial Services Division: The division pursues recoveries of monies due the AGO and other state agencies/departments, including amounts due on defaults on student loans and economic development loans, delinquent audit and lottery commission fees, penalties owed the Missouri Ethics Commission, estate recovery cases, money owned by inmates to reimburse



Office of Attorney General
Organization and Statistical Information

the state for the costs of their care, and collections in bankruptcy court. Additionally, the attorneys in this division provide legal assistance to the Department of Social Services by establishing and enforcing child support obligations.

Governmental Affairs Division: The division represents the governor and other statewide elected officials, the OA, various state departments, and more than 30 professional licensing boards. Division attorneys defend constitutional challenges to state laws and ballot issues and enforce compliance with state laws by trusts, foundations, and nonprofit corporations. The attorneys in this division are also responsible for enforcing the state ethics and campaign finance laws, enforcing state laws requiring tobacco manufacturers to establish escrow accounts, and addressing questions about the state's open meeting and records law, commonly known as the Sunshine Law.

Labor Division: This division provides general counsel and litigation services for the Missouri Department of Labor and Industrial Relations and its officers and agencies. The division also represents the state in prevailing wage disputes, crime victims' claims, and workers' compensation cases of state employees, including claims involving the Second Injury Fund.

Litigation Division: This division is responsible for representing all state agencies, officers and employees in civil litigation matters in state and federal courts. Cases include damage claims, contract cases, civil rights cases, personal injury lawsuits, employment issues, and constitutional law issues. This division also defends the state in lawsuits brought by inmates of Missouri's correctional facilities.

Public Safety Division: The division handles criminal prosecutions at the trial level. The Special Prosecution Unit assists local prosecuting attorneys in serious or difficult trials, including homicide cases and grand jury proceedings. The Methamphetamine Prosecution Unit specializes in handling criminal cases involving the manufacture, sale, or possession of methamphetamine and other illegal drugs. The Workers' Compensation Fraud Unit prosecutes fraud or misconduct involving workers' compensation, and the Medicaid Fraud Control Unit prosecutes cases involving fraud of the state Medicaid program by health professionals, or abuse or neglect of Medicaid recipients by caregivers. The High Technology and Computer Crime Unit assists local law enforcement with investigations and prosecutions of computer and Internet crime cases, and the Sexually Violent Predator Unit enforces the sexual violent predator law. In addition, attorneys in the division also serve as legal counsel for the Department of Public Safety, Highway Patrol, and other state law enforcement agencies, and represent those agencies in all civil litigation in which they are a party.

On January 12, 2009, Chris Koster was inaugurated as the forty-first Attorney General. His second term expires in January 2017.



Office of Attorney General
Organization and Statistical Information

At June 30, 2014, the Office of Attorney General employed 345 full-time and 3 part-time employees.

Financial Activity

A summary of the office's operating financial activity, capital assets, and collections is presented in the following Appendixes.

Appendix A-1

Office of Attorney General
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2014

	Federal and Other Fund	Court Costs Fund	Antitrust Revolving Fund	Merchandising Practices Revolving Fund	Merchandising Practices Restitution Account	Health Spa Regulatory Fund	Trust Fund	Multi-State Consumer Fraud Account	Total (Memorandum Only)
RECEIPTS									
Federal grants	\$ 3,757,258	0	0	0	0	0	0	0	3,757,258
Restitution	0	0	0	0	514,613	0	0	0	514,613
Inmate housing receipts	0	0	0	0	0	0	0	0	0
Penalties, awards, and settlements	0	4,631	43,605	2,311,447	0	0	118,244	0	2,477,927
Registration fees	0	0	0	19,425	0	18,575	0	0	38,000
No call program fees	0	0	0	287,005	0	0	0	0	287,005
Recovery costs	463	3,073	0	1,609	0	0	0	0	5,145
Refunds	0	0	0	725	0	0	0	0	725
Interest	0	0	0	0	553	0	0	157	710
Miscellaneous	0	0	0	0	0	0	0	0	0
Total Receipts	3,757,721	7,704	43,605	2,620,211	515,166	18,575	118,244	157	7,081,383
DISBURSEMENTS									
Personal service	2,081,670	0	223,013	1,607,864	0	0	0	0	3,912,547
Employee fringe benefits	968,438	0	95,663	735,407	0	0	0	0	1,799,508
Expense and equipment	410,363	94,308	5,304	868,714	0	5,000	0	0	1,383,689
Payments to other parties	0	0	0	0	476,263	0	110,944	0	587,207
Leasing operations	126,539	0	0	0	0	0	0	0	126,539
Maintenance and repair	43,520	0	0	89,571	0	0	0	0	133,091
Cost allocation	0	0	0	25,164	0	67	0	0	25,231
Total Disbursements	3,630,530	94,308	323,980	3,326,720	476,263	5,067	110,944	0	7,967,812
RECEIPTS OVER (UNDER) DISBURSEMENTS	127,191	(86,604)	(280,375)	(706,509)	38,903	13,508	7,300	157	(886,429)
TRANSFERS									
Transfers from:									
General Revenue Fund	0	165,600	69,000	0	0	0	0	0	234,600
Merchandising Practices Restitution Account	0	0	0	2,014	0	0	0	0	2,014
Transfers to:									
General Revenue Fund	0	(740)	(37,054)	0	0	(1,561)	0	0	(39,355)
Merchandising Practices Revolving Fund	0	0	0	0	(2,014)	0	0	0	(2,014)
Total Transfers	0	164,860	31,946	2,014	(2,014)	(1,561)	0	0	195,245
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	127,191	78,256	(248,429)	(704,495)	36,889	11,947	7,300	157	(691,184)
CASH AND INVESTMENTS, JULY 1, 2013	442,261	333,398	838,404	12,631,348	621,631	252,327	700	166,242	15,286,311
CASH AND INVESTMENTS, JUNE 30, 2014	\$ 569,452	411,654	589,975	11,926,853	658,520	264,274	8,000	166,399	14,595,127

Appendix A-2

Office of Attorney General
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2013

	Federal and Other Fund	Court Costs Fund	Antitrust Revolving Fund	Merchandising Practices Revolving Fund	Merchandising Practices Restitution Account	Health Spa Regulatory Fund	Trust Fund	Multi-State Consumer Fraud Account	Total (Memorandum Only)
RECEIPTS									
Federal grants	\$ 3,730,653	0	0	0	0	0	0	0	3,730,653
Restitution	0	0	0	0	718,046	0	0	0	718,046
Penalties, awards, and settlements	0	1,112	274,221	6,064,914	0	0	163,915	0	6,504,162
Registration fees	0	0	0	17,030	0	17,595	0	0	34,625
No call program fees	0	0	0	291,750	0	0	0	0	291,750
Recovery costs	0	855	56	3,456	0	0	0	0	4,367
Refunds	0	350	0	200	0	0	0	0	550
Interest	0	0	0	0	516	0	0	198	714
Miscellaneous	48,205	0	0	1,656	0	0	0	0	49,861
Total Receipts	3,778,858	2,317	274,277	6,379,006	718,562	17,595	163,915	198	11,334,728
DISBURSEMENTS									
Personal service	2,172,791	0	130,151	824,158	0	0	0	0	3,127,100
Employee fringe benefits	937,779	0	52,025	338,859	0	0	0	0	1,328,663
Expense and equipment	495,343	94,637	108,664	926,578	0	5,000	0	0	1,630,222
Payments to other parties	0	0	0	0	336,599	0	265,505	0	602,104
Leasing operations	108,112	0	0	0	0	0	0	0	108,112
Cost allocation	0	0	0	29,753	0	111	0	0	29,864
Total Disbursements	3,714,025	94,637	290,840	2,119,348	336,599	5,111	265,505	0	6,826,065
RECEIPTS OVER (UNDER) DISBURSEMENTS	64,833	(92,320)	(16,563)	4,259,658	381,963	12,484	(101,590)	198	4,508,663
TRANSFERS									
Transfers from:									
General Revenue Fund	0	165,600	69,000	0	0	0	0	0	234,600
Merchandising Practices Restitution Account	0	0	0	2,597	0	0	0	0	2,597
Transfers to:									
Merchandising Practices Revolving Fund	0	0	0	0	(2,597)	0	0	0	(2,597)
Total Transfers	0	165,600	69,000	2,597	(2,597)	0	0	0	234,600
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	64,833	73,280	52,437	4,262,255	379,366	12,484	(101,590)	198	4,743,263
CASH AND INVESTMENTS, JULY 1, 2012	377,428	260,118	785,967	8,369,093	242,265	239,843	102,290	166,044	10,543,048
CASH AND INVESTMENTS, JUNE 30, 2013	\$ 442,261	333,398	838,404	12,631,348	621,631	252,327	700	166,242	15,286,311

Appendix A-3

Office of Attorney General
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2012

	Federal and Other Fund	Court Costs Fund	Antitrust Revolving Fund	Merchandising Practices Revolving Fund	Merchandising Practices Restitution Account	Health Spa Regulatory Fund	Inmate Incarceration Reimbursement Act Revolving Fund ¹	Trust Fund	Multi-State Consumer Fraud Account	Total (Memorandum Only)
RECEIPTS										
Federal grants	\$ 3,344,459	0	0	0	0	0	0	0	0	3,344,459
Restitution	0	0	0	0	212,009	0	0	0	0	212,009
Inmate housing receipts	0	0	0	0	0	0	126,146	0	0	126,146
Penalties, awards, and settlements	0	828	557,544	3,412,487	0	0	0	638,156	883,534	5,492,549
Registration fees	0	0	0	21,080	0	16,700	0	0	0	37,780
No call program fees	0	0	0	302,700	0	0	0	0	0	302,700
Recovery costs	0	2,493	0	6,344	0	0	0	0	0	8,837
Refunds	252	339	0	448	0	36	180	0	0	1,255
Interest	0	0	0	0	384	0	0	0	204	588
Miscellaneous	55,534	350	0	910	0	0	0	0	0	56,794
Total Receipts	3,400,245	4,010	557,544	3,743,969	212,393	16,736	126,326	638,156	883,738	9,583,117
DISBURSEMENTS										
Personal service	1,998,139	0	72,100	579,309	0	0	68,611	0	0	2,718,159
Employee fringe benefits	876,961	0	26,634	249,805	0	0	36,666	0	0	1,858,735
Expense and equipment	371,385	91,979	113,385	918,474	0	5,000	27,676	0	781,406	1,640,636
Payments to other parties	0	0	0	0	196,188	0	0	639,914	0	836,102
Leasing operations	112,845	0	0	0	0	0	0	0	0	112,845
Cost allocation	0	0	0	23,379	0	131	2,000	0	0	25,510
Total Disbursements	3,359,330	91,979	212,119	1,770,967	196,188	5,131	134,953	639,914	781,406	7,191,987
RECEIPTS OVER (UNDER) DISBURSEMENTS	40,915	(87,969)	345,425	1,973,002	16,205	11,605	(8,627)	(1,758)	102,332	2,391,130
TRANSFERS										
Transfers from:										
General Revenue Fund	0	165,600	69,000	0	0	0	0	0	0	234,600
Merchandising Practices Restitution Account	0	0	0	1,814	0	0	0	0	0	1,814
Transfers to:										
General Revenue Fund	0	0	(43,405)	0	0	0	0	0	0	(43,405)
Merchandising Practices Revolving Fund	0	0	0	0	(1,814)	0	0	0	0	(1,814)
Total Transfers	0	165,600	25,595	1,814	(1,814)	0	0	0	0	191,195
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	40,915	77,631	371,020	1,974,816	14,391	11,605	(8,627)	(1,758)	102,332	2,582,325
CASH AND INVESTMENTS, JULY 1, 2011	336,513	182,487	414,947	6,394,277	227,874	228,238	425,196	104,048	63,712	8,377,292
CASH AND INVESTMENTS, JUNE 30, 2012	\$ 377,428	260,118	785,967	8,369,093	242,265	239,843	416,569	102,290	166,044	10,959,617

¹Effective in fiscal year 2013, primary control of the Inmate Incarceration Reimbursement Act Revolving Fund shifted from the Attorney General's office to the Department of Corrections. Receipts of the fund for fiscal years 2014 and 2013 are shown at Appendix B.

Appendix B

Office of Attorney General Comparative Statement of Receipts

	Year Ended June 30,		
	2014	2013	2012
GENERAL REVENUE FUND			
Federal grants	\$ 9,176	1,352	11,865
Penalties, court awards and settlements	0	43,362,180	0
Recoveries	4,703	1,111	19,674
Refunds	2,916	2,279	4,363
Fees for copying public records	480	1,179	622
Miscellaneous	4,174	1,193	724
Total General Revenue Fund	\$ <u>21,449</u>	<u>43,369,294</u>	<u>37,248</u>
MO HEALTHNET FRAUD PROSECUTION REVOLVING FUND			
Penalties, court awards and settlements	\$ <u>22,268</u>	<u>46,155</u>	<u>27,900</u>
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Recoveries	\$ <u>369</u>	<u>0</u>	<u>0</u>
SOLID WASTE MANAGEMENT FUND			
Recoveries	\$ <u>444</u>	<u>0</u>	<u>0</u>
TORT VICTIMS COMPENSATION FUND			
Penalties, court awards and settlements	\$ <u>61,172</u>	<u>535,548</u>	<u>144,224</u>
HEALTHY FAMILIES TRUST FUND			
Recoveries	\$ <u>14,564,063</u>	<u>66,374,685</u>	<u>101,434,668</u>
SECOND INJURY FUND			
Penalties, court awards and settlements	\$ 0	0	1,500,000
Recoveries	0	0	77
Refunds	1,200	1,129	223
Fees for copying public records	0	0	74
Miscellaneous	0	644	0
Total Second Injury Fund	\$ <u>1,200</u>	<u>1,773</u>	<u>1,500,374</u>

Appendix B

Office of Attorney General Comparative Statement of Receipts

	Year Ended June 30,		
	2014	2013	2012
HAZARDOUS WASTE FUND			
Recoveries	\$ 0	0	4
Refunds	0	0	268
Total Hazardous Waste Fund	<u>\$ 0</u>	<u>0</u>	<u>272</u>
LIFE SCIENCES RESEARCH TRUST FUND			
Recoveries	<u>\$ 16,521,354</u>	<u>33,791,562</u>	<u>33,811,556</u>
INMATE INCARCERATION REIMBURSEMENT ACT REVOLVING FUND¹			
Inmate housing	\$ 133,168	91,338	NA
Miscellaneous	<u>50</u>	<u>0</u>	<u>NA</u>
Total Inmate Incarceration Reimbursement Act Revolving Fund	<u>\$ 133,218</u>	<u>91,338</u>	<u>NA</u>

¹Effective in fiscal year 2013, primary control of the Inmate Incarceration Reimbursement Act Revolving Fund shifted from the Attorney General's office to the Department of Corrections. Receipts of the fund for fiscal year 2012 are shown at Appendix A.

Appendix C-1

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2014

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 10,991,410	10,877,519	113,891
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	359,353	335,347	24,006
Medicaid Fraud Control Unit - Personal Service	320,790	185,715	135,075
Medicaid Fraud Control Unit - Expense and Equipment	393,949	239,420	154,529
Expense and Equipment	2,099,017	2,093,322	5,695
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	448,010	448,010	0
Total General Revenue Fund	14,612,529	14,179,333	433,196
FEDERAL AND OTHER FUND			
Personal Service	1,842,020	1,195,349	646,671
Law enforcement, domestic violence, and victims' services - Expense and Equipment	100,000	0	100,000
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	126,985	126,539	446
Medicaid Fraud Control Unit - Personal Service	965,168	886,320	78,848
Medicaid Fraud Control Unit - Expense and Equipment	1,082,276	0	1,082,276
Expense and Equipment	761,011	280,207	480,804
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	130,157	130,157	0
Maintenance and repair at the Broadway Building in Jefferson City	425,500	43,520	381,980
Total Federal and Other Fund	5,433,117	2,662,092	2,771,025
GAMING COMMISSION FUND			
Personal Service	111,840	111,840	0
Expense and Equipment	29,561	29,561	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	4,727	4,727	0
Total Gaming Commission Fund	146,128	146,128	0

Appendix C-1

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2014

	Appropriation Authority	Expenditures	Lapsed Balances
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	37,535	37,535	0
Expense and Equipment	4,715	4,715	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,453	9,453	0
Total Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	51,703	51,703	0
SOLID WASTE MANAGEMENT FUND			
Personal Service	37,535	37,535	0
Expense and Equipment	5,215	5,215	0
Total Solid Waste Management Fund	42,750	42,750	0
PETROLEUM STORAGE TANK INSURANCE FUND			
Personal Service	25,735	25,735	0
Total Petroleum Storage Tank Insurance Fund	25,735	25,735	0
MOTOR VEHICLE COMMISSION FUND			
Personal Service	39,499	39,499	0
Expense and Equipment	10,622	10,622	0
Total Motor Vehicle Commission Fund	50,121	50,121	0
HEALTH SPA REGULATORY FUND			
Expense and Equipment	5,000	5,000	0
Total Health Spa Regulatory Fund	5,000	5,000	0
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	37,506	37,506	0
Expense and Equipment	4,715	4,715	0
Total Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount Fund	42,221	42,221	0
COURT COSTS FUND			
Expense and Equipment	187,000	94,308	92,692
Total Court Costs Fund	187,000	94,308	92,692
SOIL AND WATER SALES TAX FUND			
Personal Service	12,504	12,504	0
Expense and Equipment	2,267	2,267	0
Total Soil And Water Sales Tax Fund	14,771	14,771	0

Appendix C-1

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2014

	Appropriation Authority	Expenditures	Lapsed Balances
MERCHANDISING PRACTICES REVOLVING FUND			
Personal Service	1,641,653	1,607,864	33,789
Expense and Equipment	2,190,176	864,561	1,325,615
Maintenance and repair at the Broadway Building in Jefferson City	2,978,500	89,571	2,888,929
Total Merchandising Practices Revolving Fund	6,810,329	2,561,996	4,248,333
WORKERS' COMPENSATION FUND			
Personal Service	269,860	254,136	15,724
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	80,068	79,483	585
Expense and Equipment	204,053	6,850	197,203
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	26,987	26,986	1
Total Workers' Compensation Fund	580,968	367,455	213,513
SECOND INJURY FUND			
Personal Service	1,999,885	1,898,140	101,745
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	80,067	79,483	584
Expense and Equipment	1,068,526	817,542	250,984
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	26,987	26,986	1
Total Second Injury Fund	3,175,465	2,822,151	353,314
LOTTERY ENTERPRISE FUND			
Personal Service	56,132	56,132	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	4,727	4,727	0
Total Lottery Enterprise Fund	60,859	60,859	0
ANTI-TRUST REVOLVING FUND			
Personal Service	378,979	223,013	155,966
Expense and Equipment	254,400	5,304	249,096
Total Anti-Trust Revolving Fund	633,379	228,317	405,062

Appendix C-1

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2014

	Appropriation Authority	Expenditures	Lapsed Balances
HAZARDOUS WASTE FUND			
Personal Service	289,086	289,086	0
Expense and Equipment	14,880	14,880	0
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	9,349	9,337	12
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,453	9,453	0
Total Hazardous Waste Fund	322,768	322,756	12
SAFE DRINKING WATER FUND			
Personal Service	12,533	12,533	0
Expense and Equipment	2,265	2,265	0
Total Safe Drinking Water Fund	14,798	14,798	0
TRUST FUND			
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	4,000,000	110,944	3,889,056
Total Trust Fund	4,000,000	110,944	3,889,056
INMATE INCARCERATION REIMBURSEMENT ACT REVOLVING FUND			
Personal Service	102,119	102,119	0
Expense and Equipment	38,054	38,054	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,453	9,453	0
Total Inmate Incarceration Reimbursement Act Revolving Fund	149,626	149,626	0
MINED LAND RECLAMATION FUND			
Personal Service	12,504	12,504	0
Expense and Equipment	2,262	2,262	0
Total Mined Land Reclamation Fund	14,766	14,766	0
Total All Funds	\$ 36,374,033	23,967,830	12,406,203

Appendix C-1

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2014

The lapsed balances include the following withholdings made at the Governor's request:

	<u>Year Ended June 30, 2014</u>
General Revenue Fund	
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	\$ <u><u>9,943</u></u>

Appendix C-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2013

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 11,030,062	11,030,063	(1)
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	336,129	315,464	20,665
Medicaid Fraud Control Unit - Personal Service	169,939	169,939	0
Medicaid Fraud Control Unit - Expense and Equipment	393,949	155,068	238,881
Expense and Equipment	1,985,300	1,985,300	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	475,928	462,028	13,900
Total General Revenue Fund	14,391,307	14,117,862	273,445
FEDERAL AND OTHER FUND			
Personal Service	1,829,472	1,289,886	539,586
Law enforcement, domestic violence, and victims' services - Expense and Equipment	100,000	0	100,000
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	114,438	108,112	6,326
Medicaid Fraud Control Unit - Personal Service	883,901	882,905	996
Medicaid Fraud Control Unit - Expense and Equipment	813,971	0	813,971
Expense and Equipment	761,011	355,343	405,668
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	140,436	140,000	436
Total Federal and Other Fund	4,643,229	2,776,246	1,866,983
GAMING COMMISSION FUND			
Personal Service	109,997	92,345	17,652
Expense and Equipment	30,747	29,802	945
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	4,966	4,952	14
Total Gaming Commission Fund	145,710	127,099	18,611

Appendix C-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2013

	Appropriation Authority	Expenditures	Lapsed Balances
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	37,314	37,314	0
Expense and Equipment	4,715	4,715	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	10,079	10,079	0
Total Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	52,108	52,108	0
SOLID WASTE MANAGEMENT FUND			
Personal Service	37,314	37,314	0
Expense and Equipment	5,215	5,215	0
Total Solid Waste Management Fund	42,529	42,529	0
PETROLEUM STORAGE TANK INSURANCE FUND			
Personal Service	25,589	25,589	0
Operation of state-owned facilities, utilities, systems furniture, structural modifications - Expense and Equipment	2,408	2,393	15
Total Petroleum Storage Tank Insurance Fund	27,997	27,982	15
MOTOR VEHICLE COMMISSION FUND			
Personal Service	38,553	37,664	889
Expense and Equipment	11,300	5,131	6,169
Total Motor Vehicle Commission Fund	49,853	42,795	7,058
HEALTH SPA REGULATORY FUND			
Expense and Equipment	5,000	5,000	0
Total Health Spa Regulatory Fund	5,000	5,000	0
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	37,288	37,288	0
Expense and Equipment	4,715	4,715	0
Total Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount Fund	42,003	42,003	0
COURT COSTS FUND			
Expense and Equipment	187,000	94,637	92,363
Total Court Costs Fund	187,000	94,637	92,363

Appendix C-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2013

	Appropriation Authority	Expenditures	Lapsed Balances
SOIL AND WATER SALES TAX FUND			
Personal Service	12,431	12,431	0
Expense and Equipment	2,267	2,267	0
Total Soil And Water Sales Tax Fund	14,698	14,698	0
MERCHANDISING PRACTICES REVOLVING FUND			
Personal Service	825,704	824,158	1,546
Expense and Equipment	1,753,626	925,978	827,648
Total Merchandising Practices Revolving Fund	2,579,330	1,750,136	829,194
WORKERS' COMPENSATION FUND			
Personal Service	268,061	217,438	50,623
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	81,089	75,553	5,536
Expense and Equipment	204,053	5,666	198,387
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	33,099	33,092	7
Total Workers' Compensation Fund	586,302	331,749	254,553
SECOND INJURY FUND			
Personal Service	1,986,090	1,580,313	405,777
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	81,114	75,553	5,561
Expense and Equipment	1,068,526	851,782	216,744
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	33,102	33,092	10
Total Second Injury Fund	3,168,832	2,540,740	628,092
LOTTERY ENTERPRISE FUND			
Personal Service	55,855	51,075	4,780
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	4,966	4,953	13
Total Lottery Enterprise Fund	60,821	56,028	4,793
ANTI-TRUST REVOLVING FUND			
Personal Service	376,920	130,151	246,769
Expense and Equipment	254,400	108,664	145,736
Total Anti-Trust Revolving Fund	631,320	238,815	392,505

Appendix C-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2013

	Appropriation Authority	Expenditures	Lapsed Balances
HAZARDOUS WASTE FUND			
Personal Service	287,657	287,657	0
Expense and Equipment	14,880	14,880	0
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	9,366	9,344	22
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,932	9,905	27
Total Hazardous Waste Fund	321,835	321,786	49
SAFE DRINKING WATER FUND			
Personal Service	12,458	12,458	0
Expense and Equipment	2,265	2,265	0
Total Safe Drinking Water Fund	14,723	14,723	0
TRUST FUND			
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	265,505	265,505	0
Total Trust Fund	265,505	265,505	0
INMATE INCARCERATION REIMBURSEMENT ACT REVOLVING FUND			
Personal Service	93,707	80,148	13,559
Expense and Equipment	45,640	30,327	15,313
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,932	9,905	27
Total Inmate Incarceration Reimbursement Act Revolving Fund	149,279	120,380	28,899
MINED LAND RECLAMATION FUND			
Personal Service	12,431	12,431	0
Expense and Equipment	2,262	2,262	0
Total Mined Land Reclamation Fund	14,693	14,693	0
Total All Funds	\$ 27,394,074	22,997,514	4,396,560

Appendix C-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2013

The lapsed balances include the following withholdings made at the Governor's request:

		<u>Year Ended June 30, 2013</u>
General Revenue Fund		
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	\$	10,084
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment		<u>13,900</u>
Total General Revenue Fund	\$	<u><u>23,984</u></u>

Appendix C-3

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 10,742,111	10,662,195	79,916
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	360,073	327,743	32,330
Medicaid Fraud Control Unit - Personal Service	167,101	166,903	198
Medicaid Fraud Control Unit - Expense and Equipment	393,949	165,531	228,418
Expense and Equipment	2,024,429	2,021,790	2,639
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	538,308	522,159	16,149
Total General Revenue Fund	14,225,971	13,866,321	359,650
FEDERAL AND OTHER FUND			
Personal Service	1,795,066	1,223,919	571,147
Law enforcement, domestic violence, and victims' services - Expense and Equipment	100,000	0	100,000
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	119,806	112,845	6,961
Medicaid Fraud Control Unit - Personal Service	834,177	774,220	59,957
Medicaid Fraud Control Unit - Expense and Equipment	848,971	0	848,971
Expense and Equipment	761,011	218,441	542,570
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	156,456	152,944	3,512
Total Federal and Other Fund	4,615,487	2,482,369	2,133,118
GAMING COMMISSION FUND			
Personal Service	109,282	91,892	17,390
Expense and Equipment	30,747	16,029	14,718
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	5,993	5,837	156
Total Gaming Commission Fund	146,022	113,758	32,264

Appendix C-3

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	36,612	36,612	0
Expense and Equipment	4,715	4,715	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	11,986	11,674	312
Total Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	53,313	53,001	312
SOLID WASTE MANAGEMENT FUND			
Personal Service	36,612	36,612	0
Expense and Equipment	5,215	5,215	0
Total Solid Waste Management Fund	41,827	41,827	0
PETROLEUM STORAGE TANK INSURANCE FUND			
Personal Service	25,108	25,108	0
Operation of state-owned facilities, utilities, systems furniture, structural modifications - Expense and Equipment	5,993	5,837	156
Total Petroleum Storage Tank Insurance Fund	31,101	30,945	156
MOTOR VEHICLE COMMISSION FUND			
Personal Service	38,167	0	38,167
Expense and Equipment	11,300	0	11,300
Total Motor Vehicle Commission Fund	49,467	0	49,467
HEALTH SPA REGULATORY FUND			
Expense and Equipment	5,000	5,000	0
Total Health Spa Regulatory Fund	5,000	5,000	0
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	36,587	36,587	0
Expense and Equipment	4,715	4,715	0
Total Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount Fund	41,302	41,302	0
COURT COSTS FUND			
Expense and Equipment	187,000	91,979	95,021
Total Court Costs Fund	187,000	91,979	95,021

Appendix C-3

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances
SOIL AND WATER SALES TAX FUND			
Personal Service	12,197	12,197	0
Expense and Equipment	2,267	2,267	0
Total Soil And Water Sales Tax Fund	14,464	14,464	0
MERCHANDISING PRACTICES REVOLVING FUND			
Personal Service	687,036	579,309	107,727
Expense and Equipment	1,879,126	918,474	960,652
Total Merchandising Practices Revolving Fund	2,566,162	1,497,783	1,068,379
WORKERS' COMPENSATION FUND			
Personal Service	277,048	276,658	390
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	87,346	79,794	7,552
Expense and Equipment	191,053	5,029	186,024
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	35,817	35,097	720
Total Workers' Compensation Fund	591,264	396,578	194,686
SECOND INJURY FUND			
Personal Service	1,950,545	1,554,954	395,591
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	87,345	79,794	7,551
Expense and Equipment	1,068,526	899,344	169,182
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	35,817	35,097	720
Total Second Injury Fund	3,142,233	2,569,189	573,044
LOTTERY ENTERPRISE FUND			
Personal Service	55,256	55,256	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	5,993	5,837	156
Total Lottery Enterprise Fund	61,249	61,093	156
ANTI-TRUST REVOLVING FUND			
Personal Service	369,832	72,100	297,732
Expense and Equipment	254,400	113,385	141,015
Total Anti-Trust Revolving Fund	624,232	185,485	438,747

Appendix C-3

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2012

	Appropriation Authority	Expenditures	Lapsed Balances
HAZARDOUS WASTE FUND			
Personal Service	283,601	283,601	0
Expense and Equipment	14,880	14,880	0
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	9,319	9,319	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	11,986	11,674	312
Total Hazardous Waste Fund	319,786	319,474	312
SAFE DRINKING WATER FUND			
Personal Service	12,224	12,224	0
Expense and Equipment	2,265	2,265	0
Total Safe Drinking Water Fund	14,489	14,489	0
TRUST FUND			
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	639,915	639,914	1
Total Trust Fund	639,915	639,914	1
INMATE INCARCERATION REIMBURSEMENT ACT REVOLVING FUND			
Personal Service	91,944	68,611	23,333
Expense and Equipment	45,640	16,002	29,638
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	11,986	11,674	312
Total Inmate Incarceration Reimbursement Act Revolving Fund	149,570	96,287	53,283
MINED LAND RECLAMATION FUND			
Personal Service	12,197	12,197	0
Expense and Equipment	2,262	2,262	0
Total Mined Land Reclamation Fund	14,459	14,459	0
Total All Funds	\$ 27,534,313	22,535,717	4,998,596

Appendix C-3

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2012

The lapsed balances include the following withholdings made at the Governor's request:

		<u>Year Ended June 30, 2012</u>
General Revenue Fund		
Payment of real property leases, utilities, systems furniture, and structural modifications - Expense and Equipment	\$	10,802
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment		<u>16,149</u>
Total General Revenue Fund	\$	<u><u>26,951</u></u>

Appendix D

Office of Attorney General Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2014	2013	2012	2011	2010
Salaries and wages	\$	17,902,584	16,848,566	15,981,155	16,479,591	17,348,120
Travel, in-state		549,061	451,361	451,672	428,117	500,824
Travel, out-of-state		86,897	92,504	106,105	55,271	98,956
Fuel and utilities		5,773	5,365	4,960	18,402	27,418
Supplies		675,453	795,086	847,983	923,185	891,119
Professional development		188,006	170,297	158,674	161,360	188,431
Communication service and supplies		420,903	417,776	390,955	372,452	395,676
Services:						
Professional		1,443,956	1,425,945	1,630,854	1,422,457	1,125,399
Housekeeping and janitorial		18,310	17,300	17,036	24,701	28,524
Maintenance and repair		510,968	362,451	244,716	267,494	290,281
Equipment:						
Computer		414,632	280,672	299,861	579,176	831,834
Motorized		21,811	42,598	88,547	91,567	0
Office		105,459	348,570	175,549	226,205	105,557
Other		8,518	7,515	23,929	23,469	52,211
Property and improvements		162,255	23,271	15,589	222,494	165,846
Debt service		0	0	0	151,979	76,292
Real property rentals and leases		1,302,394	1,391,412	1,408,443	1,415,835	1,440,875
Equipment rental and leases		8,552	9,864	9,376	9,351	6,852
Miscellaneous expenses		29,162	39,862	42,178	47,388	39,105
Refunds		8	0	0	0	0
Program distributions		113,128	267,099	638,135	913,570	985,730
Total Expenditures	\$	<u>23,967,830</u>	<u>22,997,514</u>	<u>22,535,717</u>	<u>23,834,064</u>	<u>24,599,050</u>

Appendix E

Office of Attorney General

Statement of Changes in General Capital Assets

All Funds	Furniture and Equipment	Motor Vehicles	Total
Balance, July 1, 2011	\$ 2,806,208	392,931	3,199,139
Additions	276,424	111,181	387,605
Dispositions	(506,274)	(108,797)	(615,071)
Balance, June 30, 2012	2,576,358	395,315	2,971,673
Additions	300,929	62,970	363,899
Dispositions	(101,556)	(40,063)	(141,619)
Balance, June 30, 2013	2,775,731	418,222	3,193,953
Additions	414,751	21,298	436,049
Dispositions	(214,978)	(37,891)	(252,869)
Balance, June 30, 2014	\$ 2,975,504	401,629	3,377,133

	Balance June 30, 2014
<u>Fund of Acquisition</u>	
General Revenue Fund	\$ 2,613,131
Federal and Other Fund	213,093
Gaming Commission Fund	18,414
Motor Vehicle Commission Fund	2,494
Health Spa Regulatory Fund	12,067
Soil and Water Sales Tax Fund	1,163
Merchandising Practices Revolving Fund	279,410
Workers' Compensation Fund	11,330
Second Injury Fund	202,562
Antitrust Revolving Fund	111
Hazardous Waste Fund	3,668
Inmate Incarceration Reimbursement Act Revolving Fund	19,690
Total All Funds	\$ 3,377,133

Appendix F

Office of Attorney General Comparative Statement of Financial Services Division Collections

	Year Ended June 30,					
	2014		2013		2012	
	Number of Payments	Amount Collected	Number of Payments	Amount Collected	Number of Payments	Amount Collected
Forwarded to:						
AGO - Fiscal Unit ¹	1,963	\$ 1,812,747	1,461	\$ 5,188,593	943	\$ 2,183,783
Department of Social Services	1,622	16,977,769	1,547	11,053,297	2,151	6,600,231
Department of Labor and Industrial Relations	556	631,589	748	748,745	797	514,507
Department of Health and Senior Services	189	99,139	242	127,922	311	178,389
Department of Mental Health	60	87,580	75	114,124	61	69,223
Department of Natural Resources	74	422,334	77	355,380	93	498,260
State Lottery Commission	370	111,027	297	53,952	388	81,614
Department of Corrections	8	1,169	8	1,600	4	800
Department of Agriculture	61	6,444	22	2,177	35	2,672
Department of Economic Development	7	55,979	3	14,810	6	1,519
Department of Public Safety	45	12,446	31	1,900	17	11,814
Department of Revenue	13	9,135	11	10,563	14	2,100
Missouri Ethics Commission	86	23,398	92	20,465	90	22,932
Missouri National Guard	37	4,975	64	6,984	59	4,606
Missouri Real Estate Commission	0	0	1	3,500	2	1,250
Office of Administration	14	284,940	16	22,671	6	78,617
Secretary of State	51	12,275	38	149,721	26	10,374
State Auditor's Office	14	26,498	10	15,242	1	1,000
State Treasurer's Office	23	89,058	13	280,406	2	22,500
Businesses and individuals	57	16,369	67	18,060	89	58,614
Political subdivisions	326	1,421,453	254	2,686,551	219	1,426,291
Monies received directly by above entities	278	5,334,348	249	5,987,723	817	30,868,852
Total	5,854	\$ 27,440,672	5,326	\$ 26,864,386	6,131	\$ 42,639,948

¹These monies are reflected in Appendixes A and B.



John Watson
Missouri State Auditor

State of Missouri

Single Audit

Year Ended
June 30, 2014

March 2015
Report No. 2015-014



<http://auditor.mo.gov>



John Watson
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Fiscal Year 2014 Statewide Single Audit

Recusal	To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee the procedures performed by the State Auditor's professional audit staff.
Single Audit Background	<p>The United States Congress passed the Single Audit Act of 1996 to establish uniform requirements for audits of federal awards administered by states, local governments, and non-profit organizations. The Act requires an audit of the state's financial statements and its use of federal awards.</p> <p>Single Audit guidelines require audit work be conducted on "major" programs and utilize a risk-based approach to determine which specific programs are major. Using this methodology, for the fiscal year ended June 30, 2014 (FY2014), our Single Audit involved audit work on 14 major programs at 7 state departments, encompassing \$6.93 billion (60 percent) of the total federal awards spent. The audit contains 14 findings with 18 recommendations. Several of these findings are summarized below.</p>
2014 Federal Awards	The state spent approximately \$11.49 billion in federal awards through 313 different federal programs during FY2014. Although 19 state departments and other state offices expended federal awards, 4 state departments expended the bulk of the federal awards (91 percent).
Medicaid Cost Recovery DSS	The Department of Social Services (DSS) - MO HealthNet Division (MHD) failed to timely take appropriate actions to recover funds from estates of thousands of deceased participants of the Medicaid program. As a result, the DSS-MHD likely forfeited the opportunity to possibly recover millions of dollars in medical expenses paid from state and federal funds.
Child Care Eligibility, Payments, and Provider Eligibility DSS	As noted in our four prior audit reports, significant weaknesses still exist in the DSS controls over the Child Care Development Fund eligibility and provider payments. The DSS could not locate all or part of the eligibility files for 13 percent of cases reviewed, eligibility documentation was not sufficient to support a valid need for childcare for 18 percent of cases reviewed, and 36 percent of payments reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. For 6 percent of cases reviewed, case file documentation did not support the authorizations for payments. In addition, 4 of 8 providers reviewed were paid for improperly claimed absences after holiday allowances were exhausted. The DSS also lacks adequate controls and procedures to ensure license-exempt child care providers comply with state law. State law does not require child care providers to be licensed if they care for four or less children to whom they are not related. We reviewed 7 license-exempt providers, each caring for between 5 and 15 children, and found that for 43 percent of the providers, the DSS incorrectly classified, or could not substantiate, the relationship between the providers and the related children.

Eligibility and TANF Assistance Payments, Work Participation, and Sanctions DSS	As noted in our three prior audit reports, the DSS-Family Support Division (DSS-FSD) paid Temporary Assistance for Needy Families (TANF) benefits to some recipients who may not have been eligible or were ineligible for the full amount of TANF payments received. We noted concerns for 37 percent of recipients reviewed. In addition, for 40 percent of TANF cases flagged for non-cooperation we tested, either the Child Support Enforcement Unit did not promptly notify the DSS-FSD of the non-cooperation, or the DSS-FSD did not act to sanction the recipient upon notification. Also, as noted in the four prior audits, the DSS-FSD was not in compliance with certain work activity reporting requirements contained in the Work Verification Plan. For 48 percent of recipients tested, the work participation hours were not documented, not verified, and/or not reported correctly. The DSS-FSD still lacks adequate procedures to ensure Missouri Work Assistance contractors notified the DSS-FSD when TANF recipients failed to meet work participation requirements, and 3 percent of recipients tested were not properly sanctioned for noncompliance.
Payment Coding DSS	Coding errors by the DSS-Division of Finance and Administrative Services and Children's Division (CD) went undetected, causing approximately \$1.5 million in federal expenditures to be incorrectly allocated to either the Adoption Assistance program or the Foster Care program.
Adoption Assistance Eligibility and Assistance Payments DSS	As noted in two previous audits of the Adoption Assistance program, the DSS-CD made payments on behalf of ineligible children, did not retain sufficient documentation to support some eligibility decisions made, and appears to have backdated some subsidy agreements. For 3 percent of cases tested, the adoption subsidy agreement was not signed and in effect before or at the date of adoption and for 2 percent of cases tested, the adoption subsidy agreement was not located in the case file. For some additional cases, it appears the subsidy agreements were not signed and in effect prior to or at the date of the adoption decree because the CD Director's signature date was apparently backdated.
Medicaid Home and Community Based Services Eligibility Redeterminations DHSS	As noted in the four prior audits, the Department of Health and Senior Services (DHSS)-Division of Senior Disability Services (DSDS) does not ensure annual reassessments are performed, as required, to determine continued need of services of Home and Community Based Services recipients. The DHSS-DSDS did not perform annual reassessments for 17 percent of the cases reviewed which required a reassessment.
Medicaid Participant Eligibility and Report Reviews DSS	The DSS-MHD did not ensure monthly supervisory reviews of eligibility determinations were completed as required to ensure compliance with participant enrollment requirements of aged, blind, and disabled individuals, and timely eligibility determinations were not always made. In addition, the DSS-MHD does not have effective controls for reviewing some reports to ensure compliance with enrollment requirements of the Medicare Buy-In program. The DSS-MHD failed to add or delete some participants in the Buy-In program when required.

Because of the compound nature of this audit report, no overall rating is provided.

STATE OF MISSOURI
SINGLE AUDIT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION AND SUMMARY	1-8
STATE AUDITOR'S REPORTS.....	9-18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-12
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	13-16
Independent Auditor's Report on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133	17-18
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	19-31
Notes to the Schedule of Expenditures of Federal Awards	29-31
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	32-68
Section I - Summary of Auditor's Results.....	33
Section II - Financial Statement Findings	34
<u>Number</u>	<u>Description</u>
2014-001. Financial Reporting Controls - Department of Social Services - MO HealthNet Division	34
Section III - Federal Award Findings and Questioned Costs	36
<u>Number</u>	<u>Description</u>
2014-002. <u>Department of Health and Senior Services</u> Medicaid Home and Community Based Services.....	36

STATE OF MISSOURI
SINGLE AUDIT

TABLE OF CONTENTS

		<u>Page</u>
SCHEDULE OF FINDINGS AND QUESTIONED COSTS		32-68
<u>Number</u>	<u>Description</u>	
	<u>Department of Social Services</u>	
2014-003.	Payroll Allocations.....	38
2014-004.	Payment Coding	40
2014-005.	Child Care Eligibility and Payments.....	44
2014-006.	Child Care Provider Eligibility	48
2014-007.	Foster Care Case Management Resource Development Payments.....	51
2014-008.	Adoption Assistance - Eligibility and Assistance Payments.....	52
2014-009.	Eligibility and TANF Assistance Payments.....	55
2014-010.	TANF Work Participation and Sanctions	58
2014-011.	Medicaid Cost Recovery	61
2014-012.	Pharmacy Dispensing Fees	63
2014-013.	Participant Eligibility	64
2014-014.	Report Reviews	66
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133		69-161

Common Abbreviations

ARRA	American Recovery and Reinvestment Act of 2009
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CSR	Code of State Regulations
OMB	Office of Management and Budget
RSMo	Missouri Revised Statutes
SAM II	Statewide Advantage for Missouri
USC	United States Code

INTRODUCTION AND SUMMARY

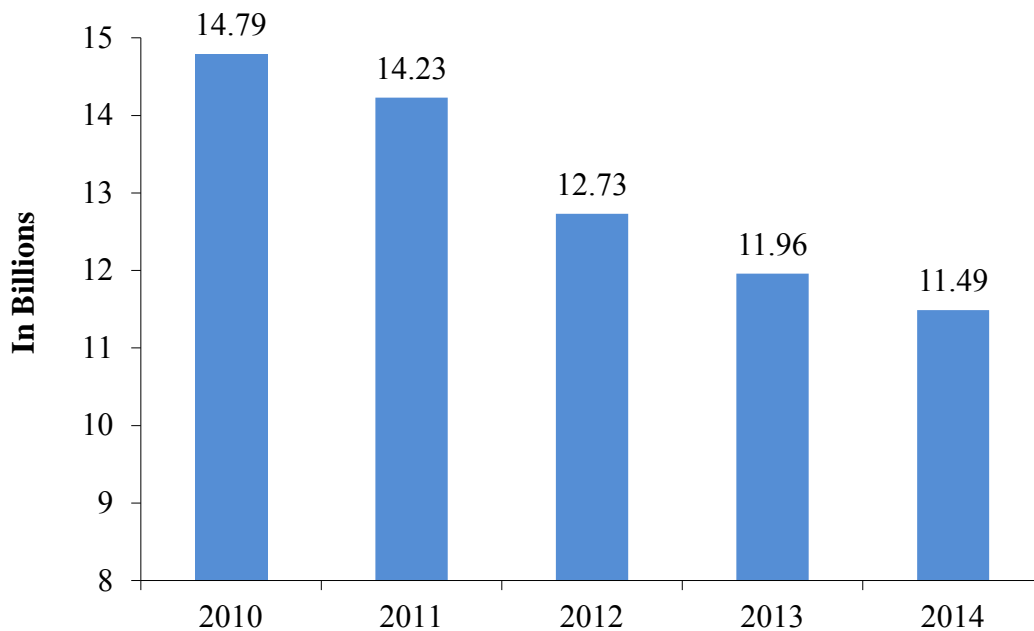
INTRODUCTION AND SUMMARY

The United States Congress passed the Single Audit Act of 1996 to establish uniform requirements for audits of federal awards administered by states, local governments, and non-profit organizations. The Office of Management and Budget (OMB) issued Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* to set forth standards for obtaining consistency and uniformity among federal agencies for the audit of non-federal entities expending federal awards. A single audit requires an audit of the state's financial statements and expenditures of federal awards. The audit is required to determine whether:

- The state's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.
- The schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole.
- The state has adequate internal controls to ensure compliance with federal award requirements.
- The state has complied with the provisions of laws, regulations, and contracts or grants that could have a direct and material effect on federal awards.

The Single Audit report includes the federal awards expended by all state agencies that are part of the primary government. The report does not include the component units of the state, which are the public universities and various financing authorities. These component units have their own separate OMB Circular A-133 audits conducted by other auditors. The state expended \$11.49 billion in federal awards during the year ended June 30, 2014.

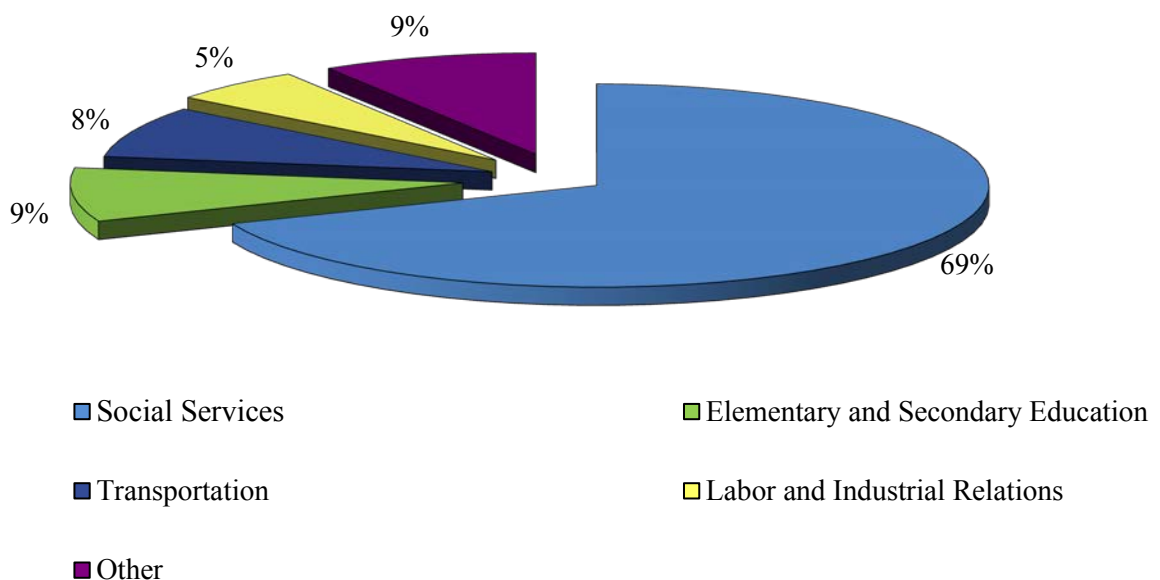
Total Expenditures of Federal Awards Five Year Comparison



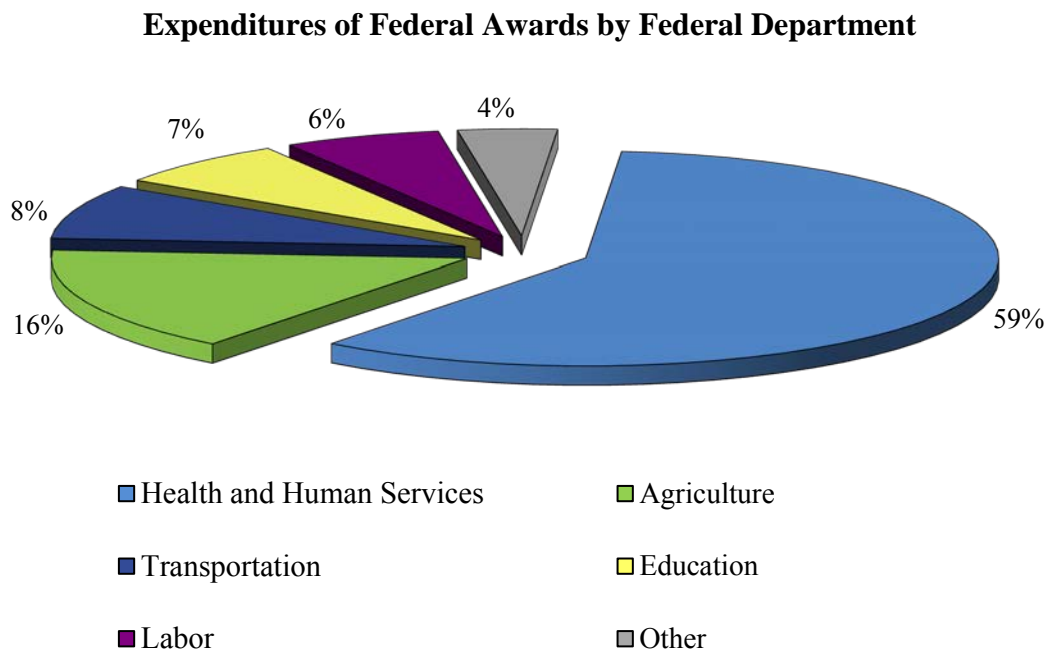
Expenditures of federal awards peaked in fiscal year 2010 due to additional federal funds made available through the American Recovery and Reinvestment Act of 2009 (ARRA). The majority of ARRA funds were expended by the end of fiscal year 2012; however, a few programs continued to have ARRA expenditures in fiscal year 2014.

Although 19 state departments and other state offices expended federal awards, 4 state departments expended the bulk of the federal awards (91 percent).

Expenditures of Federal Awards by State Department



The state received federal awards from 23 different federal agencies. Most of the federal awards (96 percent) came from 5 federal agencies.

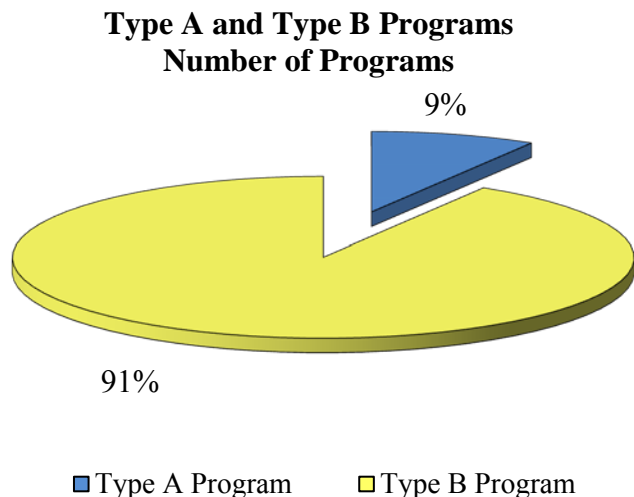


Overall, the state expended federal awards in 313 different programs. Under the audit requirements of OMB Circular A-133, federal programs are divided into Type A and Type B programs based on a dollar threshold. For the state of Missouri, OMB Circular A-133 defines the dollar threshold of a Type A program as the larger of \$30 million or fifteen-hundredths of one percent (0.0015) of federal awards expended.

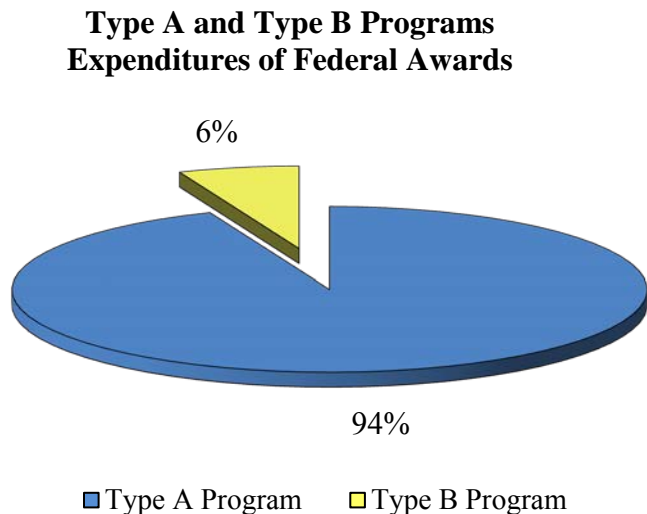
Determination of Type A Programs

Larger of:		\$30,000,000
		or
Total expenditures of federal awards	11,491,079,208	
Fifteen-hundredths of one percent	<u>.0015</u>	
		17,236,619
Dollar Threshold		<u>\$30,000,000</u>

Programs with federal expenditures over \$30 million are Type A programs and the programs under \$30 million are Type B programs. Of the 313 different federal award programs, 27 were Type A programs and 286 were Type B programs.



The 27 Type A programs had expenditures of federal awards totaling approximately \$10.8 billion, which was 94 percent of the total expenditures for all programs. The 286 Type B programs had expenditures of federal awards totaling approximately \$699 million, which was only 6 percent of the total expenditures for all programs.



OMB Circular A-133 requires the auditor to perform risk assessments on Type A programs and to audit as major each Type A program assessed as high risk based on various risk factors. We performed a risk assessment on each Type A program and determined 15 of the 27 Type A programs were low risk and did not need to be audited as major. In accordance with OMB Circular A-133, we audited the 12 Type A programs assessed as high risk as major.

OMB Circular A-133 also requires the auditor to perform risk assessments on the larger Type B programs to determine which ones to audit as major in place of the Type A programs which were not audited as major. The dollar threshold to determine the larger Type B programs is three-hundredths of one percent (.0003) of total awards expended (\$11.49 billion times .0003 = \$3,447,324). We performed risk assessments on the 50 larger Type B programs and determined 4 of them were high risk. In accordance with OMB Circular A-133, we audited 2 (at least one-half) of these 4 high risk Type B programs as major.

Major and Non-major Programs			
Audit Coverage by Type of Program	Number of Programs	Expenditures	Percentage of Expenditures
Type A major programs	12	\$ 6,910,636,735	
Type B major programs	2	18,133,732	
Total major programs	14	\$ 6,928,770,467	60%
Type A non-major programs	15	\$ 3,881,636,669	
Type B non-major programs	284	680,672,072	
Total non-major programs	299	\$ 4,562,308,741	40%
Total all programs	313	\$ 11,491,079,208	100%

STATE OF MISSOURI
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	Agriculture	\$ 1,284,728,004
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	45,431,799
	Total SNAP Cluster		<u>1,330,159,803</u>
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	68,020,146
10.555	National School Lunch Program	Agriculture	223,050,696
10.556	Special Milk Program for Children	Agriculture	448,170
10.559	Summer Food Service Program for Children	Agriculture	10,553,323
	Total Child Nutrition Cluster		<u>302,072,335</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	95,448,448
10.558	Child and Adult Care Food Program	Agriculture	50,282,413
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	40,036,520
	CDBG - State-Administered CDBG Cluster:		
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	31,965,186
	Total CDBG - State-Administered CDBG Cluster		<u>31,965,186</u>
17.225	Unemployment Insurance	Labor	616,720,973
17.225	ARRA - Unemployment Insurance	Labor	8,511,166
	WIA Cluster:		
17.258	Workforce Investment Act - Adult Program	Labor	11,601,679
17.259	Workforce Investment Act - Youth Activities	Labor	14,857,119
17.278	Workforce Investment Act - Dislocated Worker Formula Grants	Labor	14,170,918
	Total WIA Cluster		<u>40,629,716</u>
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	Transportation	839,307,873
20.205	ARRA - Highway Planning and Construction	Transportation	4,165,255
20.219	Recreational Trails Program	Transportation	3,009,755
	Total Highway Planning and Construction Cluster		<u>846,482,883</u>
64.015	Veterans State Nursing Home Care	Veterans Affairs	60,377,752
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	41,564,051
	Total Clean Water State Revolving Fund Cluster		<u>41,564,051</u>
84.010	Title I Grants to Local Educational Agencies	Education	229,976,237
	Special Education Cluster (IDEA):		
84.027	Special Education - Grants to States	Education	221,983,907
84.173	Special Education - Preschool Grants	Education	1,416,083
	Total Special Education Cluster (IDEA)		<u>223,399,990</u>
84.032	Federal Family Education Loans	Education	148,593,115
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Education	59,378,348
84.367	Improving Teacher Quality State Grants	Education	42,480,932
93.268	Immunization Cooperative Agreements	Health and Human Services	61,319,631

STATE OF MISSOURI
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	Health and Human Services	179,856,587
	Total TANF Cluster		179,856,587
93.563	Child Support Enforcement	Health and Human Services	37,532,678
93.568	Low-Income Home Energy Assistance	Health and Human Services	76,702,921
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	Health and Human Services	44,366,322
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services	61,087,195
	Total CCDF Cluster		105,453,517
93.658	Foster Care - Title IV-E	Health and Human Services	61,921,201
93.659	Adoption Assistance	Health and Human Services	30,234,942
93.667	Social Services Block Grant	Health and Human Services	51,593,338
93.767	Children's Health Insurance Program	Health and Human Services	131,705,663
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	Health and Human Services	1,525,484
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services	17,286,013
93.778	Medical Assistance Program	Health and Human Services	5,783,934,637
93.778	ARRA - Medical Assistance Program	Health and Human Services	45,785,423
	Total Medicaid Cluster		5,848,531,557
	Disability Insurance/SSI Cluster:		
96.001	Social Security - Disability Insurance	Social Security Administration	39,341,501
	Total Disability Insurance/SSI Cluster		39,341,501
	Total Type A Programs (expenditures greater than \$30,000,000)		10,792,273,404
	Total Type B Programs (expenditures less than \$30,000,000)		698,805,804
	Total Expenditures of Federal Awards		\$ 11,491,079,208

STATE AUDITOR'S REPORTS



THOMAS A. SCHWEICH

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 12, 2015. Our report expressed a qualified opinion on the governmental activities and the General Fund, a major fund, because we were not allowed access to tax returns and related source documents for income taxes. Approximately 27 percent of governmental activity revenues and 32 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Our report on the state of Missouri's financial statements also includes a reference to other auditors who audited the financial statements of:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Conservation Employees' Insurance Plan; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, which represent 79 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which are both major funds and represent 34 percent and 54 percent of the assets and revenues, respectively, of the business-type activities.

3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 99 percent of the assets and additions, respectively, of the fiduciary funds.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan, and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these entities.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the state of Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state's internal control. Accordingly, we do not express an opinion on the effectiveness of the state's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and therefore, material weaknesses may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as finding number 2014-001 to be a material weakness.

Compliance and Other Matters

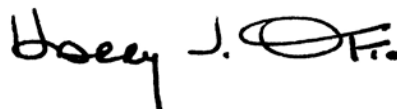
As part of obtaining reasonable assurance about whether the state of Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

State's Response to Findings

The state of Missouri's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The state's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Harry J. Otto".

Harry J. Otto, CPA
Deputy State Auditor

January 12, 2015



JOHN WATSON

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

Report on Compliance for Each Major Federal Program

We have audited the state of Missouri's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. The state's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the state's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the state's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the state's compliance.

Basis for Qualified Opinion on Certain Major Federal Programs

As described in findings 2014-005, 2014-006, 2014-008, and 2014-009 in the accompanying Schedule of Findings and Questioned Costs, the state of Missouri did not comply with requirements regarding the following:

<i>Finding Number</i>	<i>CFDA Number</i>	<i>Program (or Cluster) Name</i>	<i>Compliance Requirement(s)</i>
2014-005	93.575 93.596	Child Care Development Fund Cluster	Activities Allowed and Unallowed, Allowable Costs and Cost Principles, and Eligibility
2014-006	93.575 93.596	Child Care Development Fund Cluster	Eligibility and Special Tests and Provisions
2014-008	93.659	Adoption Assistance	Activities Allowed and Unallowed, Allowable Costs and Cost Principles, and Eligibility
2014-009	93.558	Temporary Assistance for Needy Families Cluster	Activities Allowed and Unallowed, Allowable Costs and Cost Principles, and Eligibility

Compliance with such requirements is necessary, in our opinion, for the state of Missouri to comply with the requirements applicable to these programs.

Qualified Opinion on Certain Major Federal Programs

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the state of Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the state of Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as findings 2014-002, 2014-003, 2014-004, 2014-010, 2014-012, and 2014-014. Our opinion on each major federal program is not modified with respect to these matters.

The state of Missouri's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The state's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the state of Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the state's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

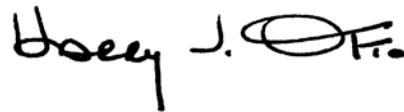
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as findings 2014-004, 2014-005, 2014-006, and 2014-009 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance

requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as findings 2014-010, 2014-013, and 2014-014 to be significant deficiencies.

The state of Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The state's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large, looped "H" and a distinct "O" at the end.

Harry J. Otto, CPA
Deputy State Auditor

February 27, 2015



THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 12, 2015. Our report expressed a qualified opinion on the governmental activities and the General Fund, a major fund, because we were not allowed access to tax returns and related source documents for income taxes. Approximately 27 percent of governmental activity revenues and 32 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Our report on the state of Missouri's financial statements also includes a reference to other auditors who audited the financial statements of:

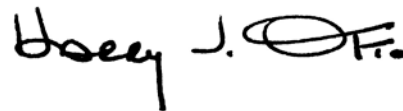
1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Conservation Employees' Insurance Plan; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, which represent 79 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which are both major funds and represent 34 percent and 54 percent of the assets and revenues, respectively, of the business-type activities.

3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 99 percent of the assets and additions, respectively, of the fiduciary funds.

The financial statements of the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan, and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the audit procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The state of Missouri has excluded federal award expenditures of public universities and other component units from the accompanying schedule. In our opinion, except for the effects of the exclusion of federal award expenditures of public universities and other component units, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report is solely to provide an opinion on the Schedule of Expenditures of Federal Awards in relation to the basic financial statements as a whole based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Harry J. Otto".

Harry J. Otto, CPA
Deputy State Auditor

January 12, 2015

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Department of Agriculture		\$	
10.UNKNOWN	National Food Animal Veterinary Institute	137,484	113,685
10.UNKNOWN	School Lunch Commodity Refund	22,161	22,161
10.025	Plant and Animal Disease, Pest Control, and Animal Care	579,731	0
10.069	Conservation Reserve Program	1,320,619	444,679
10.153	Market News	2,576	0
10.165	Perishable Agricultural Commodities Act	3,452	0
10.170	Specialty Crop Block Grant Program - Farm Bill	426,092	385,656
10.435	State Mediation Grants	14,737	0
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	562,438	0
10.479	Food Safety Cooperative Agreements	144,952	0
SNAP Cluster:			
10.551	Supplemental Nutrition Assistance Program	1,284,728,004	0
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	45,431,799	10,585,875
	Total SNAP Cluster	1,330,159,803	10,585,875
Child Nutrition Cluster:			
10.553	School Breakfast Program	68,020,146	68,020,146
10.555	National School Lunch Program	223,050,696	223,050,696
10.556	Special Milk Program for Children	448,170	448,170
10.559	Summer Food Service Program for Children	10,553,323	9,949,587
	Total Child Nutrition Cluster	302,072,335	301,468,599
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	95,448,448	23,709,400
10.558	Child and Adult Care Food Program	50,282,413	49,581,158
10.560	State Administrative Expenses for Child Nutrition	3,727,104	1,963,983
Food Distribution Cluster:			
10.565	Commodity Supplemental Food Program	1,195,299	1,146,104
10.568	Emergency Food Assistance Program (Administrative Costs)	1,156,064	509,746
10.569	Emergency Food Assistance Program (Food Commodities)	9,518,806	0
	Total Food Distribution Cluster	11,870,169	1,655,850
10.574	Team Nutrition Grants	292,368	83,731
10.578	ARRA - WIC Grants to States (WGS)	182,130	0
10.579	Child Nutrition Discretionary Grants Limited Availability	1,494,015	72,599
10.582	Fresh Fruit and Vegetable Program	3,105,319	3,105,319
10.664	Cooperative Forestry Assistance	1,619,238	261,479
Forest Service Schools and Roads Cluster:			
10.665	Schools and Roads - Grants to States	5,463,317	5,463,317
	Total Forest Service Schools and Roads Cluster	5,463,317	5,463,317
10.675	Urban and Community Forestry Program	80,495	0
10.680	Forest Health Protection	346	0
10.912	Environmental Quality Incentives Program	196,852	0
	Total Department of Agriculture	1,809,208,594	398,917,491
Department of Commerce			
11.555	Public Safety Interoperable Communications Grant Program	426,066	0
11.557	ARRA - Broadband Technology Opportunities Program (BTOP)	331,717	315,816
11.558	ARRA - State Broadband Data and Development Grant Program	2,373,642	1,487,172
	Total Department of Commerce	3,131,425	1,802,988
Department of Defense			
12.AAG	Excess Property Program	4,010,495	4,010,495
12.UNKNOWN	Troops to Teachers	149,067	5,938
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	693,968	0
12.401	National Guard Military Operations and Maintenance (O&M) Projects	40,036,520	0
	Total Department of Defense	44,890,050	4,016,433

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Department of Housing and Urban Development			
CDBG - State-Administered CDBG Cluster:			
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	31,965,186	30,794,974
	Total CDBG - State-Administered CDBG Cluster	31,965,186	30,794,974
14.231	Emergency Solutions Grants Program	3,019,735	2,985,230
14.238	Shelter Plus Care	10,900,584	10,837,916
14.241	Housing Opportunities for Persons with AIDS	683,815	683,815
14.401	Fair Housing Assistance Program - State and Local	666,759	0
	Total Department of Housing and Urban Development	47,236,079	45,301,935
Department of the Interior			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	189,224	0
15.252	Abandoned Mine Land Reclamation (AMLR) Program	2,679,272	1,800,449
Fish and Wildlife Cluster:			
15.605	Sport Fish Restoration Program	8,443,849	0
15.611	Wildlife Restoration and Basic Hunter Education	13,051,940	0
	Total Fish and Wildlife Cluster	21,495,789	0
15.608	Fish and Wildlife Management Assistance	200,857	0
15.615	Cooperative Endangered Species Conservation Fund	110,210	0
15.622	Sportfishing and Boating Safety Act	100,000	0
15.623	North American Wetlands Conservation Fund	138,657	0
15.634	State Wildlife Grants	943,349	0
15.657	Endangered Species Conservation - Recovery Implementation Funds	9,491	0
15.658	Natural Resource Damage Assessment, Restoration and Implementation	27	0
15.808	U.S. Geological Survey - Research and Data Collection	37,487	0
15.810	National Cooperative Geologic Mapping Program	139,069	0
15.814	National Geological and Geophysical Data Preservation Program	13,577	0
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	16,112	0
15.904	Historic Preservation Fund Grants-In-Aid	892,900	121,578
15.916	Outdoor Recreation - Acquisition, Development and Planning	1,492,741	218,618
15.935	National Trails System Projects	17,528	0
15.978	Upper Mississippi River System Long Term Resource Monitoring Program	344,181	0
	Total Department of the Interior	28,820,471	2,140,645
Department of Justice			
16.013	Violence Against Women Act Court Training and Improvement Grants	6,468	0
16.017	Sexual Assault Services Formula Program	187,397	176,956
16.523	Juvenile Accountability Block Grants	513,850	357,873
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	448,159	243,527
16.548	Title V - Delinquency Prevention Program	43,348	43,348
16.554	National Criminal History Improvement Program (NCHIP)	145,831	128,392
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	109,341	59,217
16.575	Crime Victim Assistance	6,925,039	6,696,229
16.576	Crime Victim Compensation	1,974,912	1,974,912
16.588	Violence Against Women Formula Grants	2,003,052	1,871,069
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	104,801	0
16.593	Residential Substance Abuse Treatment for State Prisoners	412,865	122,080
16.606	State Criminal Alien Assistance Program	258,678	0
16.610	Regional Information Sharing Systems	4,799,138	4,799,138
16.710	Public Safety Partnership and Community Policing Grants	305,837	0
16.726	Juvenile Mentoring Program	198,471	102,289
16.727	Enforcing Underage Drinking Laws Program	135,244	98,525
16.734	Special Data Collections and Statistical Studies	2,794	0
JAG Program Cluster:			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	4,762,299	4,051,842
	Total JAG Program Cluster	4,762,299	4,051,842

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	317,262	0
16.741	DNA Backlog Reduction Program	683,215	0
16.750	Support for Adam Walsh Act Implementation Grant Program	395,000	0
16.812	Second Chance Act Reentry Initiative	17,273	0
16.813	NICS Act Record Improvement Program	763,157	737,931
16.816	John R. Justice Prosecutors and Defenders Incentive Act	63,968	60,839
Total Department of Justice		25,577,399	21,524,167
Department of Labor			
17.002	Labor Force Statistics	869,207	0
17.005	Compensation and Working Conditions	199,641	0
Employment Service Cluster:			
17.207	Employment Service/Wagner-Peyser Funded Activities	12,381,754	0
17.801	Disabled Veterans' Outreach Program (DVOP)	1,259,418	0
17.804	Local Veterans' Employment Representative Program	1,372,722	0
Total Employment Service Cluster		15,013,894	0
17.225	Unemployment Insurance	616,720,973	0
17.225	ARRA - Unemployment Insurance	8,511,166	0
17.235	Senior Community Service Employment Program	1,962,095	1,904,873
17.245	Trade Adjustment Assistance	10,629,465	0
WIA Cluster:			
17.258	Workforce Investment Act - Adult Program	11,601,679	11,022,800
17.259	Workforce Investment Act - Youth Activities	14,857,119	13,421,888
17.278	Workforce Investment Act - Dislocated Worker Formula Grants	14,170,918	12,591,534
Total WIA Cluster		40,629,716	37,036,222
17.261	WIA Pilots, Demonstrations, and Research Projects	317,066	52,906
17.268	H-1B Job Training Grants	157,194	126,754
17.271	Work Opportunity Tax Credit Program (WOTC)	383,164	0
17.273	Temporary Labor Certification for Foreign Workers	125,684	0
17.277	Workforce Investment Act (WIA) National Emergency Grants	4,970,798	4,780,451
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	115,239	0
17.504	Consultation Agreements	1,232,506	0
17.600	Mine Health and Safety Grants	215,020	0
Total Department of Labor		702,052,828	43,901,206
Department of Transportation			
20.106	Airport Improvement Program	25,902,167	25,887,677
Highway Planning and Construction Cluster:			
20.205	Highway Planning and Construction	839,307,873	114,623,311
20.205	ARRA - Highway Planning and Construction	4,165,255	1,325,614
20.219	Recreational Trails Program	3,009,755	1,018,826
Total Highway Planning and Construction Cluster		846,482,883	116,967,751
20.218	National Motor Carrier Safety	3,295,338	1,243,086
20.232	Commercial Driver's License Program Improvement Grant	233,324	29,898
20.237	Commercial Vehicle Information Systems and Networks	78,564	0
20.238	Commercial Driver's License Information System Modernization	4,476	0
20.240	Fuel Tax Evasion - Intergovernmental Enforcement Effort	105,508	0
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	237,819	0
20.319	ARRA - High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	13,021,848	0
Federal Transit Cluster:			
20.500	Federal Transit - Capital Investment Grants	2,993,180	2,993,180
Total Federal Transit Cluster		2,993,180	2,993,180
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	6,915,335	6,823,760
20.509	Formula Grants for Rural Areas	13,884,477	13,240,396

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
	Transit Services Programs Cluster:		
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	267,199	144,436
20.516	Job Access and Reverse Commute Program	1,294,809	1,294,809
20.521	New Freedom Program	578,070	578,070
	Total Transit Services Programs Cluster	2,140,078	2,017,315
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	4,817,614	3,803,843
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	2,416,141	2,343,106
20.610	State Traffic Safety Information System Improvement Grants	605,031	604,382
20.612	Incentive Grant Program to Increase Motorcyclist Safety	115,506	0
20.613	Child Safety and Child Booster Seats Incentive Grants	196,064	62,637
	Total Highway Safety Cluster	8,150,356	6,813,968
20.607	Alcohol Open Container Requirements	18,141,398	3,116,741
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	4,816,572	2,391,833
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	178,013	0
20.616	National Priority Safety Programs	90,752	23,777
20.700	Pipeline Safety Program State Base Grant	572,192	0
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	366,440	126,795
20.720	State Damage Prevention Program Grants	40,000	0
20.721	PHMSA Pipeline Safety Program One Call Grant	8,912	0
20.816	America's Marine Highway Grants	1,422	0
	Total Department of Transportation	947,661,054	181,676,177
	Equal Employment Opportunity Commission		
30.UNKNOWN	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	557,968	0
	Total Equal Employment Opportunity Commission	557,968	0
	General Services Administration		
39.003	Donation of Federal Surplus Personal Property	2,792,168	2,442,989
39.011	Election Reform Payments	348,737	348,731
	Total General Services Administration	3,140,905	2,791,720
	National Foundation on the Arts and the Humanities		
45.025	Promotion of the Arts - Partnership Agreements	696,678	383,710
45.310	Grants to States	2,727,676	1,946,872
	Total National Foundation on the Arts and the Humanities	3,424,354	2,330,582
	Small Business Administration		
59.061	State Trade and Export Promotion Pilot Grant Program	526,260	489,861
	Total Small Business Administration	526,260	489,861
	Department of Veterans Affairs		
64.005	Grants to States for Construction of State Home Facilities	883,726	0
64.015	Veterans State Nursing Home Care	60,377,752	0
64.024	VA Homeless Providers Grant and Per Diem Program	715,000	715,000
64.101	Burial Expenses Allowance for Veterans	765,442	0
64.115	Veterans Information and Assistance	479,095	0
	Total Department of Veterans Affairs	63,221,015	715,000
	Environmental Protection Agency		
66.032	State Indoor Radon Grants	146,168	0
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	646,678	0
66.039	National Clean Diesel Emissions Reduction Program	270,909	186,752
66.040	State Clean Diesel Grant Program	171,271	115,034
66.202	Congressionally Mandated Projects	32,535	0
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	170,000	0
66.433	State Underground Water Source Protection	160,855	0

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
66.454	Water Quality Management Planning	249,528	38,642
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	41,564,051	33,695,161
	Total Clean Water State Revolving Fund Cluster	41,564,051	33,695,161
66.460	Nonpoint Source Implementation Grants	4,647,861	2,211,631
66.461	Regional Wetland Program Development Grants	96,900	39,033
	Drinking Water State Revolving Fund Cluster:		
66.468	Capitalization Grants for Drinking Water State Revolving Funds	26,129,184	14,314,643
	Total Drinking Water State Revolving Fund Cluster	26,129,184	14,314,643
66.474	Water Protection Grants to the States	10,228	0
66.475	Gulf of Mexico Program	36,488	34,287
66.605	Performance Partnership Grants	13,096,788	64,768
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	164,116	0
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	338,551	0
66.714	Regional Agricultural IPM Grants	25,052	0
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,553,620	331,311
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	500,159	0
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,171,968	125,181
66.817	State and Tribal Response Program Grants	1,185,359	0
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	28,366	0
	Total Environmental Protection Agency	92,396,635	51,156,443
Department of Energy			
81.041	State Energy Program	737,098	164,988
81.042	Weatherization Assistance for Low-Income Persons	7,031,049	6,160,102
81.089	Fossil Energy Research and Development	32,594	0
81.092	Weldon Springs Site Remedial Action Project	355,357	0
81.104	Environmental Remediation and Waste Processing and Disposal	127,627	0
81.119	State Energy Program Special Projects	290,708	14,507
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	60,166	0
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	22,335	0
81.136	Long-Term Surveillance and Maintenance	64,151	0
81.138	State Heating Oil and Propane Program	5,702	0
	Total Department of Energy	8,726,787	6,339,597
Department of Education			
84.UNKNOWN	Cooperative System Grant	14,444	0
84.002	Adult Education - Basic Grants to States	7,964,980	6,758,861
84.010	Title I Grants to Local Educational Agencies	229,976,237	228,439,710
84.011	Migrant Education - State Grant Program	1,388,559	1,363,661
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,444,503	1,431,071
	Special Education Cluster (IDEA):		
84.027	Special Education - Grants to States	221,983,907	198,358,473
84.173	Special Education - Preschool Grants	1,416,083	1,416,083
	Total Special Education Cluster (IDEA)	223,399,990	199,774,556
84.032	Federal Family Education Loans	148,593,115	0
84.048	Career and Technical Education - Basic Grants to States	18,466,552	16,831,957
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	59,378,348	0
84.144	Migrant Education - Coordination Program	82,593	82,593
84.169	Independent Living - State Grants	321,175	274,820
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	664,329	0
84.181	Special Education - Grants for Infants and Families	4,768,514	0
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	11,919	0
84.196	Education for Homeless Children and Youth	807,382	800,550
84.224	Assistive Technology	1,079,498	837,454
84.235	Rehabilitation Services Demonstration and Training Programs	75	0

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
84.265	Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	47,550	0
84.282	Charter Schools	1,002,983	991,424
84.287	Twenty-First Century Community Learning Centers	20,628,689	20,073,134
84.323	Special Education - State Personnel Development	859,237	859,237
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	190,816	0
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	169,011	169,011
84.358	Rural Education	2,663,529	2,663,529
84.365	English Language Acquisition State Grants	5,249,895	5,187,384
84.366	Mathematics and Science Partnerships	2,590,460	2,587,458
84.367	Improving Teacher Quality State Grants	42,480,932	41,940,777
84.369	Grants for State Assessments and Related Activities	8,803,067	0
	Statewide Data Systems Cluster:		
84.372	Statewide Longitudinal Data Systems	1,372,347	0
	Total Statewide Data Systems Cluster	1,372,347	0
	School Improvement Grants Cluster:		
84.377	School Improvement Grants	13,494,308	13,108,767
	Total School Improvement Grants Cluster	13,494,308	13,108,767
84.378	College Access Challenge Grant Program	1,745,614	1,373,145
84.902	National Assessment of Educational Programs	135,673	0
	Total Department of Education	799,796,324	545,549,099
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	80,782	48,251
	Total National Archives and Records Administration	80,782	48,251
Elections Assistance Commission			
90.401	Help America Vote Act Requirements Payments	1,512,230	490,140
	Total Elections Assistance Commission	1,512,230	490,140
Department of Health and Human Services			
93.041	Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	99,349	7,830
93.042	Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	338,052	109,218
93.043	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	359,920	355,135
	Aging Cluster:		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	6,923,180	6,215,865
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	11,022,790	10,870,084
93.053	Nutrition Services Incentive Program	3,719,244	3,719,244
	Total Aging Cluster	21,665,214	20,805,193
93.048	Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	43,767	13,114
93.051	Alzheimer's Disease Demonstration Grants to States	3,315	0
93.052	National Family Caregiver Support, Title III, Part E	2,606,506	2,572,025
93.069	Public Health Emergency Preparedness	11,770,186	6,014,290
93.070	Environmental Public Health and Emergency Response	538,459	332,655
93.071	Medicare Enrollment Assistance Program	163,671	56,842
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	19,656	19,611
93.089	Emergency System for Advance Registration of Volunteer Health Professionals	6,856	722
93.090	Guardianship Assistance	2,204,562	0
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	915,310	759,909
93.094	Well-Integrated Screening and Evaluation for Women Across the Nation	351,200	27,751
93.103	Food and Drug Administration - Research	1,342,606	10,500

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	72,979	68,878
93.110	Maternal and Child Health Federal Consolidated Programs	260,651	99,286
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	569,585	153,387
93.127	Emergency Medical Services for Children	74,740	0
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	253,746	57,045
93.136	Injury Prevention and Control Research and State and Community Based Programs	402,149	282,803
93.150	Projects for Assistance in Transition from Homelessness (PATH)	870,950	869,728
93.165	Grants to States for Loan Repayment Program	409,850	409,850
93.230	Consolidated Knowledge Development and Application (KD&A) Program	79,302	0
93.234	Traumatic Brain Injury State Demonstration Grant Program	307,831	234,197
93.235	Affordable Care Act (ACA) Abstinence Education Program	994,195	891,948
93.236	Grants to States to Support Oral Health Workforce Activities	42	0
93.240	State Capacity Building	317,356	0
93.241	State Rural Hospital Flexibility Program	352,308	193,876
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	6,897,709	6,427,196
93.251	Universal Newborn Hearing Screening	258,580	114,838
93.268	Immunization Cooperative Agreements	61,319,631	235,214
93.270	Adult Viral Hepatitis Prevention and Control	97,601	0
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	4,403,278	1,882,262
93.292	National Public Health Improvement Initiative	197,081	274
93.301	Small Rural Hospital Improvement Grant Program	284,734	284,734
93.414	ARRA - State Primary Care Offices	142,109	121,697
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	2,632,392	2,325,906
93.506	ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers	148,900	0
93.507	PPHF National Public Health Improvement Initiative	287,844	45,897
93.519	Affordable Care Act (ACA) - Consumer Assistance Program Grants	378,139	0
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	315,057	65,866
93.538	Affordable Care Act - National Environmental Public Health Tracking Program - Network Implementation	781,897	0
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds	698,213	480
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	157,432	30,840
93.556	Promoting Safe and Stable Families	5,870,840	0
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	179,856,587	0
	Total TANF Cluster	179,856,587	0
93.563	Child Support Enforcement	37,532,678	15,594,729
93.566	Refugee and Entrant Assistance - State Administered Programs	3,083,641	1,408,182
93.568	Low-Income Home Energy Assistance	76,702,921	30,574,649
93.569	Community Services Block Grant	16,558,543	15,463,797
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	44,366,322	5,497,041
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	61,087,195	0
	Total CCDF Cluster	105,453,517	5,497,041
93.576	Refugee and Entrant Assistance - Discretionary Grants	399,472	382,746
93.584	Refugee and Entrant Assistance - Targeted Assistance Grants	142,234	142,234
93.586	State Court Improvement Program	620,374	0
93.590	Community-Based Child Abuse Prevention Grants	562,736	562,736
93.597	Grants to States for Access and Visitation Programs	168,439	0
93.599	Chafee Education and Training Vouchers Program (ETV)	963,522	0
93.600	Head Start	205,078	205,078

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.603	Adoption Incentive Payments	504,948	0
93.609	The Affordable Care Act - Medicaid Adult Quality Grants	927,541	0
93.617	Voting Access for Individuals with Disabilities - Grants to States	75,637	75,637
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,337,836	375,369
93.643	Children's Justice Grants to States	490,299	0
93.645	Stephanie Tubbs Jones Child Welfare Services Program	5,206,321	0
93.652	Adoption Opportunities	165,751	0
93.658	Foster Care - Title IV-E	61,921,201	755,452
93.659	Adoption Assistance	30,234,942	0
93.667	Social Services Block Grant	51,593,338	11,286,515
93.669	Child Abuse and Neglect State Grants	480,737	0
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	2,122,327	2,121,319
93.674	Chafee Foster Care Independence Program	3,468,143	0
93.708	ARRA - Head Start	480,169	103,182
93.719	ARRA - State Grants to Promote Health Information Technology	6,199,523	6,192,623
93.734	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs - Financed by Prevention and Public Health Funds (PPHF)	345,347	328,842
93.735	State Public Health Approaches for Ensuring Quitline Capacity - Funded in Part by Prevention and Public Health Funds (PPHF)	364,645	364,645
93.744	PPHF: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories Solely Financed by Prevention and Public Health Funds	70,975	0
93.758	Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (PPHF)	344,891	104,358
93.767	Children's Health Insurance Program Medicaid Cluster:	131,705,663	0
93.775	State Medicaid Fraud Control Units	1,525,484	0
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	17,286,013	0
93.778	Medical Assistance Program	5,783,934,637	0
93.778	ARRA - Medical Assistance Program	45,785,423	0
	Total Medicaid Cluster	5,848,531,557	0
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	944,699	0
93.791	Money Follows the Person Rebalancing Demonstration	7,373,130	0
93.889	National Bioterrorism Hospital Preparedness Program	6,363,546	5,297,816
93.913	Grants to States for Operation of Offices of Rural Health	177,263	29,561
93.917	HIV Care Formula Grants	17,743,943	17,284,152
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	2,717,115	169,761
93.940	HIV Prevention Activities - Health Department Based	3,898,360	2,128,581
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	599,462	286,622
93.945	Assistance Programs for Chronic Disease Prevention and Control	1,396,456	492,282
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Programs Initiative	142,427	0
93.958	Block Grants for Community Mental Health Services	6,073,933	5,870,728
93.959	Block Grants for Prevention and Treatment of Substance Abuse	23,597,189	21,775,299
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	1,918,874	155,631
93.982	Mental Health Disaster Assistance and Emergency Mental Health	11,190	11,190
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	10,807	0
93.991	Preventive Health and Health Services Block Grant	1,771,813	177,602
93.994	Maternal and Child Health Services Block Grant to the States	12,020,181	6,741,474
	Total Department of Health and Human Services	6,787,847,671	197,840,830

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Corporation for National and Community Service			
94.003	State Commissions	278,298	4,485
94.006	AmeriCorps	2,449,153	2,421,028
94.009	Training and Technical Assistance	26,945	1,053
Total Corporation for National and Community Service		2,754,396	2,426,566
Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program	2,915,482	2,080,783
Total Executive Office of the President		2,915,482	2,080,783
Social Security Administration			
Disability Insurance/SSI Cluster:			
96.001	Social Security - Disability Insurance	39,341,501	0
Total Disability Insurance/SSI Cluster		39,341,501	0
Total Social Security Administration		39,341,501	0
Department of Homeland Security			
97.008	Non-Profit Security Program	268,163	243,054
97.012	Boating Safety Financial Assistance	2,924,788	0
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	645,901	645,901
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	130,919	0
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	16,969,191	16,045,920
97.039	Hazard Mitigation Grant	29,102,100	28,556,532
97.041	National Dam Safety Program	178,292	0
97.042	Emergency Management Performance Grants	6,448,889	0
97.045	Cooperating Technical Partners	1,034,963	0
97.052	Emergency Operations Center	26,310	26,310
97.055	Interoperable Emergency Communications	3,000	3,000
97.067	Homeland Security Grant Program	17,432,007	14,555,369
97.082	Earthquake Consortium	27,408	0
97.088	Disaster Assistance Projects	629,370	609,259
97.091	Homeland Security Biowatch Program	437,697	354,497
Total Department of Homeland Security		76,258,998	61,039,842
		<u>\$ 11,491,079,208</u>	<u>1,572,579,756</u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

1. Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards of the state of Missouri has been prepared to comply with U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the 2014 OMB Circular A-133 Compliance Supplement. The circular requires a schedule that shows total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available. Appendix VII of the supplement requires identifying expenditures of federal awards made under the American Recovery and Reinvestment Act of 2009 (ARRA) separately on the schedule with the inclusion of the prefix "ARRA-" in the name of the federal program.

The accompanying schedule includes all federal financial assistance administered by the state of Missouri, except for those programs administered by public universities and other component units and related organizations which are legally separate from the state of Missouri. Federal financial assistance provided to public universities and other component units and related organizations has been excluded from this audit. They were audited by other auditors under OMB Circular A-133.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

The schedule presents both Type A and B federal financial assistance programs administered by the state of Missouri. OMB Circular A-133 establishes the formula for determining the level of expenditures or disbursements to be used in defining Type A and B federal financial assistance programs. For the state of Missouri during the year ended June 30, 2014, Type A programs are those which exceed \$30 million in disbursements, expenditures, or distributions. The determination of major and non-major programs is based on the risk-based approach outlined in OMB Circular A-133.

C. Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented on the accounting basis as required by the federal agency which awarded the assistance. Most programs are presented on a cash basis, which recognizes expenditures of federal awards when disbursed in cash. However, some are presented on a modified accrual basis, which recognizes expenditures of federal awards when the related liability is incurred.

2. Supplemental Nutrition Assistance Program Expenditures

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the ARRA. The portion of total expenditures for SNAP benefits that is supported by ARRA funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents the U.S. Department of Agriculture (USDA) from obtaining the regular and ARRA components of SNAP benefits expenditures through normal program reporting processes. As an alternative, the USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to ARRA funds. This methodology generates valid results at the national aggregate level but not at the individual state level. Therefore, the state cannot validly disaggregate the regular and ARRA components of its reported expenditures for SNAP benefits. At the national aggregate level, however, ARRA funds account for 0.64 percent of the USDA's total expenditures for SNAP benefits in the federal fiscal year ended September 30, 2014.

3. Special Supplemental Nutrition Program for Women, Infants and Children Program Rebates

The state received cash rebates from an infant formula manufacturer, totaling \$35,042,823, on sales of formula to participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (CFDA No. 10.557). This amount was excluded from total program expenditures. Rebate contracts with infant formula manufacturers are authorized by 7 CFR Section 246.16(a) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. The state was able to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.

4. Unemployment Insurance Expenditures

Expenditures of federal awards reported for the Unemployment Insurance program (CFDA No. 17.225) include unemployment benefit payments from the State Unemployment Compensation Fund totaling \$572,673,432. Reimbursements to other states from the State Unemployment Compensation Fund for benefits paid by those other states, totaling \$33,281,372, have also been included in the Unemployment Insurance program expenditures. Reimbursements to the State Unemployment Compensation Fund

from other states for benefits paid by the state of Missouri, totaling \$5,642,956, have been excluded from total expenditures.

5. Federal Loan Guarantees

The Department of Higher Education (DHE) guarantees student loans made by lenders under the Federal Family Education Loans program (CFDA 84.032). The original principal balance outstanding of all loans guaranteed by the DHE was \$2,183,374,357 as of June 30, 2014. Additionally, the outstanding balance of defaulted loans (including principal and accrued interest) for which the federal government imposes continuing compliance requirements on the DHE was \$335,891,452 as of June 30, 2014.

6. Nonmonetary Assistance

The Department of Elementary and Secondary Education distributes food commodities to school districts under the National School Lunch Program (CFDA No. 10.555). Distributions are valued at the cost of the food paid by the federal government and totaled \$24,657,410.

The Department of Public Safety distributes excess Department of Defense (DOD) equipment to state and local law enforcement agencies under the DOD Excess Property program (CFDA No. 12.AAG). Property distributions totaled \$16,936,213 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.68 percent of the historical cost (\$4,010,495), which approximates the fair market value of the property at the time of distribution.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (CFDA No. 39.003). Property distributions totaled \$11,791,248 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.68 percent of the historical cost (\$2,792,168), which approximates the fair market value of the property at the time of distribution as determined by the General Services Administration.

The Department of Health and Senior Services distributes vaccines to local health agencies and other health care professionals under the Immunization Cooperative Agreements program (CFDA No. 93.268). Distributions are valued at the cost of the vaccines paid by the federal government and totaled \$57,377,283.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

STATE OF MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Qualified

Unmodified for all opinion units except for governmental activities and the General Fund, which were qualified.

Internal control over financial reporting:

- Material weaknesses identified? ☒ yes ☐ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to the financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☒ yes ☐ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ yes

Type of auditor's report issued on compliance for major programs:

Qualified

Unmodified for all major programs except for the Child Care Development Fund Cluster, Adoption Assistance, and Temporary Assistance for Needy Families Cluster, which were qualified.

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?

☒ yes ☐ no

The following programs were audited as major programs:

CFDA

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
	Clean Water State Revolving Fund Cluster:
66.458	Capitalization Grants for Clean Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
84.032	Federal Family Education Loans
84.367	Improving Teacher Quality State Grants
93.069	Public Health Emergency Preparedness
	TANF Cluster:
93.558	Temporary Assistance for Needy Families
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658	Foster Care - Title IV-E
93.659	Adoption Assistance
93.767	Children's Health Insurance Program
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program
93.778	ARRA - Medical Assistance Program
93.889	National Bioterrorism Hospital Preparedness Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$30,000,000

Auditee qualified as a low-risk auditee?

_____ yes x no

Section II - Financial Statement Findings

2014-001.

Financial Reporting Controls - Department of Social Services - MO HealthNet Division

As similarly noted in the prior report, the Department of Social Services (DSS) - MO HealthNet Division (MHD) and Division of Finance and Administrative Services (DFAS)

do not have adequate procedures in place to ensure the accuracy of year-end financial data submitted to the Office of Administration - Division of Accounting (DOA). Accounts receivable amounts would have been overstated by \$905.5 million and the related uncollectible amounts would have been overstated by \$880.7 million in the note disclosures accompanying the financial statements in the *Missouri Comprehensive Annual Financial Report* (CAFR) for the year ended June 30, 2014, had the misstatements in the year-end financial data not been identified during our audit.

The MHD year-end financial data submitted to the DOA is to include gross accounts receivable, as well as an offsetting deduction for the portion considered likely to be uncollectible, resulting in an expected net accounts receivable. These amounts are used by the DOA to present accounts receivable activity in the CAFR financial statements and related note disclosures. However, when preparing the year-end financial data, the MHD reported incorrect data for both the gross accounts receivable and related uncollectible balances. While the net accounts receivable amount reported in the CAFR financial statements was not materially misstated, the gross accounts receivable and related uncollectible balances reported in the related note disclosures were materially misstated.

To generate the MHD financial information for CAFR purposes, MHD personnel obtained various accounts receivable reports from the Medicaid Management Information System (MMIS) as of June 30, 2014. MHD staff were aware significant data entry errors were made before and during fiscal year 2014 which affected the individual account receivable balances on the MMIS which were included in the reports. MHD staff made significant corrections and other adjustments to the data on the MMIS both before June 30, 2014, and within a few months thereafter. While these changes occurred prior to submission of financial data to the DOA for CAFR purposes, these corrections and adjustments were not considered when MHD staff determined the amounts to submit to the DOA. This resulted in gross receivable amounts being overstated by \$905.5 million and the related uncollectible amounts being overstated by \$880.7 million. As also noted in our prior audit report, the reports for accounts receivable are not adequately reviewed by the MHD for reasonableness to ensure the amounts are correct. The MHD and DFAS reviews did not detect the misstatements and the incorrect year-end financial data was submitted to the DOA.

When compiling the draft CAFR, the DOA incorporated the incorrect amounts reported by the MHD. During the prior audit, we informed the MHD that year-end financial data could be updated prior to the completion of the CAFR. However, only after we brought the fiscal year 2014 misstatements to the attention of the MHD was a correction submitted by the MHD and DFAS. The DOA made the correction to the CAFR in December 2014, prior to its completion.

Adequate systems of internal controls include the design and operation of controls which allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements.

WE RECOMMEND the DSS implement controls which allow for the detection and correction of misstatements when preparing the year-end financial data.

AUDITEE'S RESPONSE

We partially agree with the finding. DSS agrees with the statement in the audit finding which indicates the net accounts receivable amount reported in the CAFR financial statement was not materially misstated. DSS disagrees that the correction to the CAFR submitted by MHD was due to the data entry errors noted in the audit finding and instead proposes that the correction to the CAFR submitted by MHD was the result of account receivable posting changes by the MHD contractor.

DSS has updated internal CAFR procedures for Third Party Liability (TPL) to reflect a change in how the contractor (HMS) sets up and closes account receivables. HMS currently only sets up an account receivable when a check is received. As a result the HMS portion of the TPL Form 1 accounts receivable will be negligible. For in-house TPL collections MHD will continue to use the Accounts Receivable Summary Report as well as the Cash Control Month-to-Date Deposits Report. In addition, the MHD will review the data reported for reasonableness and compare prior year information to current year information and research any significant variances.

AUDITOR'S COMMENT

As noted in the audit finding, MHD staff made significant corrections and other adjustments to the data. Data entry errors were included in the initial submission to the DOA. For example, two accounts receivable entered in the system incorrectly included a ten-digit transaction number for the amount field instead of the actual payment amount. System truncation of the number of digits presented in the amount field further affected the errors, resulting in a net \$200 million overstatement at June 30, 2014. MHD staff identified the errors and corrected the accounts receivable in the system, along with the contractor's posting process changes referenced in the auditee's response, all before the accounts receivable balance was submitted to the DOA. These corrections and other adjustments resolved both the data entry errors and the account receivable posting changes. However, no action was taken to ensure these corrections and adjustments were reflected on the accounts receivable balance submitted to the DOA. Further, there was no indication the DSS had planned to re-submit corrected amounts to the DOA before we brought our concerns to the attention of the DSS.

Section III - Federal Award Findings and Questioned Costs

2014-002.	Medicaid Home and Community Based Services
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program
	2013 - 1305MO5MAP and 1305MO5ADM
	2014 - 1405MO5MAP and 1405MO5ADM
State Agency:	Department of Health and Senior Services (DHSS) - Division of

Senior and Disability Services (DSDS)
Questioned Costs: \$81,981

As noted in the four prior audits, the DSDS does not ensure annual reassessments are performed, as required, to determine continued need of services of Home and Community Based Services (HCBS) recipients. As a result, the DSDS has not ensured some HCBS recipients have a need for and are receiving the appropriate level of care.

The DSDS is responsible for the direct administration of various Medical Assistance Program (Medicaid)-funded HCBS programs for seniors and adults with disabilities, including the two largest programs, State Plan Personal Care (SPPC) and Aged and Disabled Waiver (ADW). The Medicaid program is administered by the Department of Social Services (DSS) - MO HealthNet Division, while the DSDS is charged with assessing and reassessing the need for, and authorizing HCBS services for these Medicaid recipients. These services, which are authorized in a plan of care, provide assistance to help qualifying recipients remain in or return to their home or community, and include services such as bathing, grooming, and dressing; general toileting activities; cleaning, dusting, and laundry; meal preparation and/or assistance with eating and washing dishes; and transportation for shopping/errands and medical appointments. Other services include advanced personal care, authorized nurse visits, and respite care. During the year ended June 30, 2014, approximately 59,600 recipients were provided SPPC services and 16,300 were provided ADW services, with a total of 60,900 recipients receiving one or both services totaling approximately \$630 million.

Backlogs of HCBS annual reassessments have existed for several years. During recent years, the DSDS has received additional funding and taken various measures in attempts to reduce backlogs, including the hiring (and subsequent firing) of an external assessment administrator, hiring additional full-time and temporary staff, paying HCBS providers to perform some annual reassessments, developing the new HCBS Web Tool, and giving providers access to the Web Tool. With these changes, there has been a significant reduction in the backlog of reassessments. According to DSDS officials, as of January 5, 2015, reassessments were due for approximately 10,075 Medicaid HCBS recipients, a 55 percent reduction from the backlog as of January 3, 2014, noted in our prior audit.

According to DSDS officials, and confirmed by our test results, the backlog consists of SPPC recipients still on the old legacy computer system since May 2011, when the new HCBS Web Tool was established. The backlog of reassessments due for Medicaid HCBS recipients of ADW services was eliminated as of September 2014 and there are no ADW recipients still in the legacy system. Currently, all new recipients are entered in the HCBS Web Tool, and existing recipients are moved from the legacy system to the HCBS Web Tool when their reassessments are performed. Because the HCBS Web Tool automatically suspends services for any recipient not receiving a required annual reassessment, the DSDS prioritizes and ensures these cases receive an annual reassessment. DSDS staff perform reassessments for the backlog of cases in the legacy system as time permits. A review of the cases in the legacy system noted the most recent reassessment for these recipients was completed 1 to 11 years ago, with over half the

cases not having a reassessment since 2009 or before. According to DSDS officials, as of January 2015, approximately 75 percent of HCBS recipients were in the HCBS Web Tool and approximately 25 percent were in the legacy system. DSDS officials indicated during fiscal year 2014, approximately 65 percent of reassessments were performed by DSDS staff, while approximately 35 percent were performed by HCBS providers.

We tested assessment documentation for 60 Medicaid recipients who received SPPC and/or ADW services during the year ended June 30, 2014. Payments totaling \$643,993 (\$541,491 SPPC and \$102,502 ADW) were made to providers on behalf of these recipients during this period. We found the DSDS did not perform annual reassessments for 9 of the 54 (17 percent) recipients requiring a reassessment. As a result, the DSDS could not demonstrate these 9 recipients needed the services for which the payments were made. All 9 of these recipients received SPPC services only. Payments for services provided to these recipients without annual reassessments during the year ended June 30, 2014, totaled \$128,357 for SPPC. We question the federal share of \$81,981 (63.87 percent).

The failure to perform annual reassessments as required can result in payments for services which are not necessary. Various regulations require that annual reassessments be performed for ADW and/or SPPC recipients to ensure the adequacy of the care plan and continued need for the level of care provided. These include federal regulation 42 CFR Section 441.302(c), Missouri statutes Sections 208.906 and 208.930, RSMo, state regulation 19 CSR 15-8.200, the Cooperative Agreement between the DSS and the DHSS, and the DSDS Home and Community Based Services Manual, Section 4.25. Furthermore, OMB Circular A-87, Attachment A, Section C.1.c provides that costs must be authorized or not prohibited under state or local laws or regulations to be allowable.

WE RECOMMEND the DHSS, through the DSDS, resolve the questioned costs with the grantor agency and ensure annual reassessments are performed as required.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2014-003.

Payroll Allocations

Federal Agency:	Department of Agriculture Department of Health and Human Services
Federal Program:	10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 2013 - 2013IS251443 and 2014 - 2014IS251443 93.575 Child Care and Development Block Grant 2013 - G1301MOCCDF and 2014 - G1401MOCCDF

	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2013 - G1301MOCCDF and 2014 - G1401MOCCDF
	93.778 Medical Assistance Program 2013 - 1305MO5ADM and 2014 - 1405MO5ADM
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Questioned Costs:	\$25,841

As similarly noted in two previous audit reports, DFAS controls and procedures over the allocation of some payroll costs to federal programs were inadequate and, as a result, some employees continue to be assigned to the incorrect cost pools based on division assignment. In response to prior audit findings, DFAS staff now meet quarterly with the fiscal liaisons to review staff, labor code, and allocation changes to improve controls over the allocation of payroll costs.

Payroll costs are identified and allocated to federal programs administered by the department in accordance with the DSS cost allocation plan. These payroll costs are classified by use of labor codes. Payroll costs related to some labor codes are directly charged to specific federal programs while payroll costs related to other labor codes are included in the Income Maintenance (IM) or Children's Services (CS) cost pools. Payroll costs included in the cost pools are allocated to federal programs based on the percentage of time worked by employees on certain federal programs. Costs included in the IM cost pool are primarily allocated to programs administered by the Family Support Division (FSD), and costs included in the CS cost pool are primarily allocated to programs administered by the Children's Division (CD).

FSD, CD, and MO HealthNet Division Personnel Unit staff assign a labor code to each employee that reflects the employee's position, division, and other programmatic information related to the employee's duties. Each division has the authority to establish new labor codes or modify existing labor codes, as necessary, to account for new programs or facilitate reorganization of existing employees. The DFAS is primarily responsible for determining how those labor codes are to be processed through the cost allocation plan. DFAS officials indicated Personnel Unit staff notify and discuss with them changes to labor codes so the DFAS can make necessary changes in the allocation of labor codes to federal grants.

Our review of selected labor codes charged to the IM and CS cost pools during state fiscal year 2014 identified 1 of 60 employees reviewed (2 percent) was assigned a labor code that resulted in the employee's payroll costs being charged to the incorrect cost pool. The identified error represents one labor code which included at least one CD employee, but the DSS charged the code incorrectly to the IM cost pool. This error resulted in overstatements of payroll costs totaling \$51,332 to three federal programs and understatements totaling \$51,677 to four federal programs.

We question the federal share, or \$25,841, of payroll costs related to the overstatements because those costs were not allowable costs of the applicable federal programs. The understatements relate to allowable costs the DSS can allocate to applicable federal programs through future adjustments on federal financial reports. Listed below is the federal share of questioned costs related to the overstatements:

CFDA	Program	Amount
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	\$ 13,893
93.575/ 93.596	Child Care and Development Block Grant/ Child Care Mandatory and Matching Funds of the Child Care and Development Fund	456
93.778	Medical Assistance Program	11,492
Total		\$ 25,841

In addition, the labor code noted above included one other employee who was not included in our test. The DSS should review and determine if this individual's payroll costs are also incorrectly charged to the IM cost pool and resolve any overpayments with the grantor agencies.

OMB Circular A-87, Attachment A, Section C.3.a states that a cost is allocable to a particular cost objective if the related goods or services are chargeable or assignable to such cost objective in accordance with relative benefits received. In addition, federal regulation 45 CFR Section 96.30(a) requires the DSS to have sufficient controls over block grants to ensure expenditures are allowable. To ensure payroll costs are allowable and allocable to the various federal programs, the DFAS should continue to improve controls including reviewing the purposes and definition of all labor codes.

WE RECOMMEND the DSS, through the DFAS, resolve the questioned costs with the grantor agency and continue to improve controls and procedures to ensure payroll costs are allowable and allocable. The DSS should also review other payroll costs charged to the labor code error to determine whether remaining payroll costs are appropriately charged to the IM cost pool and resolve any overpayments with the grantor agency.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2014-004.	Payment Coding
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Federal Agency:	Department of Health and Human Services
Federal Program	93.090 Guardianship Assistance
	2013 - G1301MO1409 and 2014 - G1401MO1409

93.658 Foster Care - Title IV-E
2013 - G1301MO1401 and 2014 - G1401MO1401
93.659 Adoption Assistance
2013 - G1301MO1407 and 2014 - G1401MO1407
State Agency: Department of Social Services (DSS) - Children's Division (CD)
and Division of Finance and Administrative Services (DFAS)
Questioned Costs: \$1,534,619

As similarly noted in our prior audit, DSS controls and procedures over the establishment and monitoring of assigned accounting system coding for assistance and administration payments are inadequate. Coding errors occurred and went undetected, and as a result, some payments were incorrectly allocated to the Foster Care and Adoption Assistance programs.

Several times each month, the DFAS processes payments from the Family and Children's Electronic System (FACES) to residential facilities, foster and adoptive parents, and legal guardians caring for children who are or were in state custody. Personnel in the DFAS Accounts Payable Unit then enter the total of the payments into the statewide accounting system (SAM II) using predetermined coding that designates how the expenditures will be allocated to federal programs. FACES payment information is included in a report identifying FACES expenditure totals by type of service (service code) and FACES fund code. The FACES fund code denotes the child's eligibility for various federal programs and service code denotes the types of services paid. For example, a specific FACES fund code is assigned to a child that is eligible for the Adoption Assistance program. The appropriate SAM II reporting category code then designates the expenditures as eligible to claim for the federal Adoption Assistance program. DFAS and CD personnel establish how FACES payments should be coded in SAM II and create the coding template used by DFAS Accounts Payable Unit staff. CD officials indicated the established SAM II coding is updated as needed if there are significant changes to FACES coding or federal program provisions.

In response to our prior audit finding, the DSS stated DFAS staff have been meeting on a regular basis to review the payment coding and have worked to improve communication about coding changes between DFAS Budget, Grants, and Accounts Payable staff. However, various errors continued to occur.

- A. The DSS claimed all rehabilitative residential treatment room and board/supervision payments for adopted children to the Foster Care program in error.

The DSS contracts with residential treatment facilities to provide room and board, supervision, and therapeutic rehabilitative services to children at various rates based on the child's level of need. The DSS began allocating the room and board/supervision portion of rehabilitative residential treatment facility payments to the Foster Care program during state fiscal 2013. To determine the allocation amount, the Office of Administration - Information Technology Services Division

(ITSD) prepares a monthly report of rehabilitative residential treatment facility payments processed through the FACES system. Payments are totaled on the ITSD report by the FACES fund code, and allocated to federal programs based on this code.

When developing the system for claiming rehabilitative residential treatment payments, payments assigned FACES fund code 98, "Medicaid Rehab Option - Adoption," were not separated from other rehabilitative residential treatment payments and were improperly claimed under the Foster Care program rather than the Adoption Assistance program. There was no subsequent documented review of this coding in state fiscal year 2013 or 2014, and as a result, the various costs were not separately identified as applicable to the Foster Care or Adoption Assistance programs on the ITSD report and the fund code 98 costs were incorrectly claimed to the Foster Care program. DSS officials confirmed these costs should not be allocated to the Foster Care program because the costs are paid on behalf of adopted children eligible for the Adoption Assistance program under 42 USC 673. Total applicable payments claimed to the Foster Care program related to fund code 98 in state fiscal year 2014 were \$1,645,098. We question the federal share or, \$1,017,657 (approximately 62 percent).

B. Additional coding errors occurred and went undetected, and as a result, some payments were incorrectly allocated to the Adoption Assistance program. We noted the following issues:

- The DSS incorrectly claimed \$605,815 in Guardianship Assistance payments to the Adoption Assistance program by allocating payments coded to FACES fund codes 06 and 16, Guardianship Assistance and Administration, to the SAM II coding for Adoption Assistance. The DSS subsequently claimed these payments incorrectly as Adoption Assistance program expenditures on federal reports. To be an allowable Adoption Assistance program cost, the payments would have to be made on behalf of legally adopted children for whom the DSS has a signed adoption subsidy agreement pursuant to 42 USC 673 and 45 CFR Section 1356.40. Payments for children coded to FACES fund codes 06 and 16 for Guardianship Assistance would not meet these requirements. We question the federal share of \$3,417 (approximately 62 percent) of assistance payments made through FACES fund code 06, and \$300,152 (50 percent) of administration payments made through FACES fund code 16 that were charged to the Adoption Assistance program during state fiscal year 2014.
- The DSS assigned some service codes to the Adoption Assistance program which are unallowable. As a result, the DSS claimed \$314,203 in unallowable legal payments and \$7,163 in unallowable respite care payments to the Adoption Assistance program. According to DSS policy, the legal fees service code identifies legal fees for termination of parental rights for children in CD custody and should be paid from the Foster Care

program. For legal fees to be an allowable cost under the Adoption Assistance program, the fees must be directly related to the legal adoption of a special needs child in accordance with 45 CFR Section 1356.41(i), and be claimed under a different service code. Also respite care is not an allowable expenditure for the Adoption Assistance program. We question the federal share, or \$194,470 (approximately 62 percent) in legal fees and \$4,426 (approximately 62 percent) in respite care costs charged to the Adoption Assistance program during state fiscal year 2014.

- C. Procedures implemented by the DSS, in response to a similar finding in a previous audit report, to identify nonrecurring adoption expenses in excess of federal limits did not fully address the issue due to a misunderstanding of Adoption Assistance payment coding. In addition, the DSS did not perform these additional procedures for the final quarter of state fiscal year 2014. As a result, additional nonrecurring expenses continue to be claimed in excess of federal limitations.

In a previous audit (Report No. 2012-26, *State of Missouri Single Audit, Year Ended June 30, 2011*, issued in March 2012, finding number 2011-15), we noted the DSS did not have procedures in place to ensure nonrecurring adoption expenses were limited to \$2,000 per placement, which is the total amount allowable and reimbursable at the administrative match rate per 45 CFR Section 1356.41(f)(1). In response, the DSS developed a process requiring CD staff to review a quarterly report of all federally eligible children with nonrecurring expenses paid. CD staff then are to adjust any amounts in excess of \$2,000 by claiming the excess to FACES fund code 05 to designate the payment as a state-only expenditure. While the FACES fund code is changed, the underlying service code is not changed and still identifies the excess costs as nonrecurring expenses.

DSS personnel performing the quarterly review were not aware that DSS coding guidance designates all costs in the service code for nonrecurring expenses to be claimed to the federal Adoption Assistance administration reporting category regardless of the FACES fund code used. The DSS coding guidance is followed by DFAS Accounts Payable Unit staff to enter the costs into the SAM II accounting system and federal reports. As a result, the DSS continued to claim nonrecurring expenses in excess of \$2,000 to the federal program in error. Payments totaling \$19,522 were made that exceeded the \$2,000 limit for 24 children. We question the federal share, or \$9,761 (50 percent).

In addition, the review procedures were not performed for the fourth quarter of state fiscal year 2014 because the DSS Research and Evaluation Unit did not provide the necessary report to CD staff. Additional payments totaling \$9,471 were made during this quarter that exceeded the \$2,000 limit for 5 children. We question the federal share, or \$4,736 (50 percent).

Good internal controls require adequate procedures to ensure amounts charged to federal programs are accurate and allowable for the program. SAM II and FACES coding established by CD and DFAS personnel dictates how the majority of payments made on behalf of foster, adoptive, or legal guardianship children through the FACES system are claimed for federal reimbursement. The lack of sufficient review allowed the above errors to go undetected by the DSS. Without effective controls to sufficiently review the SAM II coding, the DSS cannot ensure only allowable costs are charged to the various federal programs.

WE RECOMMEND the DSS, through the CD and DFAS, resolve the questioned costs with the grantor agency, and:

- A&B. Continue to implement controls and procedures to ensure appropriate coding is established and expenditures are claimed to the appropriate federal program. Controls and procedures should include a periodic supervisory review of coding.
- C. Strengthen procedures to ensure payment of nonrecurring adoption expenditure payments are compliant with federal regulations.

AUDITEE'S RESPONSE

- A&B. *We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.*
- C. *We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*

2014-005.

Child Care Eligibility and Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2013 - G1301MOCCDF and 2014 - G1401MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2013 - G1301MOCCDF and 2014 - G1401MOCCDF
State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Questioned Costs:	\$59,601

As noted in our prior four audit reports, significant weaknesses exist in DSS controls over Child Care Development Fund (Child Care) eligibility and provider payments. Controls are not sufficient to prevent and/or detect payments on behalf of ineligible clients or improper payments to child care providers. Eligibility and payment documentation could not be located for many child care cases reviewed, and overpayments were made to some

providers. The DSS has only limited procedures to review eligibility determinations and current procedures are inadequate to monitor payments to providers. During the year ended June 30, 2014, the DSS paid over 6,700 child care providers approximately \$130 million for services provided to about 65,000 children of eligible clients.

The DSS provides funds to child care providers who serve eligible clients (parents/caregivers). Clients apply to FSD or CD case workers for participation in the Child Care program. Federal regulation 45 CFR Section 98.20 provides that to be eligible for services the child must 1) be under 13 years old, or at the option of the DSS under age 19 and physically or mentally incapable of caring for himself/herself or under court supervision, 2) live with a family who meets certain income guidelines, and 3) have parents who are working or attending a job training or educational program. Clients may also be eligible if physically or mentally incapacitated (supported by a written statement from their physician or psychologist), or if the client receives Temporary Assistance for Needy Families (TANF) benefits and satisfactorily participates in job search, training, volunteer work experience, or other activities through the Missouri Work Assistance (MWA) program.

Once approved, the client selects a child care provider and the DSS enters into an agreement with the provider for child care services. The DSS Income Maintenance (IM) manual requires that case workers set maximum authorized service units for the amount and type of care that best meets the family's need; and maintain case file documentation, including the child care application or a signed system-generated interview summary and copies of income (including work hours) or educational program verifications to support eligibility determination. Federal regulation 45 CFR Section 98.90 also requires the DSS to retain program records for a period of three years.

The IM manual considers a client to be working only if working an average of 20 or more hours per week and only allows a client to receive child care subsidy while attending an educational program for a cumulative of 4 years. The IM manual also limits the number of absences and holidays eligible for reimbursement and prohibits subsidy payments to providers if the owner of the facility is also the child's parent or guardian.

The IM manual and provider agreements require that providers submit a monthly invoice electronically via the internet through the Child Care Online Invoicing System (CCOIS) or manually through the Child Care Provider Relations Unit. The CCOIS interfaces with the Family Assistance Management Information System (FAMIS) to process provider payments. Additionally, providers are required to maintain detailed attendance records documenting daily arrival and departure times and containing a client signature verifying the child received the services. Although all providers are required to retain attendance records for 5 years, the DSS only requires registered (license exempt) providers who submit manual invoices to submit attendance records for payment.

To test compliance with program requirements, we judgmentally selected 7 children who were either over age thirteen or for which the DSS paid higher dollar subsidy amounts and also selected a sample of 60 additional children. We reviewed eligibility case

documentation, related provider agreements and payment documentation supporting one payment for each of these children. Eight of these 67 children attended child care providers who exhausted the maximum number of annual holidays allowed within the first six months of the year. We further reviewed selected attendance records for these providers. Payments totaling approximately \$204,300 were made to child care providers on behalf of these 67 children during state fiscal year 2014. We noted the following:

- The DSS could not locate all or part of the Child Care eligibility case file for 9 of 67 (13 percent) cases reviewed. For four cases, the DSS could not locate any original signed information and provided only reprinted information from the FAMIS. The remaining five case files included information related to other benefit programs or child care information for other time periods; however, Child Care eligibility information for all or a part of the audit period was missing. Child care payments made on behalf of these children and their siblings during the year ended June 30, 2014, totaled \$51,456. We question the federal share of \$37,280 (72.45 percent).
- Eligibility documentation was not sufficient to support a valid need for child care services for 12 of 67 (18 percent) cases reviewed. For five cases, the client provided information at the time of application or redetermination for Child Care or another assistance program that showed the client was employed less than an average of 20 hours per week or not employed and had no other valid need for services. For three cases, there was either no documentation supporting the need for child care while enrolled in an educational program, the client received child care due to an educational need exceeding the four year limit, and/or the client attended graduate courses, which is not considered a valid educational need. For another three cases, there was either no documentation of the client's enrollment with the TANF MWA training program for the entire fiscal year, the children attended the child care provider owned by their parent, or there was no written statement from a physician or psychologist determining the client to be incapacitated and supporting the need for child care. For one additional case, the client's child support income was not properly considered when determining eligibility and the additional income made her ineligible for traditional child care benefits. Payments totaling \$16,476, made on behalf of these 12 children and their siblings, during the year ended June 30, 2014, were unallowable and/or unsupported by adequate documentation. We question the federal share of \$11,937 (72.45 percent).
- Documentation was not adequate to support payments and/or payments were not in compliance with DSS policies for 24 of 67 (36 percent) cases reviewed. Some attendance records were not provided by child care providers upon our request, some attendance records were not signed by the client and/or provider, and some provider invoices did not agree to the corresponding attendance records, resulting in overpayment. Of these payments, six were for cases that also lacked eligibility documentation and were included in the questioned costs above. Payments for the

remaining 18 cases totaled an additional \$3,102. We question the federal share of \$2,247 (72.45 percent).

- Case file documentation did not support authorizations for payments for 4 of 67 (6 percent) cases reviewed. For one case, two providers were simultaneously authorized to bill for a child because the DSS did not timely close the authorization for one provider, resulting in duplicate billings. For another case, the client was authorized to receive child care at the evening or weekend rate while in school but the client attended no night classes. For two cases, the clients were authorized to receive, and the providers billed for, both day and evening child care on the same days; but the client's work schedule did not support the need for child care during both times of day. Payments made on behalf of these 4 children and their siblings totaled \$9,229. We question the federal share of \$6,687 (72.45 percent). A portion of the payments for one of these cases was questioned above because the case also lacked some eligibility documentation.
- Four of the eight applicable providers improperly claimed absences on a day the center was closed for business after exhausting their annual allotment of 11 holidays per state fiscal year. Absences should only be claimed when the facility is open but an individual child is not in attendance. Claiming these as absences allowed the providers to exceed the limit on annual paid holidays. The providers were paid \$2,002 for absences for various children. We question the federal share of \$1,450 (72.45 percent).

The various errors noted above occurred because the DSS lacks sufficient controls to ensure eligibility determinations are accurate and adequately documented and payments are proper and adequately supported. At least four significant factors contributed to the weak control system including: limited supervisory review of Child Care eligibility determinations, limited on-site contract compliance reviews of child care providers, minimal other procedures in place to review provider attendance records, and poor case management and document retention.

In response to deficiencies identified in previous audits, the DSS implemented new controls over eligibility determinations. Effective March 1, 2012, the DSS required all FSD eligibility supervisors to review a minimum of three Child Care cases each month in the case review system. While the new procedures could improve controls over eligibility determinations, the number of reviews declined in fiscal year 2014. The CD detected the decline through their review procedures in November 2014 and plan to issue a directive that supervisory reviews should continue during reorganization. There are also no requirements for random case selection and only limited procedures to ensure the monthly case reviews are performed.

In September 2013, the DSS also began performing on-site reviews of child care providers to evaluate billing practices, compare attendance records to amounts invoiced, and review facility staffing ratios and fire safety. The Child Care Review Team (CCRT) completed approximately 1,000 provider reviews during the year ended June 30, 2014.

This process improves controls over provider payments; however, some weaknesses existed in the process. As noted in Report No. 2015-005, *Early Childhood Development, Education, and Care Fund*, issued in February 2015, the DSS did not always pursue timely corrective action, refer providers as necessary, or terminate providers who did not attend required trainings. In addition, the CCRT allows providers to submit missing attendance records after the on-site review and did not always calculate overpayments accurately. Officials indicated the high volume of reviews completed initially resulted in a backlog of follow-up tasks. Officials indicated steps have been taken to reduce the time between review and follow-up and the DSS is developing a computer system to better track these reviews.

The DSS needs to continue to review, strengthen and enforce policies and procedures to ensure child care payments are made only on behalf of eligible clients, invoices agree to the corresponding attendance records, attendance records are complete, payments are in accordance with department policy, and appropriate child care services are authorized. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified. Complete and accurate case records are critical in properly administering the program.

Payments associated with known questioned costs represented approximately 14 percent of payments reviewed. If similar errors were made on the remaining population of child care payments, questioned costs could be significant.

WE RECOMMEND the DSS through the CD and FSD, resolve the questioned costs with the grantor agency, and continue to review, strengthen and enforce policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2014-006.

Child Care Provider Eligibility

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2013 - G1301MOCCDF and 2014 - G1401MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2013 - G1301MOCCDF and 2014 - G1401MOCCDF

State Agency: Department of Social Services (DSS) - Children's Division (CD)
and Family Support Division (FSD)
Questioned Costs: \$3,083

As noted in our prior audit report, the DSS does not have adequate controls and procedures in place to ensure certain child care providers participating in the Child Care Development Fund (Child Care) subsidy program comply with statutory requirements for license-exempt status. By statute, child care providers are exempt from licensing requirements if they care for four or less unrelated children, known as "four-or-less" (FOL) registered providers. The DSS did not properly classify some children as unrelated or could not verify the relationship between some FOL providers and children in their care. During the year ended June 30, 2014, the DSS paid over 3,600 FOL child care providers approximately \$20.2 million for child care services.

Child care providers must be licensed, or be exempt from licensure by statute, to participate in the program. FOL providers must sign a registration agreement attesting they understand the health and safety requirements of the program, will comply with such requirements, and will report true and accurate information. Once the provider registers with the DSS, clients participating in the Child Care subsidy program may request their children be authorized for care with the provider. The Child Care policy manual specifies the information the FSD eligibility specialists (ES) should review to verify the relationship between the children and the FOL providers. Examples specified include Missouri electronic birth records accessible via the Family Assistance Management Information System (FAMIS), paper birth certificates for individuals born in other states, marriage licenses, and other documents. The policy does not specify that the ES is required to document how they perform verification procedures, though the policy indicates the ES may not accept the parent's statement as the only verification. The FAMIS has built-in edits that only allow the ES to authorize a maximum of four unrelated children to a FOL provider at any given time. However, if the correct relationship code is not used, the edit will not prevent payment for more than four unrelated children.

To test compliance with various Child Care program requirements, we sampled eligibility documentation for 60 children. The DSS paid 10 FOL providers on behalf of some of these children; 7 of which were paid for more than four children for at least one month during state fiscal year 2014. For these 7 providers, we reviewed the relationship of all children listed as relatives and claimed for reimbursement during a selected month. The DSS paid each provider for 5 to 15 related and unrelated children for the month reviewed, 56 children in total. We asked the CD to verify the relationships using information available in FAMIS or available from the local FSD offices responsible for managing the cases.

For 3 of 7 (43 percent) FOL providers reviewed, the relationships between some of the children and their providers could not be verified or the ES did not use the correct relationship code. The eligibility specialists entered a relationship code specifying the relationship as aunt for 2 of the 15 related and unrelated children for one provider. The

provider is actually the great-aunt of the children and should be considered as an unrelated person based on the statutory and DSS policy definitions of a relative. Also for this provider, eligibility specialists entered a relationship code of aunt for three other children during one eligibility period, but indicated the children were unrelated in a subsequent eligibility period. For the remaining two providers, the eligibility specialists did not document how they originally verified the relationship, and the DSS either could not confirm relationships, or found that the relationships should have indicated that the child was unrelated. As a result, these three providers may have cared, and been paid by the DSS, for more than the four unrelated children allowed during the month tested. If so, these three providers operated in violation of state child care licensing laws and were ineligible for the program. The DSS paid these three providers \$4,256 during the month reviewed. We question the federal share of \$3,083 (72.45 percent). If similar errors in the classification of relatives and inability to verify relationships were made for the remaining 1,147 FOL providers paid for more than four children for at least one month during state fiscal year 2014, questioned costs could be significant.

An eligible provider for the Child Care program is defined by 45 CFR Section 98.2 as a provider for child care services for compensation that is licensed, regulated, or registered under applicable state or local law and satisfies state and local requirements, including health and safety requirements. Section 210.211.1, RSMo, states it is unlawful for any person to establish, maintain, or operate a child care facility without a valid license issued by the Missouri Department of Health and Senior Services unless the provider meets one of the listed exemptions. Section 210.211.1(1), RSMo, exempts from licensure any person who is caring for four or fewer unrelated children. Children related to the provider by blood, marriage, or adoption within the third degree are not considered in the total number of children being provided care.

DSS officials indicated they plan to revise current policy to clarify the documentation requirements for the relationship between recipient and FOL child care providers, draft a Practice Point to address the appropriate use of FAMIS relationship codes to be distributed to eligibility specialists, and create and publish an invoice message to educate child care providers on the rules regarding relationship to remain in compliance as a registered FOL provider. However, as of February 2015, the DSS has not completed this process. Adequate documentation of the verification of a child's relationship to a FOL provider is necessary to ensure compliance with DSS policy and state law. In addition, documentation would allow supervisors to better review relationship determinations for children authorized to FOL providers.

WE RECOMMEND the DSS, through the CD, resolve questioned costs with the grantor agency and improve controls and procedures to ensure child care providers participating in the subsidy program are in compliance with state licensing requirements. These procedures should include maintaining adequate documentation to demonstrate verification of a child's relationship to the provider at the time of authorization.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2014-007. Foster Care Case Management Resource Development Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
2013 - G1301MO1401 and 2014 - G1401MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
and Division of Finance and Administrative Services (DFAS)

As similarly noted in our prior audit report, the DSS has not utilized established review procedures and related results to ensure contractor resource development payments (training costs) to Foster Care case management contractors are properly allocated and claimed to the Foster Care program. As a result, the DSS claimed payments for some training costs to the Foster Care program at a higher federal reimbursement rate than is allowed.

The DSS contracts with six Foster Care case management contractors, each a consortium of multiple local agencies, to provide case management/administration and room and board for children in state custody. The DSS awarded the current contracts in 2012 through a competitive bidding process and pays the contractors a monthly fixed price for a pre-established caseload. The DSS allocates the case management/administration costs to several federal programs based on the original budgets submitted by the contractors during the bidding process. Each contractor's budget separates case management/administration costs into five categories, including resource development. The DSS allocates resource development costs, or contractor training costs, to the Foster Care program and claims the costs at the 75 percent training reimbursement rate, the highest reimbursement rate for the program, after applying the average Foster Care penetration rate of approximately 66.5 percent. The DSS paid these contractors approximately \$54.5 million during the year ended June 30, 2014, of which, approximately \$2.3 million was for resource development. The federal share after applying the penetration rate and 75 percent training reimbursement rate was approximately \$1.1 million.

In response to a similar finding in our previous audit report (Report No. 2011-11, *State of Missouri Single Audit, Year Ended June 30, 2010*, issued in March 2011, finding number 2010-17), the DSS developed procedures to compare contractors' monthly reports of actual costs to the amounts paid by the DSS for the various budget categories and the amounts claimed to the federal programs. The DSS performed quarterly reviews of all contractor costs for the last three quarters of state fiscal year 2014, and found that the average of actual training costs for all contractors were less than the average paid and

claimed by the DSS for these services for all three quarters. For the three quarters reviewed, the DSS determined it allocated an average of approximately \$190,000 per quarter per facility for training costs (and claimed an average of approximately \$94,000 per facility each quarter to the federal program), but the facilities only spent an average of between approximately \$39,000 and \$42,000 for training. The DSS found one contractor did not have any training costs during the three quarters reviewed, although the DSS claimed approximately \$47,000 in training costs for this contractor during this time. Despite the additional procedures and information available, DSS officials indicated they do not plan to change the method these costs are claimed to the federal programs and will only use this information when evaluating future budget categories during contract award. As a result, the DSS claimed and may continue to claim contractor training payments to the Foster Care program that are not supported by actual training costs incurred by the contractors.

OMB Circular A-87, Attachment A, Section C.3.a states that a cost is allocable to a particular cost objective if the related goods or services are chargeable or assignable to such cost objective in accordance with relative benefits received. Additionally, costs must be adequately documented to be allowable. Training payments charged to the Foster Care program in excess of the contractors' allocable share would be questionable; however, such costs may be allowable for the Foster Care program if claimed as administration costs at the 50 percent administration reimbursement rate or as general administration and allocated to various programs through DSS cost allocation procedures. As a result, the difference between the amount claimed for training and what is allowable to be claimed for administration would likely result in questioned costs; however, such questioned costs were not determined. Without utilizing available information to periodically analyze and allocate costs to federal programs, the DSS cannot ensure resource development costs are allowable and allocable training costs of the Foster Care program.

WE RECOMMEND the DSS, through the CD and DFAS, utilize results of cost reviews when claiming Foster Care case management payments to federal program to ensure all expenditures are allocated in accordance with federal regulations.

AUDITEE'S RESPONSE

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2014-008.	Adoption Assistance - Eligibility and Assistance Payments
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.659 Adoption Assistance 2013 - G1301MO1407 and 2014 - G1401MO1407
State Agency:	Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs:	\$16,377

As noted in two previous audits of the Adoption Assistance program, the DSS made payments on behalf of ineligible children, did not retain sufficient documentation to support some eligibility decisions made, and appears to have backdated some subsidy agreements. During the year ended June 30, 2014, the DSS provided Adoption Assistance benefits totaling over \$48 million for approximately 11,500 children.

The Adoption Assistance program assists families in adopting eligible children with special needs by providing subsidy payments to adoptive parents. To be eligible to receive benefits under the program, eligibility requirements outlined at 42 USC 673 must be met. The DSS is required to enter into adoption subsidy agreements with adoptive parents who receive subsidy payments on behalf of the child. The nature of services to be provided and nonrecurring expenses to be paid must be stated in the subsidy agreement as required by 45 CFR Section 1356.40 and 45 CFR Section 1356.41. In addition, the agreement must be signed and in effect prior to or at the time of the final adoption decree. The DSS Child Welfare Manual states documentation of the disability and the recommended treatment is required. Subsidized costs may include maintenance, child care, respite care, and nonrecurring adoption expenses.

To test compliance with these requirements, we reviewed eligibility and expenditure documentation for 60 children receiving Adoption Assistance. Assistance payments totaling approximately \$247,500 were made on behalf of these children during the year ended June 30, 2014. Our review noted the following:

- A. For two (3 percent) cases tested, payments were made on behalf of children ineligible for Adoption Assistance benefits because the adoption subsidy agreement was not signed and in effect before or at the date of adoption. For one of the cases tested, the adoption subsidy agreement did not contain a signature from the CD Director. For the second case, the adoption subsidy agreement was not signed and effective until 2 weeks after the adoption decree. For one additional case tested (2 percent), the adoption subsidy agreement was not in the file to demonstrate the agreement was in effect prior to the adoption. The DSS policy requires subsidy agreements be signed by both the adoptive parents and the CD Director to be considered in effect. In these three cases, payments totaling \$11,268 were made on behalf of ineligible children during the year ended June 30, 2014. We question the federal share of \$6,971 (approximately 62 percent).

Cumulative payments, totaling \$51,163, \$45,227, and \$48,790 for the three cases where the adoption subsidy agreement was not in effect before the adoption decree or the subsidy agreement was not in the file, respectively, were charged to the Adoption Assistance program from August 1999 to June 2014. The payments made for these cases during fiscal year 2014 were included in the questioned costs above.

- B. For some additional cases, it appears the subsidy agreements were not signed and in effect prior to or at the date of the adoption decree because the CD Director's signature date was apparently backdated.

Subsidy agreements are established by case workers and reviewed by supervisors in the local offices. After the subsidy agreements are signed by the adoptive parents and reviewed and approved by local office supervisors, the agreements are sent to the Central Office Contract Management Unit (CMU) where the CD Director's signature is applied with a stamp by CMU staff.

For three (5 percent) cases tested, local office supervisors signed the agreement after the adoption date, but the CD Director's signature pre-dated the adoption, indicating the agreement was backdated and not in effect prior to the adoption decree. DSS officials indicated backdating of subsidy agreements by CMU personnel was permissible under DSS policy prior to May 2008, and backdating was utilized because of a backlog in processing and submitting the subsidy agreements to the CMU. For the three cases, payments totaling \$15,204 were made during the year ended June 30, 2014. We question the federal share of \$9,406 (approximately 62 percent). One of the subsidy agreements was established in 2006 and the other two were established in 2000. Cumulative payments, totaling \$43,788, \$92,515, and \$33,800 for these three cases were charged to the Adoption Assistance program through June 30, 2014. The payments made for these three cases during fiscal year 2014 were included in the questioned costs above.

For another 16 cases, there is either a directive to backdate the agreement in the case file, the date of the CD Director's signature precedes the parents' or local supervisors' signature dates, or the CD Director's signature precedes the date the document was received by the CMU. However, the latest date shown on the subsidy agreement is before the adoption date so we are unable to determine if the agreement was in effect before the adoption decree. We will not question costs for these cases, but it is unclear why the DSS would backdate these agreements if they were truly effective before the adoption date.

In May 2008, the CD issued a policy memo prohibiting backdating of subsidy agreements. The subsidy agreements for the 19 cases noted above were established prior to this directive. Our review of subsidy agreements established after this directive noted no instances of apparent backdating.

The failure to ensure adoption subsidy agreements are signed prior to the adoption and payments are only for eligible children can result in federal reimbursements for ineligible children and/or unallowable costs. Payments associated with known questioned costs discussed above represented approximately 11 percent of payments reviewed. If similar errors were made on the remaining population of assistance payments, questioned costs could be significant.

WE RECOMMEND the DSS through the CD resolve questioned costs with the grantor agency and ensure all adoption subsidy agreements are signed and effective prior to the adoption, and subsidy agreements and adoption decrees are retained. In addition, the CD should refund the federal share of cumulative overpayments.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2014-009.	Eligibility and TANF Assistance Payments
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2013 - G1302MOTANF and 2014 - G1402MOTANF
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs:	\$31,333

The FSD did not act promptly or properly on information affecting recipients' eligibility and did not maintain complete eligibility documentation for 10 Temporary Assistance for Needy Families (TANF) recipients reviewed. In addition, the FSD did not impose sanctions on some recipients who failed to cooperate with Child Support Enforcement (CSE) procedures. During the state fiscal year ended June 30, 2014, the DSS expended federal funding of about \$180 million for the TANF program, including about \$81 million in basic assistance payments to families. Similar conditions were noted in our prior three audits.

- A. The FSD paid TANF benefits to some recipients who may not have been eligible or were ineligible for the full amount of TANF payments received. We tested 60 recipients, with payments totaling \$100,232 for the year ended June 30, 2014, and noted concerns with 22 (37 percent) of the recipients tested. The purpose of the test was to determine whether proper eligibility determinations were made, and whether payments were calculated in accordance with program requirements, including obtaining any required documentation. Our test disclosed the following:
- The FSD could not locate the eligibility file for 10 of 60 (17 percent) of cases reviewed. While the case information recorded in the Family Assistance Management Information System (FAMIS) indicated the recipients were likely eligible; required supporting documentation, including the recipient's assistance application/eligibility statement, interview summary, and eligibility review form, could not be located. These forms contain questions concerning income, reasons for need, and required federal prohibitions and requirements, and must be promptly signed by the applicant certifying compliance with the requirements and attesting to the accuracy of the information provided. DSS staff indicated the reorganization of FSD regional offices and the related changes in workflow processing for TANF case management contributed to the inability to locate the eligibility files. Payments made on behalf of these 10 recipients during the year ended June 30, 2014, totaled \$17,535.

Of the remaining 50 eligibility files which were located, our review identified one case for which the FSD did not obtain the recipient's signature on eligibility redetermination documentation as required. The recipient's TANF eligibility review form was received on June 28, 2013, but was not signed by the recipient. The recipient continued to receive benefits through May 2014, when the case was closed. Payments made on behalf of this recipient during the year ended June 30, 2014, totaled \$1,122.

Under 45 CFR Section 205.60(a), the agency is required to maintain records for the proper and efficient operation of the plan, including records regarding applications, determination of eligibility, the provision of financial assistance, and other pertinent information obtained.

Because the FSD did not maintain required case file documentation or obtain properly signed documents, it could not ensure or demonstrate compliance with federal requirements related to eligibility for the TANF program. We question all payments made during the year ended June 30, 2014 on behalf of these 11 recipients, totaling \$18,657, for which we question the entire amount (100 percent federal share).

- The FSD identified unreported income or other changed circumstances for 13 recipients tested. For 1 case, the FSD took appropriate action, closed the case and established a claim for recoupment of the improper benefits. However, the FSD did not establish claims for recoupment for the other 12 cases or take appropriate actions on some. The FSD closed 3 cases at the time the unreported income was noted, eventually closed 4 more cases after the unreported income was noted, but did not take any action to adjust benefits or close the case for the other 5 cases. One of these cases is included in the questioned costs identified above. Improper benefits for the remaining 11 cases totaled \$8,110, for which we question the entire amount (100 percent federal share).

Under 45 CFR Section 205.56, the agency is required to initiate case action within 45 days of receipt of relevant information. Additionally, prompt determination of overpayments and establishment of claims are necessary since amounts recovered offset future program costs.

- B. The FSD did not act upon some notices of non-cooperation from the CSE Unit to sanction recipients, and the CSE Unit did not always notify the FSD of non-cooperating clients. We obtained a listing of CSE cases flagged in the child support case management system for non-cooperation during the year ended June 30, 2014, and matched it against a listing of TANF cases. There were 1,492 TANF cases flagged for non-cooperation, with payments totaling more than \$3.2 million during the fiscal year ended June 30, 2014. We tested 60 of these TANF recipients to determine whether the FSD was properly sanctioning recipients who were not cooperating with CSE procedures. TANF payments for the fiscal year

for the 60 recipients totaled \$132,558. For 24 of the 60 recipients (40 percent) tested, either the CSE Unit did not promptly notify the FSD of the non-cooperation or the FSD did not act to sanction the recipient upon notification.

- The CSE Unit did not properly notify the FSD of 16 non-cooperating clients tested. When non-cooperation occurs, the CSE Unit is to alert the FSD eligibility specialist via email comments or by sending a notice of non-cooperation form. For 7 cases, the notifications occurred between 1 and 7 months after the non-cooperation began, delaying the imposition of sanctions, and resulting in overpayments totaling \$1,482 during the year ended June 30, 2014. For the other 9 cases, neither the FSD nor the CSE Unit had documentation the FSD had received a notice of non-cooperation, resulting in overpayments totaling \$2,128 during the year ended June 30, 2014. For 2 of the 9 cases, there was no active TANF case at the time of the non-cooperation. When the recipient subsequently began receiving benefits, no sanctions were imposed because the FSD had not been notified of the non-cooperation. As a result of the failure of the CSE Unit to notify the FSD of non-cooperation, sanctions were not entered or not entered timely into the FAMIS. We question the federal share of overpayments totaling \$3,610 (100 percent federal share).
- The FSD did not sanction 8 recipients when notified of referral for non-cooperation. For 4 recipients, the active TANF case was not sanctioned by the FSD, resulting in overpayments totaling \$779 during the year ended June 30, 2014. The TANF case for one recipient was inactive when the notification was received, and consequently the FSD entered no sanctions for non-cooperation in the FAMIS. As a result, no sanctions were in effect when this case was subsequently re-activated and this recipient began receiving benefits again, resulting in overpayments totaling \$177 during the year ended June 30, 2014. For the remaining 3 cases, the FSD did not record the sanctions because these cases were already sanctioned for other reasons. We question the federal share of overpayments, totaling \$956 (100 percent federal share).

Under 45 CFR 264.30, the FSD must refer to the CSE Unit all appropriate individuals in the family of a child for whom paternity has not been established or for whom a child support order needs to be established, modified, or enforced. Referred individuals must cooperate in establishing paternity and in establishing, modifying, or enforcing a support order with respect to the child. If the CSE Unit determines an individual is not cooperating, and the individual does not qualify for a good cause or other exception established by the CSE Unit, the FSD, or federal law, the CSE Unit must notify the FSD promptly. The FSD must then take appropriate action by either deducting an amount equal to at least 25 percent from the TANF assistance that would otherwise be provided to the family of the individual or denying the family assistance entirely. The DSS has determined the sanction will be 25 percent of the assistance amount. Additionally, 13 CSR 40-2.330 requires sanctions for applicants and recipients of TANF assistance who are not cooperating with the CSE Unit. It appears applicants who have failed to

cooperate in the past should be sanctioned upon re-opening of their TANF cases unless or until they begin cooperating as required.

The FSD and the CSE Unit did not have an effective system to track cases requiring notification of non-cooperation and ensuring the notifications were sent and received. As a result, the FSD could not ensure or demonstrate compliance with federal requirements related to sanctioning of recipients who were not cooperating with CSE program requirements. Notifications should be sent and sanctions entered on all non-cooperating cases, including inactive cases and cases sanctioned for other reasons, so the sanction can be applied if the TANF case becomes active or the other sanctions expire. Effective July 2012, the FSD began requiring the eligibility specialists maintain a log for tracking requests for sanction and noting when the sanctions were added to FAMIS, and in April 2013 the FSD began requiring the CSE Unit notify both the eligibility specialist and the eligibility specialist's supervisor by email of requests for sanction and notify the eligibility specialist even when other sanctions are in place. However, our review indicates these procedures were not effective in ensuring compliance.

WE RECOMMEND the FSD resolve the questioned costs with the grantor agency and:

- A. Maintain required eligibility documentation and case files and strengthen controls to ensure proper and timely action is taken regarding case closure, benefit adjustment, and the recoupment of overpayments.
- B. Establish effective controls to ensure sanctions are imposed on TANF recipients who fail to cooperate with CSE program requirements.

AUDITEE'S RESPONSE

We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.

2014-010.	TANF Work Participation and Sanctions
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2013 - G1302MOTANF and 2014 - G1402MOTANF
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)
Questioned costs:	\$170

The FSD did not have adequate controls in place to ensure compliance with the Temporary Assistance for Needy Families (TANF) Work Verification Plan in effect for state fiscal year 2014 and, as a result, the FSD has less assurance the data used to

calculate the work participation rate is accurate. In addition, controls were not adequate to ensure recipients were sanctioned when they were not in compliance with federal and state requirements.

The FSD contracted with 10 community organizations for the 19 regions in the Missouri Work Assistance (MWA) program to perform many of the required TANF work activity functions. These duties include case management, enrollment and assistance to TANF recipients who are required to participate in eligible work activities, and reporting recipient noncompliance and hours of participation to the FSD. Payments to the contracted community organizations for the MWA program totaled about \$20.2 million during the year ended June 30, 2014.

The FSD has adopted procedures to monitor the performance of the MWA contractors for compliance with the Work Verification Plan policies and procedures. Those procedures include periodic reviews of 3 to 5 percent of cases for proper handling, and quarterly testing of a sample of cases with no recorded hours of work activity for proper sanctioning. The FSD has also provided training to the MWA contractors based on the case testing results. Additionally, during state fiscal year 2014, the FSD and the Division of Finance and Administration performed on-site reviews at five of the MWA contractors covering 7 regions. As of January 2015, the DSS reported the results of 3 on-site reviews each of which determined the contractor failed to comply with the work verification plan and other contractual requirements, and the DSS required the contractor to submit a corrective action plan. The DSS indicated the other 2 reviews had identified similar concerns and the DSS will require those contractors to submit corrective action plans once the on-site review reports are issued. However, our review indicates monitoring activities and training were not effective in ensuring adequate contractor compliance. As a result, the FSD did not ensure MWA contractors complied with the state Work Verification Plan and policies for reporting recipients who do not comply with work requirements.

Under 45 CFR Section 265.3, states are required to submit quarterly TANF Data Reports which provide information regarding TANF recipients and work activities. The Department of Health and Human Services, Administration for Children and Families uses the TANF Data Reports to calculate the state work participation rate each fiscal year. In addition, under 45 CFR Section 261.62, the FSD is required to have a Work Verification Plan which includes requirements to maintain adequate documentation, verification, and internal control procedures to ensure the accuracy of the data used in calculating work participation rates. In doing so, the FSD must have in place procedures to identify TANF recipients who are work-eligible, identify work activities that may count for work participation rate purposes, determine how to count and verify reported hours of work, and control internal data transmission and accuracy.

- A. The FSD was not in compliance with certain work activity reporting requirements contained in the Work Verification Plan in effect for state fiscal year 2014. A similar condition was noted in our prior four audit reports.

We obtained a June 2014 listing of those TANF recipients referred to the MWA contractors which included data on the status of each recipient's compliance with the work participation requirements and number of hours of participation in the various work related activities. Of the 14,518 TANF recipients meeting our selection criteria included in the report, 2,739 recipients had at least an hour of work activity reported. We selected 60 recipients with reported work activity for testing and obtained their case files. We noted for 29 (48 percent) of the cases tested, the work participation hours were either not documented, not verified, and/or not reported correctly in accordance with the Work Verification Plan. In five instances, the errors led to incorrectly reporting the recipient as meeting or not meeting the work participation requirements. The net effect of these errors was an overstatement of approximately 2 percent in the work participation compliance rate for this group of 60 individuals. Our test results indicate there are a significant number of cases for which the reported work participation hours are not accurate and as a result, the FSD has less assurance the state's work participation rate requirement is being met.

The failure to maintain adequate controls to ensure accurate data is reported for measurement of work participation could result in a penalty, under 45 CFR Section 261.65, of not less than 1 percent and not more than 5 percent of the annual grant amount.

- B. The FSD did not have adequate procedures in place to ensure MWA contractors notified the FSD when TANF recipients could not be located at the address recorded for the recipient or to ensure the FSD timely investigated notices from MWA contractors of incorrect addresses for recipients. As a result, some TANF recipients who could not be located and failed to meet work participation requirements were not sanctioned and continued to receive full benefits. A similar condition was noted in our prior three audit reports.

Of 14,518 individuals on the June 2014 listing of TANF recipients referred to the MWA contractors, there were about 11,800 recipients for which no work activities were reported. We tested 59 of these cases and noted 2 (3 percent) of the recipients were not appropriately sanctioned for non-compliance with work participation requirements. Thirty-seven recipients were appropriately sanctioned and the remaining 20 recipients were not subject to sanction during June 2014 due to various reasons, such as the recipient began participation or the FSD or the recipient closed the case. The DSS has established the sanction at 25 percent of the monthly benefit amount. We question the amount of the sanctions that were not imposed on these 2 recipients for the month of June 2014, which totaled \$170 (100 percent federal share).

For one case, the MWA program contractor did not timely notify the FSD when the contractor was unable to locate or engage the recipient. For the other case, the FSD failed to act timely to locate the recipient after receiving notification from the contractor the recipient could not be located. In both cases, the recipient

should have been sanctioned for the month of June 2014 if established procedures had been followed.

Under 45 CFR Section 261.14, for an individual who refuses to engage in work required under Section 407 of the Social Security Act, the state must reduce or terminate the amount of assistance payable to the family, subject to any good cause or other exceptions the state may establish. A state that fails to impose penalties on individuals in accordance with the provisions of Section 407(e) of the Social Security Act may be subject to penalty. Under 45 CFR Section 261.54, the federal agency may impose a penalty amount for a fiscal year of no less than 1 percent and no more than 5 percent of the annual grant amount.

The failure to enforce established controls to ensure recipients who are not in compliance with the work requirements are appropriately sanctioned has resulted in overpayment of benefits totaling \$170.

WE RECOMMEND the FSD:

- A. Develop additional controls to ensure work activities are adequately documented, verified, and reported in accordance with the FSD Work Verification Plan.
- B. Enforce established controls to ensure TANF recipients failing to meet work participation requirements are sanctioned as required. In addition, the FSD should resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.

2014-011.

Medicaid Cost Recovery

Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program 2013 - 1305MO5MAP and 1305MO5ADM 2014 - 1405MO5MAP and 1405MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD failed to timely take appropriate actions to recover funds from estates of thousands of deceased participants of the Medical Assistance Program. As a result, the MHD likely forfeited the opportunity to recover millions of dollars of medical expenses paid from state and federal funds.

The Medical Assistance Program, also known as Medicaid, is administered by the MHD under the federally approved Medicaid State Plan. Missouri statutes enable the MHD to seek recovery of expended Medicaid funds through the probate code as a state debt upon a participant's death. The DSS performs a daily automated comparison between Medicaid participants and death records from the Department of Health and Senior Services - Bureau of Vital Statistics. For deceased Medicaid participants identified, a probate estate case is automatically created in the Medicaid Management Information System (MMIS), which then requires further processing by MHD staff. When reviewing each probate estate case, the MHD Probate and Estate Unit staff determine if Medicaid funds were expended on behalf of the deceased participant and if the participant has assets potentially available for recovery. Once both criteria have been confirmed, the MHD prepares an estate claim and provides this claim to the Attorney General's office for filing in probate court. To be recoverable, a claim must be filed in probate court within one year from the date of death.

During the year ended June 30, 2014, the MHD reported closing 9,321 probate estate cases. The MHD recovered \$8.3 million from approximately 6 percent of these cases, or an average of \$15,000 per case with recovery. As of December 31, 2014, the MHD had not yet reviewed probate estate cases for over 44,000 deceased Medicaid participants. The participants in 30,804 of these cases had been deceased more than one year, meaning the MHD will no longer be able to file applicable claims in probate court. Based on the results achieved on the cases above that were processed and closed, had these other pending probate estate cases been processed within the required timeframe, additional amounts recovered could have possibly totaled over \$27 million. MHD personnel indicated there are not sufficient staff in the Probate and Estate Unit to process all probate estate cases timely and cases are not prioritized in an effort to maximize recovery.

The Medicaid State Plan indicates upon the death of a Medicaid participant, the total amount expended on behalf of the participant shall be a debt due to the state. According to 42 CFR Section 433.36, the MHD may seek recovery of Medicaid funds from the estates of deceased participants. Section 473.020, RSMo, indicates the claim must be filed with the probate court within one year from the date of death in order to recover any funds. Without timely action on probate estate cases of deceased participants identified in the MMIS, the MHD is not in compliance with cost recovery requirements and loses the opportunity to recover state and federal funds.

WE RECOMMEND the MHD ensure appropriate actions are taken timely to maximize funds recovered for Medicaid expenditures from estates of deceased participants.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
2012 - 1205MO5021 and 2013 - 1305MO5021
93.778 Medical Assistance Program
2013 - 1305MO5MAP and 1305MO5ADM
2014 - 1405MO5MAP and 1405MO5ADM
State Agency: Department of Social Services (DSS) - MO HealthNet Division
(MHD)
Questioned Costs: \$4,645,763

The MHD has periodically changed the rate paid pharmacies for dispensing prescription drugs under the Medical Assistance Program and the Children's Health Insurance Program (CHIP); however, until March 2014, the state regulation authorizing these dispensing fees had not been updated since 1988. The Medical Assistance Program, also known as Medicaid, and the CHIP are administered by the MHD under the federally approved Medicaid and CHIP State Plans.

In addition to paying pharmacies for the cost of each prescribed drug, the MHD also pays pharmacies a base fee of \$4.84 for dispensing each participant's prescription. However, this dispensing fee is higher than the \$3 established under 13 CSR 70-20.060(1). In addition, in 1991 the DSS, as part of a settlement agreement, agreed to increase the Medicaid pharmacy dispensing fee to \$4.09 per prescription. While the payment amount was increased as required by the agreement, neither the State Plan nor the CSRs were updated to reflect this amount. The State Plan was updated to add general wording indicating the state would pay the applicable fee at the time the prescription is filled, but again, no specific dollar amount was noted.

Federal regulation 42 CFR Section 431.10(b)(2) requires the state to establish the legal authority for the Medicaid agency to administer the Medicaid State Plan, including making rules and regulations to follow in administering the plan. In accordance with this CFR, the Medicaid State Plan lists the various statutes allowing the DSS to establish rules and regulations to administer the plan. The MHD has created CSRs, such as the one mentioned above, to administer the Medicaid program. However, failure to update the related regulations when fee structures were changed caused the MHD to be noncompliant with its own regulations in administering the Medicaid State Plan.

During 2014, MHD personnel took action to update state regulations in response to our similar prior audit recommendations. The regulation, effective March 30, 2014, updated the base dispensing fee to \$4.84, the current fee paid. The MHD paid pharmacies base dispensing fees totaling \$47,785,552 during the period of July 1, 2013, through March 30, 2014, prior to the update in state regulations. Had the dispensing fees been paid in accordance with the 1991 settlement agreement, the fees would have totaled \$40,380,766,

a difference of \$7,404,786. We question the federal share of the increased payments, or \$4,645,763 (62.74 percent).

Similar findings were included in our three prior audit reports.

WE RECOMMEND the MHD resolve questioned costs with the grantor agency and ensure any future increases in payment rates are included in state regulations.

AUDITEE'S RESPONSE

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2014-013.	Participant Eligibility
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program 2012 - 1205MO5021 and 2013 - 1305MO5021 93.778 Medical Assistance Program 2013 - 1305MO5MAP and 1305MO5ADM 2014 - 1405MO5MAP and 1405MO5ADM
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD) and MO HealthNet Division (MHD)

The MHD does not have sufficient controls in place over eligibility determinations to ensure compliance with participant enrollment requirements of aged, blind, and disabled individuals in the Medical Assistance Program. Additionally, eligibility determinations were not made timely, as required.

The Medical Assistance Program, also known as Medicaid, and the Children's Health Insurance Program (CHIP) are administered by the MHD under the federally approved Medicaid State Plan. The FSD is responsible for determining the eligibility of Medicaid and CHIP participants, including MO HealthNet for the Aged, Blind, and Disabled (MHABD) assistance programs. During the year ended June 30, 2014, Medicaid and CHIP payments totaled approximately \$9.5 billion, of which approximately \$6.0 billion was claimed as federal expenditures. The average monthly number of Medicaid and CHIP participants during fiscal year 2014 totaled approximately 960,000. Approximately 234,000 of them were MHABD participants.

- A. The DSS did not ensure monthly supervisory reviews of eligibility determinations for MHABD participants were completed as required for 5 of 40 (13 percent) eligibility specialists we reviewed. Monthly supervisory reviews ensure information obtained to determine eligibility for all Medicaid and CHIP assistance is in compliance with federal regulations and properly and accurately entered into eligibility systems. While the DSS performs some other eligibility review

procedures, those reviews are focused on targeted areas and do not include the entire population or all eligibility components. As a result, the DSS has not reviewed all eligibility components for the MHABD population to ensure eligibility determinations are in compliance with federal regulations.

DSS policy, last updated October 2013, indicates management is responsible for ensuring supervisors have completed four reviews per eligibility specialist during the month following the month action was taken on the case, which includes ensuring proper eligibility determination. However, management has not ensured this policy is applied consistently across the state. Some supervisors stated there was not sufficient time to complete the required reviews for all eligibility specialists. Without adequate supervisory reviews, an individual may be incorrectly given or denied benefits.

- B. Adequate controls are not in place to ensure eligibility is determined timely for all new participants. The eligibility system tracks eligibility determination dates and notifies eligibility specialists when a deadline has passed. While reports are available to supervisors of all pending and past due eligibility determinations, there is no DSS policy requiring supervisors to review these reports for delinquent determinations.

We reviewed eligibility documentation in the case files for 40 participants eligible for Medicaid or CHIP at some time during the year ended June 30, 2014. Included were 24 participants requiring a yearly redetermination of eligibility and 8 participants with an initial eligibility determination. The remaining 8 participants reviewed did not require an assessment of eligibility during the year. The DSS did not determine Medicaid eligibility timely for 1 of the 8 participants (13 percent) reviewed with an initial eligibility determination.

According to 42 CFR Section 435.912, the DSS is required to determine eligibility and inform the applicant within 90 days of the application date when applying on the basis of a disability, and within 45 days of the application date for all other applicants. For the one exception noted in the previous paragraph, the eligibility determination was not made timely. A medical review team determined this individual was medically eligible within 90 days of the application date; however, the final MHD eligibility determination and notification to the individual was not made until 134 days after the date of application. As a result, the individual may not have received needed medical care during the delay. The FSD could not provide a reason why the determination and notification were delayed. This delay could have been identified had the reports of applications that are nearing or past the determination deadline been reviewed.

WE RECOMMEND the DSS:

- A. Ensure supervisory reviews of cases are performed as required by internal policy.

- B. Utilize available reports to ensure applications for services are processed within required timeframes.

AUDITEE'S RESPONSE

We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

2014-014.	Report Reviews
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program 2013 - 1305MO5MAP and 1305MO5ADM 2014 - 1405MO5MAP and 1405MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)
Questioned Costs:	\$2,403

The MHD does not have effective controls in place for the review of some reports necessary to ensure compliance with enrollment requirements of the Medicare Buy-In program. The MHD failed to add or delete some participants in the Buy-In program when required. The Medical Assistance Program, also known as Medicaid, is administered by the MHD.

Some state Medicaid participants may also be enrolled simultaneously in the federal Medicare program, known as dually eligible. For these participants, the Medicare program is the primary insurance, and Medicaid is the secondary insurance. This arrangement is cost-beneficial to the state because the Medicaid program is only responsible for expenses not covered by Medicare, such as deductible and coinsurance amounts. When participants are dually eligible, they may also qualify for the Buy-In program. Under this program, the MHD may use Medicaid funds to pay the premiums and other charges for certain eligible participants in Medicare Part A (hospital insurance) and Part B (medical insurance), as allowed by federal regulations 42 CFR Section 406.26 and 42 CFR Section 431.625. Since the MHD is paying the premiums for participants in this program, it is important that only those participants that are eligible are enrolled in the program. MHD responsibilities for the Buy-In program include identifying existing Medicaid participants eligible for Buy-In, maintaining the records of Buy-In participants, removing participants when they become ineligible for the Buy-In program, and verifying payments made for Medicare premiums.

MHD staff review three system-generated reports of Medicaid participants with changes that may affect eligibility for the Buy-In program. While reviewing these reports, MHD personnel are to research each participant and manually add or delete the participants to/from the Buy-In program as necessary. During the year ended June 30, 2014, there were approximately 3,300 participants on these reports each month. We tested 40

participants from 2 of the reports and 80 from the 3rd report (160 participants in total) to determine if the MHD staff verified and properly changed the participants' Buy-In program eligibility.

- We identified 12 participants (8 percent) that were not reviewed by MHD personnel, including 10 participants qualified for the Buy-In program that were not added to the program and 2 participants that no longer qualified but were not deleted from the program. MHD personnel indicated that due to staffing limitations, those coded for addition were considered lesser priority and were not always reviewed, and the 2 participants that should have been deleted were overlooked during the review process.
- We identified 6 participants (4 percent) that were reviewed by MHD personnel but were not reviewed in a timely manner, resulting in enrollment actions not being performed timely. The MHD's review of these 6 participants didn't occur until 3 to 9 months after they became ineligible for the Buy-In program. Federal regulation 42 CFR 407.48(c) requires that the state send an ineligibility notice to the Department of Health and Human Services - Centers for Medicare and Medicaid Services within 2 months of when the participant becomes ineligible; the state can only recoup premiums paid in the 2 months prior to sending the ineligibility notice.

Without fully reviewing reports in a timely manner related to the Buy-In program and ensuring proper handling of those participants, the MHD is not able to ensure only eligible Medicaid participants are enrolled in the Buy-In program. When the MHD fails to enroll an eligible participant in the Buy-In program, the MHD does not cover the cost of the Medicare premium, leaving the participant responsible for payment. Conversely, when the MHD does not delete a participant from the Buy-In program when no longer eligible, the state unnecessarily continues to pay Medicare premiums for the participant. The ineligible Medicare premium payments made on behalf of the 8 participants mentioned above who should have been deleted from the Buy-In program totaled \$3,881 during the year ended June 30, 2014. We question the federal share of the ineligible payments, or \$2,403 (61.91 percent).

A similar finding was included in our previous audit report.

WE RECOMMEND the MHD resolve questioned costs with the grantor agency and establish controls to ensure the complete and timely review of all reports related to the Medicare Buy-In program. In addition, the MHD should establish controls to ensure timely performance of required Medicare Buy-In enrollment actions.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Additional State Auditor's Reports:

The Missouri State Auditor's Office regularly issues audit reports on various programs, agencies, divisions, and departments of the state of Missouri. Audit reports may include issues relating to the administration of federal programs. Reports issued during fiscal year 2014 and through current were reviewed and the following reports relate to federal programs and were analyzed to determine if any issues noted in these reports were required to be reported in this Schedule of Findings and Questioned Costs in accordance with Section .510(a) of OMB Circular A-133.

<u>Report Number</u>	<u>Report Name</u>
2014-043	Natural Resources/Division of Environmental Quality, Hazardous Waste Program
2014-140	Social Services/MO HealthNet Division, Payment and Cost Recovery
2015-005	Early Childhood Development, Education, and Care Fund

All reports are available on the Missouri State Auditor's Office website: <http://auditor.mo.gov>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

STATE OF MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2013. In addition, this schedule is to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were listed as corrected, no longer valid, or not warranting further action. As a result, the Summary Schedule of Prior Audit Findings for the year ended June 30, 2014, also includes certain findings from prior audits for the years ended June 30, 2012, 2011, 2010, 2009, and 2008. This section includes the Summary Schedule of Prior Audit Findings, which is prepared by the state's management.

Circular A-133 requires the auditor to follow-up on these prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and report, as a current year finding, when the auditor concludes the Summary Schedule of Prior Audit Findings materially misrepresents the status of any prior audit findings.

The disposition of the findings from the year ended June 30, 2012, is as follows:

Findings numbered 4, 5, 7, 9, 10, 12A, 13B, 17, 18D, 19B, and 21 were corrected.

Findings numbered 6, 8, 11A-C, 12B, 13A, 14A-D, 15A-B, 16A-B, 18A-C, 19A, and 20 are included in the Summary Schedule of Prior Audit Findings.

For the year ended June 30, 2011, all findings were corrected, no longer valid, or did not warrant further action, except for findings numbered 4A-B, 12, 14A-B, 16, 17, 18A, 19A-D, 20A-B, 22C, 23, 24, and 25A, which are included in the Summary Schedule of Prior Audit Findings.

For the year ended June 30, 2010, all findings were corrected, no longer valid, or did not warrant further action, except for findings numbered 6, 15, 16A, 17, 19, and 25, which are included in the Summary Schedule of Prior Audit Findings.

For the year ended June 30, 2009, all findings were corrected, no longer valid, or did not warrant further action, except for findings numbered 12 and 15A, which are included in the Summary Schedule of Prior Audit Findings.

For the year ended June 30, 2008, all findings were corrected, no longer valid, or did not warrant further action, except for finding numbered 9A, which is included in the Summary Schedule of Prior Audit Findings.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2008-09A. Vocational Rehabilitation Program

Federal Agency: Department of Education
Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
2007 - H126A0700372 and 2008 - H126A080037
State Agency: Department of Social Services (DSS) - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB)
Questioned Costs: \$3,444,779

The FSD did not establish procedures to ensure adequate supporting documentation was prepared for personnel costs charged to the Vocational Rehabilitation (VR) grant. Personnel costs charged to the VR grant during state fiscal year 2008 for which the supporting documentation was inadequate or not prepared totaled \$4,377,102, of which we questioned the federal share of costs totaling \$3,444,779 (78.7 percent).

Recommendation:

The FSD resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program and personnel activity reports are prepared for employees who work on multiple federal awards or cost objectives in accordance with OMB Circular A-87.

Status of Finding:

The FSD/RSB has modified and implemented the processes to ensure compliance with regulations regarding personnel cost allocations effective July 1, 2009, with more recent modifications to improve the quality management and verification of accuracy. Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards as dictated in regulations. The RSB and the Division of Finance and Administrative Services continue to meet on a regular basis to improve communications, and ensure compliance with regulations and documentation for auditors. The DSS received the program determination letter for the single audit for the period of July 1, 2007, through June 30, 2008, from the grantor agency. The DSS filed application for review with Office of Administrative Law Judges of the Department of Education.

The DSS appealed this finding based on the fact that even though the DSS did not have correct time study procedures in place, the DSS can prove that if those procedures were in place there would have been no difference in the actual personnel costs that were charged to the VR grant. The grantor agency approved the DSS' corrective action plan. A

settlement agreement was reached and the grantor agency reduced the amount of the unallowable expenses to \$73,393 from the original amount of \$3,444,779.

This finding has been resolved with the grantor agency.

Status of Questioned Costs:

The DSS has settled the questioned costs with the grantor agency.

Contact Person: Kevin Faust

Phone Number: (573) 751-4249

2009-12. Cost Allocation Procedures

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families

 2007 - G0701MOTANF

 2008 - G0801MOTANF

 2009 - G0901MOTANF

93.658 Foster Care - Title IV-E

 2008 - G0801MO1401 and 2009 - G0901MO1401

93.659 Adoption Assistance

 2008 - G0801MO1407 and 2009 - G0901MO1407

93.778 Medical Assistance Program

 2008 - 0805MO5028 and 0805MO5048

 2009 - 0905MO5028 and 0905MO5048

State Agency: Department of Social Services (DSS) - Division of Finance and
 Administrative Services (DFAS)

Questioned Costs: \$666,189

The DSS did not establish procedures to ensure all payments to Caring Communities partnerships were allowable and allocable to the various federal programs. Some of the costs associated with the partnerships were allocated through a cost pool based on the percentage of time worked by Children's Division employees on certain federal programs rather than based on actual services provided by the partnerships. As a result, we questioned \$666,189, which was the federal portion of the costs allocated to these programs through the Social Services cost pool during the year ended June 30, 2009.

Recommendation:

The DSS, through the DFAS, resolve the questioned costs with the grantor agency, and establish procedures to ensure all payments to the Caring Communities partnerships are allowable and allocable to the various federal programs in accordance with OMB Circular A-87.

Status of Finding:

The DSS is working in consultation with the Department of Health and Human Services (DHHS) to rewrite the cost allocation plan to better define its methodologies for allocating costs to various DHHS grants. The DSS has contracted with a third party to help develop and implement a new cost allocation plan and system. The first phase/portion of the new cost allocation plan was expected to be submitted by December 2014; however, there were some delays and the plan now is to submit the new cost allocation plan for the quarter ended March 31, 2015. The plan will be tested and finalized by June 30, 2015. The remaining portion of the plan will be implemented after successful completion of phase one.

The DSS has also assigned a senior level staff person to manage the cost allocation plan. That person is responsible and accountable for updates/revisions to the plan.

Status of Questioned Costs:

Questioned costs were partially settled on federal reports during the quarter ended December 31, 2011. Remaining questioned costs were settled on the quarter ended September 30, 2013, federal reports. The DSS is waiting on clearance from the grantor agency.

Contact Person: Ami Patel
Phone Number: (573) 751-2170

2009-15A. Vocational Rehabilitation Program

Federal Agency: Department of Education
Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
2007 - H126A0070037
2008 - H126A0080037
2009 - H126A0090037
State Agency: Department of Social Services (DSS) - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB) and Division of Finance and Administrative Services (DFAS)
Questioned Costs: \$1,623,730

Adequate supporting documentation was not always prepared for personnel costs, which consisted of salaries and related fringe benefits and indirect costs, charged to the Vocational Rehabilitation (VR) grant for approximately 160 employees. Personnel costs were charged solely to the VR grant for some employees who performed duties related to other programs. Personnel costs charged to the VR grant during state fiscal year 2009 for which the supporting documentation was inadequate or not prepared totaled \$2,063,188, of which we questioned the federal share of costs totaling \$1,623,730 (78.7 percent).

Recommendation:

The DSS, through the FSD and DFAS, resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program and personnel activity reports are prepared for employees who work on multiple federal awards or cost objectives in accordance with OMB Circular A-87.

Status of Finding:

To ensure compliance with OMB Circular A-87 to document personnel salaries and wages to the benefiting grant, and to verify that dollars intended for specific costs are in fact covering those and only those costs as dictated in relevant regulations, underlying formulas used to calculate the distribution of the salaries and wages to the appropriate grant on a monthly spreadsheet used by the designated state unit (RSB) have been corrected. The RSB has also implemented a monthly verification process of comparing each person's monthly salary and wages from the RSB monthly spreadsheet to a monthly payroll extraction report from the DFAS, addressing any inconsistencies. The RSB and the DFAS continue to meet on a regular basis to improve communications, and ensure compliance with federal requirements for personnel cost allocations and allocable costs, and appropriate documentation for auditors.

This finding has been cleared by the Department of Education.

Status of Questioned Costs:

The Department of Education will not seek recovery of the questioned costs.

Contact Person: Kevin Faust

Phone Number: (573) 751-4249

2010-6. Eligibility Reassessments

Federal Agency: Department of Health and Human Services

Federal Program: 93.778 Medical Assistance Program

2009 - 0905MO5028 and 0905MO5048

2010 - 1005MO5MAP/XIX-MAP10 and

1005MO5ADM/XIX- ADM10

93.778 ARRA - Medical Assistance Program

2009 - 0905MOARRA and 2010 - 1005MOARRA

State Agency: Department of Health and Senior Services (DHSS)

Questioned Costs: \$598,286

The DHSS did not have effective controls in place to ensure annual reassessments to determine the eligibility of recipients receiving State Plan Personal Care or Aged and Disabled Waiver services were conducted, as required. The DHSS did not perform annual reassessments of eligibility for 49 of 66 (74 percent) cases reviewed. The payments made on behalf of the recipients without annual reassessments during the year ended June 30,

2010, totaled \$806,967. We questioned the federal share of these payments or \$598,286 (74.14 percent).

Recommendation:

The DHSS establish effective controls to ensure the annual reassessments are conducted as required. In addition, the DHSS should resolve the questioned costs with the grantor agency.

Status of Finding:

The fiscal year 2015 state budget includes funding for Home and Community Based Services (HCBS) providers to conduct reassessments. The ten Area Agencies on Aging also conduct reassessments. Reassessments by providers totaled 11,999 in fiscal year 2014, an increase of 7,473 over the previous fiscal year. Level of care reassessments for current clients will be scheduled for completion based upon the anniversary date of the last assessment. DHSS staff will review and approve all reassessments submitted by HCBS providers and the Area Agencies on Aging.

Status of Questioned Costs:

DHSS staff has met with staff from the federal Centers for Medicare and Medicaid Services to discuss the issues raised in the audit. The meetings are ongoing.

Contact Person: Celesta Hartgraves

Phone Number: (573) 526-3626

2010-15.

Cost Allocation Procedures

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
2009 - G0901MOTANF and 2010 - G1002MOTANF

93.658 Foster Care - Title IV-E
2009 - G0901MO1401 and 2010 - G1001MO1401

93.658 ARRA - Foster Care - Title IV-E
2009 - G0901MO1402 and 2010 - G1001MO1402

93.659 Adoption Assistance
2009 - G0901MO1407 and 2010 - G1001MO1407

93.674 Chafee Foster Care Independence Program
2009 - G0901MO1420 and 2010 - G1001MO1420

93.778 Medical Assistance Program
2009 - 0905MO5048 and 2010 - 1005MO5ADM

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

Questioned Costs: \$2,168,919

DFAS controls and procedures over the quarterly allocation of costs to federal programs were not sufficient and as a result, numerous cost allocation errors were not prevented

and/or detected. Our review of selected sections of state fiscal year 2010 Children's Division and Family Support Division cost allocation spreadsheets and supporting documentation identified overstatements totaling approximately \$3.3 million for 5 federal programs and understatements totaling approximately \$3.2 million for 11 federal programs due to spreadsheet formula and data entry errors. We questioned the federal share of costs related to the overstatements, or \$2,168,919.

Recommendation:

The DSS, through the DFAS, resolve the questioned costs with the grantor agency, and strengthen controls and procedures to ensure the accurate allocation of costs to federal programs. These procedures should include a detailed and documented supervisory review of cost allocation spreadsheets.

Status of Finding:

The DSS is working in consultation with the Department of Health and Human Services (DHHS) to rewrite the cost allocation plan to better define its methodologies for allocating costs to various DHHS grants. The DSS has contracted with a third party to help develop and implement a new cost allocation plan and system. The first phase/portion of the new cost allocation plan was expected to be submitted by December 2014; however, there were some delays and the plan now is to submit the new cost allocation plan for the quarter ended March 31, 2015. The plan will be tested and finalized by June 30, 2015. The remaining portion of the plan will be implemented after successful completion of phase one.

The DSS has also assigned a senior level staff person to manage the cost allocation plan. That person is responsible and accountable for updates/revisions to the plan.

Status of Questioned Costs:

Questioned costs were settled on quarter ending March 2011 and quarter ending June 2011 federal reports. The DSS is waiting on clearance from the grantor agency.

Contact Person: Ami Patel

Phone Number: (573) 751-2170

2010-16A. Child Care Eligibility and Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
 2009 - G0901MOCCDF and 2010 - G1001MOCCDF
93.596 Child Care Mandatory and Matching Funds of the Child Care
 and Development Fund
 2009 - G0901MOCCDF and 2010 - G1001MOCCDF
93.713 ARRA - Child Care and Development Block Grant
 2009 - 20091MOCCD7

State Agency: Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Questioned Costs: \$73,315

Controls over eligibility and provider payments were not sufficient to prevent and/or detect payments on behalf of ineligible clients or improper payments to child care providers.

- Eligibility documentation such as a signed child care application or system-generated interview summary and/or income record(s) for 13 of 60 (22 percent) cases reviewed could not be located by the DSS. For six of these cases, the DSS could not locate the eligibility file. We questioned the federal share of payments made on behalf of these children and siblings of these children, or \$70,092 (84 percent).
- For child care payments, 30 of 60 (50 percent) payments reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. Of these 30 payments, 11 were for cases which also lacked eligibility documentation and were included in the above questioned costs. Payments for the remaining 19 cases totaled an additional \$3,837. We questioned the federal share, or \$3,223 (84 percent).

Recommendation:

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

Status of Finding:

Corrective actions taken since the finding was issued follow:

Case Adjustments - Funds have been returned to the federal government or claims have been entered on either a parent or provider.

The DSS continues to review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. The CD and the FSD hold quarterly quality improvement meetings. The Child Care Review Team (CCRT) has been implemented to monitor child care providers, both onsite and off. The FSD continues to work on enhancing document retention efforts. Additional efforts are as follows:

FSD Reorganization and MEDES - The FSD continues to move forward with transitioning from a case management approach to a task based approach with specialized offices; for example housing child care eligibility with the Temporary Assistance for Needy Families program in one or more locations. The continued development of the MO

Eligibility Determination Electronic System (MEDES) will allow for a task based approach which results in greater efficiencies in the processing of program eligibility applications.

Early Childhood and Prevention Services - The CD has restructured the Early Childhood and Prevention Section by streamlining functions based on division responsibilities. As of August 2014, the Division of Finance and Administrative Services is responsible for the oversight and processing of child care provider payments. This change will afford the CD more time to concentrate on the substantial changes resulting from the Child Care Development Block Grant of 2014.

Child Care Electronic Provider System - The CD issued a Request for Information to gather information regarding available Business Intelligence Solutions that would provide the DSS with a comprehensive and time efficient system for the administration of the Child Care program. A Request for Proposal will be issued seeking proposals for a system that will include:

1. A child care provider registration and tracking system.
2. An electronic time and attendance system for all providers statewide.
3. A child care review system for the purpose of executing and managing a compliance monitoring process for the Child Care program.

Child Care Review Team - In August 2013, the DSS hired four staff to conduct compliance reviews of child care providers. The CCRT uses a risk based monitoring approach to detect providers who are at high risk of non-compliance. This process has created opportunities for identification of deficiencies in child care providers' performance, and a process to hold them accountable for the requirements of their contract/registration agreement. As of October 2014, the DSS has conducted more than 1,400 onsite reviews of child care providers.

Case Review Tool - A child care component to the FSD Case Review System was implemented in March 2012. The CD is utilizing output reports from the CRS to identify programmatic strengths and challenges and areas for policy, field and training improvement. The output reports for fiscal year 2014 have been reviewed and indicate a 94.56 percent accuracy rate statewide.

A program development specialist completes second level reviews on randomly selected cases reviewed by eligibility specialist (ES) supervisors and compiles a quarterly list of critical areas for ES supervisors to focus on during the case review process. A statewide analysis is being prepared for FSD leadership on a quarterly basis. This analysis outlines areas for improvement.

Casework Reference Guide - The FSD Training Unit, in collaboration with Child Care Program and Policy staff, developed a Case Reference Guide (CRG) for FSD workers. The CRG is an informational tool that can be utilized by workers when processing applications and completing other case actions. The CRG does not replace the policy and

forms manuals. It is intended to be an additional resource for workers. Workers are to use this guide in conjunction with the policy and forms manuals and memorandums. The CD is currently updating the CRG.

Child Care Manual Revisions - Early Childhood and Prevention Services program and policy staff is continually reviewing the child care manual for clarification and revision.

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Child Care Steering Committee - During the summer of 2012, the DSS formed a steering committee to address child care issues. From this initiative there were four project teams designated to identify deficiencies and problematic areas within the Child Care program: Eligibility, Provider Issues and Policy/Payments, Program Integrity, and Information and Systems Technology. Each team made five or six recommendations related to the team's assigned area. The DSS continues to implement the recommendations made by this committee.

Self-Employment Training - Effective August 1, 2011, the FSD ES and ES supervisors are required to complete the on-line Self-Employment Income Budgeting training course found in the Employee Learning Center. ES and ES supervisors were required to complete the training by December 31, 2011. The self-employment training is to assist in reducing the error rates for all income maintenance programs.

FSD Workers Online Child Care Training - The FSD administers the child care assistance program for income maintenance households. The majority of the families accessing child care receive services through their local FSD office. As of September 1, 2011, FSD frontline workers and supervisors were able to access online child care training through the FSD Training Unit intranet page. New FSD employees are required to successfully complete the online training prior to enrolling in the in-person Basic Child Care Orientation training. New staff access and complete the training through the DSS Employee Learning Center with the online assessment component. Effective April 1, 2013, ES and ES supervisors are required to retake the online Child Care Assistance training every two years after initial completion.

Status of Questioned Costs:

This finding has been cleared by the Department of Health and Human Services - Administration for Children and Families. The questioned costs were adjusted on the federal report for quarter ended June 30, 2011.

Contact Person: Marianne Dawson
Phone Number: (573) 522-2294

2010-17. Performance Based Case Management Contracts

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
 2009 - G0901MOTANF and 2010 - G1002MOTANF
 93.658 Foster Care - Title IV-E
 2009 - G0901MO1401 and 2010 - G1001MO1401
 93.659 Adoption Assistance
 2009 - G0901MO1407 and 2010 - G1001MO1407
 93.778 Medical Assistance Program
 2009 - 0905MO5048 and 2010 - 1005MO5ADM
State Agency: Department of Social Services (DSS) - Children's Division (CD)

The DSS had not established procedures to ensure all payments to performance based case management contractors were properly allocated to federal programs. As a result, some contractor payments were allocated to federal programs based on unrealistic budgeted expenditure categories rather than actual expenditures.

Recommendation:

The DSS, through the CD, establish procedures to ensure all payments to performance based case management contractors are allocated to federal programs in accordance with federal regulations.

Status of Finding:

The DSS believes that its current process for claiming performance based case management contractor payments is in accordance with federal regulations. However, to validate and improve our claiming process, the DSS awarded a work order to Public Consulting Group (PCG) to review and recommend improvements to the cost allocation methodology for foster care case management (FCCM) claiming. The initial review, data analysis, and recommendations report was received in draft form on December 21, 2011, and the final report was received on February 29, 2012. As a result of the recommendations, the DSS entered into a subsequent work order with PCG to implement the recommendations.

In April 2013, a Random Moment Sampling Time Study was implemented with the FCCM agencies in order to capture their work activities. In addition, PCG worked with the FCCM agencies to develop an individual cost allocation plan for each agency. This will be incorporated into any changes made to the overall DSS cost allocation plan, as applicable. The monthly expenditure report which is submitted by each FCCM agency was revised effective with the contract renewal on October 1, 2013.

Contact Person: Ami Patel
Phone Number: (573) 751-2170

2010-19. Residential Facility Training Reimbursements

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
 2009 - G0901MO1401 and 2010 - G1001MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: \$19,467

The CD had not established sufficient procedures to review residential facility training reimbursements. As a result, reimbursements to these facilities were not always supported by sufficient documentation that training costs were allowable, and some reimbursed training costs appeared unallowable. Of the \$30,656 in training reimbursements reviewed, payments totaling \$25,957 (85 percent) were unsupported and/or unallowable, of which we questioned \$19,467 claimed as the federal share.

Recommendation:

The DSS, through the CD, strengthen residential facility training reimbursement review procedures to ensure training activities reimbursed are for allowable activities outlined in federal regulations and are adequately supported. In addition, the DSS should resolve the questioned costs with the grantor agency.

Status of Finding:

On May 3, 2011, the CD issued to residential treatment providers reimbursed for training costs a letter outlining enhanced procedures that will ensure there is adequate documentation to support claiming those costs for Title IV-E training reimbursement. An invoice checklist has been developed and is being used to review all invoices and supporting documentation received. Prior to payment being issued, a second-level review is being completed by a member of the Division of Finance and Administrative Services (DFAS) staff.

Residential treatment providers are now required to code the training course to one of a list of Title IV-E allowable topics and to provide a rationale/justification for Title IV-E reimbursement of the course costs. Additionally, the DSS has developed an internal team to review to ensure the training meets Title IV-E training criteria. Trainings meeting this criteria will be approved. After all curriculums are reviewed a new process will be put in place to only reimburse for trainings already approved.

Additionally, the DFAS has strengthened department quality assurance and compliance functions to provide enhanced monitoring of programs and technical assistance to staff with fiscal responsibilities.

In June 2014, a decision letter was received from the grantor agency regarding this finding. The letter directed the DSS to return all Title IV-E Residential Treatment training costs claimed for fiscal year 2010. Further, the DSS agreed to discontinue claiming these dollars going forward until they are covered in a federally approved training plan.

Status of Questioned Costs:

An adjustment for all residential treatment training costs claimed to Title IV-E for fiscal year 2010 was made on the June 30, 2014, quarterly report, as directed by the grantor agency.

Contact Person: Sheila Tannehill

Phone Number: (573) 751-8962

2010-25. Provider Eligibility and Improper Payments

Federal Agency: Department of Health and Human Services

Federal Program: 93.778 Medical Assistance Program

2009 - 0905MO5028 and 0905MO5048

2010 - 1005MO5MAP/XIX-MAP10 and

1005MO5ADM/XIX- ADM10

93.778 ARRA - Medical Assistance Program

2009 - 0905MOARRA and 2010 - 1005MOARRA

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

Questioned Costs: \$122

The MHD had not established controls to detect expired Medicaid provider licenses or to prevent, detect, and correct payments to providers who were deceased prior to the date the reimbursement claim indicated medical services were provided. As a result, the MHD improperly paid \$164 during the year ended June 30, 2010, for three claims submitted for one Medicaid provider who was deceased prior to the reported date of service. We questioned the federal share of the three claims paid for which the reported dates of services were after the provider's date of death, or \$122 (74.43 percent). In addition, the MHD had not established controls to ensure providers continually meet federal requirements for disclosure of convictions of criminal offenses against Medicare, Medicaid, or the Title XX service program.

Recommendation:

The MHD develop procedures to ensure providers meet required criteria to be eligible Medicaid providers, including periodically verifying provider licenses, obtaining updated provider disclosures, and ensuring timely detection of deceased providers, to aid in the prevention and correction of improper claims paid. In addition, the MHD should resolve the questioned costs with the grantor agency.

Status of Finding:

In May of 2011, Missouri Medicaid Audit and Compliance (MMAC) began receiving and taking action based upon a License Not Renewed Report. MMAC personnel receive the report quarterly, and the report includes a list of all enrolled providers who hold licenses through the Department of Insurance, Financial Institutions, and Professional Registration, whose licenses were not renewed. These providers are consequently terminated from participation in the Medicaid program. MMAC personnel also review

the Medicare Exclusions Database monthly to monitor provider sanctions and exclusions and take action as necessary based upon this review. Additionally, MMAC personnel now receive notifications from the various boards which comprise professional registration when an enrolled provider's license is suspended, and MMAC suspends the provider from participation in the Medicaid program.

The DSS corrective action plan includes addressing the provider's date of death issue through the current Fraud Waste and Abuse contract with Truven Analytics. The contractor purchased a license for the Social Security Master Death File and monthly updates. Additionally, the contractor provided the information for this match and planned on assessing a monthly charge for ongoing services. However, it was determined by the DSS to not be cost effective to pay for this information given the limited effectiveness gained from this enhancement.

Thus, the DSS addressed the provider's required criteria for eligibility in the Request for Proposal (RFP) for the Provider Enrollment/Case Management system, section 2.3.29, which states "the solution shall provide ongoing monitoring of provider eligibility by automated matching against external databases for exclusions, licenses, death records, criminal records, National Provider Identifier deactivations, sanctions, and suspensions. Suspicious data and non-matches shall generate alerts for the end user for review and possible corrective action." The collection of social security numbers from providers will make validation through an external database of death records feasible through the provider enrollment system.

The bid evaluation process was concluded and the potential vendor selected. The RFP, the vendor response, and the Advanced Planning Document were submitted to the Department of Health and Human Services, Center for Medicare and Medicaid Services and approved on April 3, 2014. The MMAC awarded the bid for its Provider Enrollment/Case Management system to Digital Harbor in April 2014. The monitoring and screening modules of this system, which will provide the ongoing monitoring of provider eligibility by automated matching against external databases for exclusions, licenses, death records, criminal records, National Provider Identifier deactivations, sanctions, and suspensions, will be "live" in June or July 2015.

In the meantime, the MMAC relies on updates from billing agents (contractors that submit claims for providers), provider communications or any other department-wide notices that MMAC may be able to obtain that can be verified with vital records. Once providers enroll with Missouri Medicaid, they are typically enrolled permanently. The MMAC promulgated a rule to enforce the new federal requirement for revalidation, which became effective July 30, 2014. The revalidation schedule is set for reoccurring five year periods. Also, the MMAC has never required social security numbers as part of the enrollment process for some enrolling providers, such as corporations. The new system will capture social security numbers on individual providers and social security numbers on ownership disclosure information for an automatic validation.

The MMAC will start revalidating providers beginning in July 2015. The new enrollment regulation does not give the MMAC the ability to have an automated system. Rather, the automated system enhances the MMAC's ability to screen and monitor providers based upon many information sources and utilizing identifiers such as social security numbers. The automated system will allow the MMAC to more efficiently terminate or deny enrollment of ineligible providers. The MMAC will also benefit from the new requirement of pre-enrollment site visits for moderate and high risk providers.

At this time, MMAC personnel manually screen providers upon enrollment to ensure prospective providers are in good standing. Providers are also screened through the Office of Inspector General's List of Excluded Individuals and Entities, the Secretary of State's Office, and the National Sex Offender Registry.

The DSS corrective action plan also includes addressing the controls to ensure providers continually meet federal requirements for disclosure of convictions of criminal offenses against Medicare, Medicaid, or Title XX service programs. Until the new provider enrollment system is fully implemented, forms have been updated manually to require this information from all new initial applications. Additionally, 42 CFR Section 424.514 (effective March 25, 2011) requires prospective institutional providers submitting an initial application or currently enrolled institutional providers submitting an application establishing a new practice location to submit enrollment credentials, which include disclosure information.

Status of Questioned Costs:

An adjustment was made on the December 31, 2011, quarterly report. The DSS is waiting for clearance from the grantor agency.

Contact Person: Jessica Dresner
Phone Number: (573) 751-6967

2011-4A. Medicaid Home and Community Based Services

Federal Agency: Department of Health and Human Services

Federal Program: 93.778 Medical Assistance Program
 2010 - 1005MO5MAP and 1005MO5ADM
 2011 - 1105MO5MAP and 1105MO5ADM
 93.778 ARRA - Medical Assistance Program
 2009 - 0905MOARRA
 2010 - 1005MOARRA
 2011 - 1105MOARRA and 1105MOEXTN

State Agency: Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services (DSDS)

Questioned Costs: \$387,576

The DSDS did not have effective controls in place to ensure annual reassessments were performed, as required, to determine continued need of services of Home and Community Based Services (HCBS) recipients. The DSDS did not perform annual reassessments of eligibility for 46 of 59 (78 percent) recipients reviewed. The payments for State Plan Personal Care and Aged and Disabled Waiver services provided to these recipients without annual reassessments during the year totaled \$534,219. We questioned the federal share of \$387,576 (72.55 percent).

Recommendation:

The DHSS, through the DSDS, resolve the questioned costs with the grantor agency and establish effective controls to ensure the annual reassessments are performed as required. Such controls should include diligent monitoring of reassessments, if any, performed by HCBS providers.

Status of Finding:

The fiscal year 2015 state budget includes funding for HCBS providers to conduct reassessments. The ten Area Agencies on Aging also conduct reassessments. Reassessments by providers totaled 11,999 in fiscal year 2014, an increase of 7,473 over the previous fiscal year. Level of care reassessments for current clients will be scheduled for completion based upon the anniversary date of the last assessment. DHSS staff will review and approve all reassessments submitted by HCBS providers and the Area Agencies on Aging.

Status of Questioned Costs:

DHSS staff has met with staff from the federal Centers for Medicare and Medicaid Services to discuss the issues raised in the audit. The meetings are ongoing.

Contact Person: Celesta Hartgraves

Phone Number: (573) 526-3626

2011-4B. Medicaid Home and Community Based Services

Federal Agency: Department of Health and Human Services

Federal Program: 93.778 Medical Assistance Program
 2010 - 1005MO5MAP and 1005MO5ADM
 2011 - 1105MO5MAP and 1105MO5ADM
 93.778 ARRA - Medical Assistance Program
 2009 - 0905MOARRA
 2010 - 1005MOARRA
 2011 - 1105MOARRA
 2011 - 1105MOEXTN

State Agency: Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services (DSDS)

Questioned Costs: \$4,483

The DSDS could not locate the case file with documentation supporting the authorization of services provided to 1 of 60 (2 percent) Home and Community Based Services (HCBS) recipients tested. Payments totaling \$6,179 were made to State Plan Personal Care and Aged and Disabled Waiver providers on behalf of this recipient during the year ended June 30, 2011. We questioned the federal share of \$4,483 (72.55 percent).

Recommendation:

The DHSS, through the DSDS, resolve the questioned costs with the grantor agency and ensure case files are maintained for all HCBS recipients.

Status of Finding:

HCBS case records are transitioning to a web-based electronic system (Web Tool). Doing so will safeguard records, simplify/accelerate record retrieval, and reduce the amount of paper files that must be maintained.

Status of Questioned Costs:

DHSS staff has met with staff from the federal Centers for Medicare and Medicaid Services to discuss the issues raised in the audit. The meetings are ongoing.

Contact Person: Celesta Hartgraves

Phone Number: (573) 526-3626

2011-12. Disaster Assistance Subrecipient Monitoring

Federal Agency: Department of Homeland Security

Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially
Declared Disasters)

2006 - FEMA-DR-1631-MO and FEMA-DR-1635-MO

2007 - FEMA-DR-1673-MO, FEMA-DR-1676-MO,
FEMA-DR-1708-MO, and FEMA-DR-1728-MO

2008 - FEMA-DR-1736-MO, FEMA-DR-1742-MO,
FEMA-DR-1748-MO, FEMA-DR-1749-MO, and
FEMA-DR-1773-MO

2009 - FEMA-DR-1809-MO, FEMA-DR-1822-MO, and
FEMA-DR-1847-MO

2010 - FEMA-DR-1934-MO

2011 - FEMA-DR-1961-MO and FEMA-DR-1980-MO

State Agency: Department of Public Safety - State Emergency Management Agency
(SEMA)

The SEMA did not adequately track subrecipients to ensure an independent Single Audit had been completed, when required, and submitted to the SEMA on a timely basis.

Recommendation:

The SEMA develop procedures to ensure subrecipients obtain and submit independent Single Audits when required.

Status of Finding:

Implemented. The SEMA has established a monitoring plan to include annual certifications for A-133 Single Audit compliance by our local subrecipients, on-site monitoring visits, and review of hard copy audits from local subrecipients in conjunction with review of electronic audit statuses from the federal audit clearinghouse. Annual certification letters are also mailed to subrecipients. Two years have passed since the audit report in which the finding occurred was submitted to the federal clearinghouse and the federal agency is not currently following up with the state agency on the audit finding.

Contact Person: Shelly Honse

Phone Number: (573) 526-7324

2011-14A. Eligibility and Child Care Payments

Federal Agency: Department of Health and Human Services

Federal Program: 93.575 Child Care and Development Block Grant

2010 - G1001MOCCDF and 2011 - G1101MOCCDF

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

2010 - G1001MOCCDF and 2011 - G1101MOCCDF

93.713 ARRA - Child Care and Development Block Grant

2009 - G0901MOCCD7

State Agency: Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)

Questioned Costs: \$42,204

Controls over eligibility and provider payments were not sufficient to prevent and/or detect payments made on behalf of ineligible clients or improper payments to child care providers.

- The DSS could not locate the eligibility file for 6 of 60 cases reviewed. Child care payments made on behalf of these children and their siblings during the year ended June 30, 2011, totaled \$46,466. We questioned the federal share of \$37,637 (81 percent).
- Eligibility documentation was not sufficient to support a valid need for child care for 3 of 60 cases reviewed. Payments totaling \$4,610, made on behalf of these children and their siblings, were unallowable and/or unsupported by adequate documentation. We questioned the federal share of \$3,734 (81 percent).

- For child care payments, 13 of 60 payments reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. Of these 13 payments, 2 were for cases which also lacked eligibility documentation and were included in the above questioned costs. Payments for the remaining 11 cases totaled an additional \$1,028. We questioned the federal share of \$833 (81 percent).

Recommendation:

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

Status of Finding:

Corrective actions taken since the finding was issued follow:

Case Adjustments - Funds have been returned to the federal government or claims have been entered on either a parent or provider.

The DSS continues to review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. The CD and the FSD hold quarterly quality improvement meetings. The Child Care Review Team (CCRT) has been implemented to monitor child care providers, both onsite and off. The FSD continues to work on enhancing document retention efforts. Additional efforts are as follows:

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Child Care Steering Committee - During the summer of 2012, the DSS formed a steering committee to address child care issues. From this initiative there were four project teams designated to identify deficiencies and problematic areas within the Child Care program: Eligibility, Provider Issues and Policy/Payments, Program Integrity, and Information and Systems Technology. Each team made five or six recommendations related to the team's assigned area. The DSS continues to implement the recommendations made by this committee.

Self-Employment Training - Effective August 1, 2011, the FSD ES and ES supervisors are required to complete the on-line Self-Employment Income Budgeting training course found in the Employee Learning Center. ES and ES supervisors were required to complete the training by December 31, 2011. The self-employment training is to assist in reducing the error rates for all income maintenance programs.

FSD Workers Online Child Care Training - The FSD administers the Child Care assistance program for income maintenance households. The majority of the families accessing child care receive services through their local FSD office. As of September 1, 2011, FSD frontline workers and supervisors were able to access online child care training through the FSD Training Unit intranet page. New FSD employees are required to successfully complete the online training prior to enrolling in the in-person Basic Child Care Orientation training. New staff access and complete the training through the DSS Employee Learning Center with the online assessment component. Effective April 1, 2013, ES and ES Supervisors are required to retake the online Child Care Assistance training every two years after initial completion.

Status of Questioned Costs:

This finding has been cleared by the Department of Health and Human Services - Administration for Children and Families. The DSS recovered some of the questioned costs via processing claims against parents or providers. The DSS completed the remaining adjustments on the March 31, 2012, quarterly report.

Contact Person: Marianne Dawson

Phone Number: (573) 522-2294

2011-14B. Eligibility and Child Care Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
 2010 - G1001MOCCDF and 2011 - G1101MOCCDF
93.596 Child Care Mandatory and Matching Funds of the Child Care
 and Development Fund
 2010 - G1001MOCCDF and 2011 - G1101MOCCDF
93.713 ARRA - Child Care and Development Block Grant
 2009 - G0901MOCCD7

State Agency: Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Questioned Costs: \$16,011

Payments were made on behalf of clients ineligible for an ARRA Child Care Initiative. We noted 9 of 49 clients reviewed were receiving Temporary Assistance for Needy Family (TANF) benefits, although the initiative provided that clients receiving TANF benefits were not eligible. We questioned the federal share of the payments made on behalf of these clients, or \$16,011 (100 percent).

Recommendation:

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and revise its methodology for identifying clients who were ineligible for non-TANF ARRA Child Care Initiative benefits and recoup any improper payments identified.

Status of Finding:

On April 29, 2011, memorandum CD11-41/OEC11-110 was sent to field staff to reinforce the use of the non-TANF job search. Along with the memo, a listing of TANF recipients who potentially received the non-TANF job search child care benefit anytime between May 2010 and March 2011 was issued to FSD eligibility staff. During the subsequent months in which the program was in effect, the CD issued to field staff a non-TANF job search list for review and potential cleanup. The non-TANF job search program ended August 2011. The CD worked with the FSD to identify cases with unallowable costs. The case reviews were completed and inappropriately claimed funds have been repaid. This finding has been cleared by the Department of Health and Human Services - Administration for Children and Families.

Status of Questioned Costs:

The DSS recovered a portion of the questioned costs via claims against parents or providers. The DSS is in discussions with the grantor agency on how to adjust for remaining questioned costs since the ARRA grant has expired.

Contact Person: Marianne Dawson
Phone Number: (573) 522-2294

2011-16. Cost Allocation Procedures

Federal Agency: Department of Health and Human Services
Federal Program: 93.667 Social Services Block Grant
2010 - G1001MOSOSR and 2011 - G1101MOSOSR
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

DFAS controls and procedures over the allocation of costs to the Social Services Block Grant program were not sufficient and as a result, cost allocation errors were not prevented and/or detected.

Recommendation:

The DSS, through the DFAS, strengthen controls and procedures to ensure the accurate allocation of costs to the Social Services Block Grant. These procedures should include a detailed and documented supervisory review of cost allocation spreadsheets.

Status of Finding:

The DSS is working in consultation with the Department of Health and Human Services (DHHS) to rewrite the cost allocation plan to better define its methodologies for allocating costs to various DHHS grants. The DSS has contracted with a third party to help develop and implement a new cost allocation plan and system. The first phase/portion of the new cost allocation plan was expected to be submitted by December 2014; however, there were some delays and the plan now is to submit the new cost allocation plan for the quarter ended March 31, 2015. The plan will be tested and finalized by June 30, 2015. The remaining portion of the plan will be implemented after successful completion of phase one.

The DSS has also assigned a senior level staff person to manage the cost allocation plan. That person is responsible and accountable for updates/revisions to the plan.

Contact Person: Ami Patel
Phone Number: (573) 751-2170

2011-17. Earmarking

Federal Agency: Department of Health and Human Services
Federal Program: 93.667 Social Services Block Grant
 2010 - G1001MOSOSR and 2011 - G1101MOSOSR
State Agency: Department of Social Services (DSS) - Division of Finance and
 Administrative Services (DFAS)
Questioned Costs: \$6,461,316

Controls and procedures to ensure Temporary Assistance for Needy Families (TANF) funds transferred to the Social Services Block Grant (SSBG) were used for programs and services to eligible individuals were not sufficient. During preparation of the Post-Expenditure report for the year ended June 30, 2011, DFAS personnel allocated expenditures totaling \$6,461,316 of TANF transfer funding to programs other than allowable case management and residential treatment. The DFAS did not have support to demonstrate the expenditures for the other programs reported were allowable. We questioned the \$6,461,316 allocated in error to unapproved programs.

Recommendation:

The DSS, through the DFAS, resolve the questioned costs with the grantor agency. In addition, the DFAS should strengthen controls and procedures to ensure TANF funds transferred to the SSBG are used for programs and services to eligible individuals and transferred funds are accurately reported. These procedures should include a detailed and documented supervisory review of program reports.

Status of Finding:

The DSS does track and report funds transferred from TANF to SSBG. There was an oversight due to staff changes and reports have been revised and resubmitted to the federal agency. The DSS also provided the basis for its assurance that funds expended from TANF transfers to SSBG are used for children and their families with income less than 200 percent of the federal poverty level. The actual expenditure of funds met the requirements and was allowable; therefore, the DSS disagrees with the questioned costs.

Status of Questioned Costs:

This finding is the subject of continued discussion with the grantor agency, but no resolution has yet been finalized. Questioned costs have not been resolved with the grantor agency.

Contact Person: Ami Patel

Phone Number: (573) 751-2170

2011-18A. Eligibility and TANF Assistance Payments

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
2010 - G1002MOTANF and 2011 - G1102MOTANF
93.714 ARRA- Emergency Contingency Fund for Temporary Assistance
for Needy Families State Program
2009 - G0901MOTAN2 and 2010 - G1001MOTAN2

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)

Questioned Costs: \$15,070

The FSD paid Temporary Assistance for Needy Families (TANF) benefits to some recipients who may not have been eligible or were ineligible for the full amount of TANF payments received.

- For 4 of 60 recipients tested, the eligibility specialist did not act on information timely when quarterly wage matches between various federal and state databases and the TANF case management system showed significant unresolved differences in income earned during state fiscal year 2011. The FSD determined these four recipients received overpayments totaling \$4,246, for which we questioned the entire amount (100 percent federal share).

fiscal year 2011 costs for foster care, adoption assistance, and subsidized guardianship claimed under the TANF program, totaling \$25,810,891 (100 percent federal share).

Recommendation:

The DSS resolve the questioned costs with the grantor agency and ensure prior approved program costs claimed under the TANF program comply with federal regulations.

Status of Finding:

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF maintenance of effort (MOE). This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012, and was submitted on January 24, 2013, to our grantor agency for review.

The DSS received a decision letter from the Department of Health & Human Services - Administration for Children and Families (ACF) on February 21, 2014, addressing a similar finding (prior audit finding 2010-21A). The ACF did not sustain the similar finding or the questioned costs.

Status of Questioned Costs:

The status is still under discussion with the grantor agency.

Contact Person: Ami Patel

Phone Number: (573) 751-2170

2011-19B. Unallowable Costs and Maintenance of Effort

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
 2010 - G1002MOTANF and 2011 - G1102MOTANF
 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance
 for Needy Families State Program
 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)

The DSS included unallowable educational expenditures totaling \$19,034,632 in the amounts reported for the annual maintenance of effort (MOE) requirement for the Temporary Assistance for Needy Families (TANF) program.

Recommendation:

The DSS ensure expenditures claimed as MOE are allowable.

Status of Finding:

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF MOE. This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012, and was submitted on January 24, 2013, to our grantor agency for review.

Additionally, during this process, the third party validated the allowability of the claim in question, citing 1999 TANF Final Rule (page 17825), which supports the DSS's contention that it claimed these funds correctly.

We would like to point out that federal TANF funds may also be used to pay for "nonassistance" activities (such as those identified in this finding) that meet the purposes of the program as given in Sections 401(a)(1)-(4) of the Social Security Act and 45 CFR Section 260.20. Federal TANF funds may also be used for activities that benefit non-needy families in some cases, e.g., activities that meet the purpose of either Section 401(a)(3) or (a)(4) of the Act. In this respect, there may be more flexibility in the expenditures that are allowable uses of federal funds than those that are allowable for MOE purposes. This is because federally funded services or benefits do not necessitate a determination of financial eligibility (need) if they do not meet the definition of assistance. Thus, states may use federal TANF funds (in accordance with Section 404 of the Act) to provide "nonassistance" services or benefits to eligible individuals who meet the state's other, nonfinancial, objective criteria for the delivery of such benefits.

The DSS received a decision letter from the Department of Health & Human Services - Administration for Children and Families (ACF) on February 21, 2014, addressing a similar finding (prior audit finding 2010-21B). For the similar finding, the ACF determined early education program expenditures were includable as MOE and did not sustain the finding or questioned costs.

The status is still under discussion with the grantor agency.

Contact Person: Ami Patel
Phone Number: (573) 751-2170

2011-19C. Unallowable Costs and Maintenance of Effort

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
 2010 - G1002MOTANF and 2011 - G1102MOTANF
 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance
 for Needy Families State Program
 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs: \$18,493,665

For the quarter ended September 30, 2010, the DSS claimed costs under the Temporary Assistance for Needy Families (TANF) program, totaling \$18,493,665, related to three scholarship programs: A+ Schools, Bright Flight Scholarships, and Ross-Barnett Scholarships. The DSS had not determined and documented there was any correlation between those programs and any of the four allowable TANF purposes. We questioned the state fiscal year 2011 costs for scholarship programs that were claimed under the TANF program, totaling \$18,493,665 (100 percent federal share).

Recommendation:

The DSS resolve the questioned costs with the grantor agency and ensure program costs claimed under the TANF program comply with federal regulations.

Status of Finding:

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF maintenance of effort (MOE). This desk manual will help DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012, and was submitted on January 24, 2013, to our grantor agency for review.

Additionally, during this process, the third party validated the allowability of the claim in question, citing 1999 TANF Final Rule (page 17825), which supports the DSS's contention that it claimed these funds correctly.

We would like to point out that federal TANF funds may also be used to pay for "nonassistance" activities (such as those identified in this finding) that meet the purposes of the program as given in Sections 401(a)(1)-(4) of the Social Security Act and 45 CFR Section 260.20. Federal TANF funds may also be used for activities that benefit non-needy families in some cases, e.g., activities that meet the purpose of either Section 401(a)(3) or (a)(4) of the Act. In this respect, there may be more flexibility in the expenditures that are allowable uses of federal funds than those that are allowable for MOE purposes. This is because federally funded services or benefits do not necessitate a determination of financial eligibility (need) if they do not meet the definition of assistance. Thus, states may use federal TANF funds (in accordance with section 404 of the Act) to provide "nonassistance" services or benefits to eligible individuals who meet the state's other, nonfinancial, objective criteria for the delivery of such benefits.

The DSS has changed its claiming process to claim these funds as TANF, instead of TANF MOE to align its claiming with the above information.

The DSS received a decision letter from the Department of Health & Human Services - Administration for Children and Families (ACF) on February 21, 2014, addressing a

similar finding (prior audit finding 2010-21C). The ACF did not sustain the similar finding and did not pursue a TANF misuse of funds penalty.

Status of Questioned Costs:

The status is still under discussion with the grantor agency.

Contact Person: Ami Patel

Phone Number: (573) 751-2170

2011-19D. Unallowable Costs and Maintenance of Effort

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families

 2010 - G1002MOTANF and 2011 - G1102MOTANF

 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance
 for Needy Families State Program

 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)

The DSS control system was not effective in ensuring the types of costs claimed under the Temporary Assistance for Needy Families (TANF) program or recorded as TANF maintenance of effort (MOE) met all federal regulatory and grant requirements, resulting in unallowable costs and unqualified sources of MOE claimed against the federal TANF grant.

Recommendation:

The DSS establish a formal control system to ensure the types of costs claimed under the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements.

Status of Finding:

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF MOE. This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012, and was submitted on January 24, 2013, to our grantor agency for review. The status is still under discussion with the grantor agency.

The DSS received a decision letter from the Department of Health & Human Services - Administration for Children and Families (ACF) on February 21, 2014, addressing a similar finding (prior audit finding 2010-21D). The ACF did sustain the similar finding and recommendation, but did not pursue a TANF penalty action.

Contact Person: Ami Patel
Phone Number: (573) 751-2170

2011-20A. Work Participation and Sanctions

Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2010 - G1002MOTANF and 2011 - G1102MOTANF 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families State Program 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2
State Agency:	Department of Social Services - Family Support Division (FSD)

The FSD was not in compliance with certain work activity reporting requirements contained in the Temporary Assistance for Needy Families Work Verification Plan in effect for state fiscal year 2011. We noted for 17 of 60 cases tested, the work participation hours were either not documented, not verified, and/or not reported correctly in accordance with the Work Verification Plan.

Recommendation:

The FSD develop additional controls to ensure work activities are adequately documented, verified, and reported in accordance with the FSD Work Verification Plan.

Status of Finding:

The Missouri Work Assistance (MWA) Case Management system was available for data entry June 28, 2011, and entries ceased in the Toolbox system on June 23, 2011. Inquiry access to Toolbox has continued to ensure necessary data was converted from Toolbox to the MWA System.

A Case Review form was developed for use by all MWA Coordinators to provide consistency when reviewing data entries and physical files of MWA participants each contractor is serving. This tool is used by all MWA coordinators effective July 1, 2011.

A Case Review Guide was written and shared with MWA staff August 2011, (and upgraded December 2011) to ensure the MWA coordinators understand where policies regarding the form are located in the policy manual and request for proposal to assist contractors with any incorrect findings. This guide and the case review form have also been shared with MWA contractors for use when reviewing their staff case files.

Effective August 1, 2011, MWA coordinators report to the FSD program manager responsible for the MWA program (before that time coordinators reported to regional FSD staff). The change in supervision ensures that positions are dedicated to the MWA program and coordinator accountability for assigned work by the MWA FSD program manager. All field managers and coordinators continue to be dedicated to the support of the MWA program and report to the MWA unit manager.

With this change, four teams have been designated to further develop the MWA program. These teams are:

- MWA System and Data - user guides, system enhancements, reports;
- MWA Policy and Training - policy manual updates, training materials;
- MWA Contracts and Monitoring - monitoring tools, compliance; and
- Special Projects and Research - MWA webpage, research to improve the work participation rates.

Tools developed by these teams will provide contractors with information to ensure participation activities meet work verification standards and supported with adequate documentation. Resources developed will also serve to increase the work participation rate for the state and provide performance measures to the contractors.

MWA staff completed targeted case file reviews in March 2012, for individuals participating in Vocational Education as an activity. The review was conducted to ensure contractors were obtaining actual attendance sheets (work verification) for this activity rather than entering hours based on a class schedule. This review, and regular case file reviews examine if work verification standards are met.

Contact Person: Jennifer Roberts
Phone Number: (573) 526-5444

2011-20B. Work Participation and Sanctions

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
 2010 - G1002MOTANF and 2011 - G1102MOTANF
 93.714 ARRA - Emergency Contingency Fund for Temporary Assistance
 for Needy Families State Program
 2009 - G0901MOTAN2 and 2010 - G1001MOTAN2
State Agency: Department of Social Services - Family Support Division (FSD)
Questioned Costs: \$1,134

The FSD did not have adequate procedures in place to ensure contractors notified the FSD when Temporary Assistance for Needy Families (TANF) recipients failed to meet work participation requirements. As a result, many TANF recipients who failed to meet work participation requirements were not sanctioned. We noted 18 of 55 recipients tested were not appropriately sanctioned for non-compliance with work participation requirements. We questioned the amount of the sanctions that were not imposed for these recipients for the month reviewed, which totaled \$1,134 (100 percent federal share). In addition, the FSD did not ensure TANF recipients referred to Missouri Work Assistance (MWA) contractors were assigned case managers.

Recommendation:

The FSD develop additional controls to ensure TANF recipients failing to meet work participation requirements are sanctioned as required. In addition, the FSD should resolve the questioned costs with the grantor agency.

Status of Finding:

The FSD continues to perform the following activities to evaluate contractor compliance with notification requirements to ensure TANF recipients are sanctioned according to policy and procedure.

The Case Review form includes an evaluation of the conciliation and sanction referral process. This tool continues to determine appropriate and timely actions of the MWA contractors should TANF recipients fail to meet the work participation requirements.

The MWA field managers and coordinators review the mass participation screens for case managers in each office to identify those individuals that are not participating in an activity and work with the contractors to identify those that should be placed in conciliation and possibly sanctioned.

Quarterly, the MWA coordinators review a sample of participants that have no hours of participation, no conciliation activity, or no sanction in place. Individuals identified are shared with the contractor for immediate contact and initiation of the conciliation and sanctioning process to ensure participants failing to meet the work participation requirement are sanctioned as required. These reviews have continued through state fiscal year 2014. Contractors are provided with information on any case file discovered during these reviews that require attention.

Status of Questioned Costs:

An adjustment was made to the March 31, 2012, quarterly report. The DSS is waiting on clearance from the grantor agency.

Contact Person: Jennifer Roberts

Phone Number: (573) 526-5444

2011-22C. Medicaid Management Information System

Federal Agency: Department of Health and Human Services

Federal Program: 93.767 Children's Health Insurance Program

2010 - 1005MO05021

93.778 Medical Assistance Program

2010 - 1005MO5MAP and 1005MO5ADM

2011 - 1105MO5MAP and 1105MO5ADM

93.778 ARRA - Medical Assistance Program

2009 - 0905MOARRA

2010 - 1005MOARRA

2011 - 1105MOARRA and 1105MOEXTN

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Questioned Costs: \$78

The Medicaid Management Information System (MMIS) did not properly process certain spend down claims, allowing some participants with medical claims that extended between 2 or more calendar months to receive benefits without meeting spend down requirements in any of the months. Of nine claims reviewed for spend down participants, we noted one paid claim where the participant had not met the required monthly spend down amount. The payments related to the claim tested totaled \$109. We questioned the federal share of the total payments, or \$78 (71.61 percent).

Recommendation:

The MHD identify and resolve questioned costs with the grantor agency related to spend down participant claims paid in error.

Status of Finding:

The MHD identified spend down claims with dates of service extending across two or more months that did not process correctly. The claims were mass adjusted in the MMIS on the January 10, 2014, adjudication cycle. The mass adjustment amount was reflected on the June 30, 2014, quarterly report.

Status of Questioned Costs:

Questioned costs were adjusted on the March 31, 2014, quarterly report. The DSS is waiting on clearance from the grantor agency.

Contact Person: Todd Meyer
Phone Number: (573) 751-7996

2011-23. Participant Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
2010 - 1005MO05021
93.778 Medical Assistance Program
2010 - 1005MO5MAP and 1005MO5ADM
2011 - 1105MO5MAP and 1105MO5ADM
93.778 ARRA - Medical Assistance Program
2009 - 0905MOARRA
2010 - 1005MOARRA
2011 - 1105MOARRA and 1105MOEXTN
State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
and MO HealthNet Division (MHD)
Questioned Costs: \$2,620

Adequate controls were not in place to ensure all required documentation was obtained and maintained supporting eligibility of participants related to the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). The FSD did not obtain or maintain all documentation required for eligibility for 3 of 60 Medicaid and CHIP participants reviewed. The ineligible payments made on behalf of these participants totaled \$3,717 during the year ended June 30, 2011. We questioned the federal share or \$2,620 (70.49 percent).

Recommendation:

The DSS ensure all information required to determine participant eligibility is obtained, verified, and retained to ensure compliance with applicable federal requirements. In addition, the DSS should resolve questioned costs with the grantor agency.

Status of Finding:

The DSS has taken steps to ensure staff is following existing policy for obtaining verified Social Security Numbers, verifying citizenship and for exploring potential income sources when approving assistance applications and conducting periodic reviews. To enhance measures already in place and to continue to ensure correct case results, the corrective actions include the following:

- MHD Program and Policy has released a memorandum, IM-93 on November 27, 2012, reminding staff of required verification of citizenship, identification, and income when determining eligibility for MHD programs, IM-46 on June 1, 2012, to remind staff of the policies on citizenship and immigrant status and to apply policies appropriately, and IM-49 on August 25, 2011, to clarify reasonable opportunity to present documentary evidence of citizenship for MHD programs.
- Effective 2014, the FSD electronically verifies citizenship using the Federal Services Data Hub exchange system through the Missouri Eligibility Determination and Enrollment System (MEDES) for households requiring eligibility determinations based on Modified Adjusted Gross Income (MAGI) methodology. MO HealthNet Program and Policy has released a memorandum, IM-14 on March 20, 2014, introducing a code and user guide to remove participants who have not cooperated in providing verification of citizenship within 90 days for MO HealthNet programs.

When an applicant applies and declares to be a citizen or national, the eligibility specialist must follow policy as outlined in Income Maintenance Manual Policy Section 0110.020.02. From November 2011 to September 2012, the FSD Quality Assurance/Quality Control Unit reviewed a random sampling of MO HealthNet for Families (MHF), MO HealthNet for Kids (MHK), MO HealthNet for The Aged, Blind, and Disabled (MHABD), and MO HealthNet for Pregnant Women (MPW) applications through the Payment Error Rate Measurement Reviews (PERM) process. While reviewing a case for PERM, if it was found that the case file did not contain the necessary documentation to verify citizenship, the Quality Assurance/Quality Control Unit verified citizenship, if possible, and then forwarded the verification to the field office to update

the case record. PERM review summaries were distributed to the county of origin for follow up and corrective action.

Due to the conversion in determination methodology for MHF, MHK and MPW to MAGI, PERM reviews were temporarily placed on hold by Centers for Medicare & Medicaid Services (CMS) until 2017. However, the CMS has implemented the Payment Accuracy Review for MO HealthNet (PARM) pilot project to review eligibility determinations based on MAGI methodology. The FSD Quality Assurance/Quality Control Unit started completing PARM reviews on cases with determination dates as of January 2014. While reviewing a case for PARM, if it is found that the case file does not contain the necessary documentation to verify citizenship, Quality Assurance/Quality Control Unit will verify citizenship, if possible, and then forward the verification to the field office to update the case record. PARM review summaries are distributed to the county of origin for follow up and corrective action.

Since November 2011, FSD supervisors have continued to conduct random case readings of MHF, MHK, MHABD, and MPW cases identified on reports available on the Managed Reporting System to measure eligibility specialist's performance in determining eligibility and providing correct benefits.

A request for automation of adverse actions when citizenship or ID verification has not been received within 90 days was submitted to the Family and Medical Information System (FAMIS) for inclusion on a list of planned systems enhancements. Due to the conversion currently in process from FAMIS to the MEDES, as well as budgetary constraints, the request was not completed. However, this automated function is included with the business requirements for the MEDES.

Status of Questioned Costs:

The DSS will resolve the questioned costs with the grantor agency.

Contact Person: Valerie Howard
Phone Number: (573) 751-8973

2011-24. Pharmacy Dispensing Fees

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program 2010 - 1005MO05021
	93.778 Medical Assistance Program 2010 - 1005MO5MAP and 1005MO5ADM 2011 - 1105MO5MAP and 1105MO5ADM
	93.778 ARRA - Medical Assistance Program 2009 - 0905MOARRA 2010 - 1005MOARRA 2011 - 1105MOARRA and 1105MOEXTN

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Questioned Costs: \$6,909,934

The MHD periodically changed the rate paid pharmacies for dispensing prescription drugs under the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP); however, the state regulation authorizing these dispensing fees had not been updated since 1988 and the current rate paid exceeded a 1991 settlement agreement that increased the pharmacy dispensing fee. The MHD did not have adequate documentation to support the determination of the current dispensing fee structure. The MHD paid pharmacies base dispensing fees totaling \$62,331,717 during the year ended June 30, 2011. Had the dispensing fees been paid in accordance with the 1991 settlement agreement, the fees would have totaled \$52,672,877, a difference of \$9,658,840. We questioned the federal share of the difference, or \$6,909,934 (71.54 percent).

Recommendation:

The MHD ensure state regulations related to administration of the Medicaid program and the CHIP are updated when changes are justified, and resolve questioned costs with the grantor agency. In addition, the MHD should ensure increases in payment rates are adequately supported and actuarially sound, as required by federal guidelines.

Status of Finding:

The MHD disagreed with the finding. The MHD makes payments in accordance with the Department of Health and Human Services, Center for Medicare and Medicaid Services (CMS) approved state plan. Furthermore, pharmacy dispensing fees paid under Title XIX and CHIP are communicated in documents during the budget process and authorized by the General Assembly through the appropriations process.

The proposed rule was published on November 1, 2013, Volume 38, No. 21, page 1768, for the regulatory changes necessary to reflect the current pharmacy dispensing fee.

Status of Questioned Costs:

On September 16, 2014, the CMS sent the DSS a demand letter regarding SAO findings 2011-24, 2012-20 and 2013-018, requesting the State of Missouri return the questioned costs. The DSS responded on October 1, 2014, to the demand letter. This finding is the subject of discussions with the grantor agency, but no resolution has yet been finalized.

Contact Person: Rhonda Driver
Phone Number: (573) 522-9879

2011-25A. Report Reviews

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
2010 - 1005MO05021

93.778 Medical Assistance Program
2010 - 1005MO5MAP and 1005MO5ADM
2011 - 1105MO5MAP and 1105MO5ADM
93.778 ARRA - Medical Assistance Program
2009 - 0905MOARRA
2010 - 1005MOARRA
2011 - 1105MOARRA and 1105MOEXTN

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD identified Medical Assistance Program and Children's Health Insurance Program claims requiring post-payment reviews and generated daily exception reports; however, these reports were not reviewed during the year ended June 30, 2011.

Recommendation:

The MHD review the report of claims that have been identified for post-payment reviews to ensure erroneous billings are properly recouped.

Status of Finding:

The MHD has completed its review of the daily exception reports to verify the need for any exception to have a status of 4. Unit program managers were contacted to make the decision for their specific program areas. We received confirmation from the managers to change many status 4 exceptions to a different status because reporting the claims is not necessary. The size of the daily report has decreased from an average of 2,200 pages to 150 pages or less. Of this amount, many of the exceptions are utilized by Xerox through the CMSP contract (Clinical Management Services and System for Pharmacy Claims and Prior Authorization). The MHD has completed its review of the CMSP exceptions to determine the need to continue using a status of 4. Since the report has decreased to a manageable size, the MHD is able to review the report.

Originally, the MHD thought it would submit a request to change the way report GMCM6500-R018 is produced. Currently, if an internal control number (ICN) posts more than one exception (up to 25) and any of the exceptions have a status of 4, the ICN will repeat on the report for every exception listed. After review, it was determined that if there is more than one exception posted to a claim, it could be possible for one or more units to need to review the individual claim at different levels depending on which exception posted. Therefore it was decided not to make changes to the way report GMCM6500-R018 works.

We continue our efforts to confirm the necessity of this report as it applies to our claims processing and payment systems today. We are finding that the majority of this report is simply outdated, while newer, more advanced system tools provide the required editing for the MO HealthNet program.

This finding has been closed by the Centers for Medicare and Medicaid Services.

Contact Person: Dianne Sinden
Phone Number: (573) 751-8985

2012-6. Medicaid Home and Community Based Services

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
2011 - 1105MO5MAP and 1105MO5ADM
2012 - 1205MO5MAP and 1205MO5ADM
State Agency: Department of Health and Senior Services (DHSS) - Division of
Senior and Disability Services (DSDS)
Questioned Costs: \$297,964

The DSDS did not ensure annual reassessments were performed, as required, to determine continued need of services of Home and Community Based Services (HCBS) recipients. Assessment documentation was tested for 60 Medicaid recipients who received State Plan Personal Care (SPPC) and/or Aged and Disabled Waiver (ADW) services during the year ended June 30, 2012. The DSDS did not perform annual reassessments of eligibility for 40 of the 58 (69 percent) recipients requiring a reassessment. The payments for SPPC and ADW services provided to these recipients without annual reassessments during the year ended June 30, 2012, totaled \$468,570. We questioned the federal share, or \$297,964 (63.59 percent).

Recommendation:

The DHSS, through the DSDS, resolve the questioned costs with the grantor agency and ensure annual reassessments are performed as required.

Status of Finding:

The fiscal year 2015 state budget includes funding for HCBS providers to conduct reassessments. The ten Area Agencies on Aging also conduct reassessments. Reassessments by providers totaled 11,999 in fiscal year 2014, an increase of 7,473 over the previous fiscal year. Level of care reassessments for current clients will be scheduled for completion based upon the anniversary date of the last assessment. DHSS staff will review and approve all reassessments submitted by HCBS providers and the Area Agencies on Aging.

Status of Questioned Costs:

DHSS staff has met with staff from the federal Centers for Medicare and Medicaid Services to discuss the issues raised in the audit. The meetings are ongoing.

Contact Person: Celesta Hartgraves
Phone Number: (573) 526-3626

2012-8. Payroll Cost Allocation Procedures

Federal Agency: Department of Agriculture
 Department of Health and Human Services

Federal Program: 10.561 State Administrative Matching Grants for the Supplemental
 Nutrition Assistance Program
 2011 - 2011IS252043, 2011IE251843, 2011CQ270343, and
 2011IQ390343
 2012 - 2012IS252043, 2012IE251843, and 2012IQ390343
93.558 Temporary Assistance for Needy Families
 2011 - G1102MOTANF and 2012 - G1202MOTANF
93.575 Child Care and Development Block Grant
 2011 - G1101MOCCDF and 2012 - G1201MOCCDF
93.596 Child Care Mandatory and Matching Funds of the Child Care and
 Development Fund
 2011 - G1101MOCCDF and 2012 - G1201MOCCDF
93.658 Foster Care - Title IV-E
 2011 - G1101MO1401 and 2012 - G1201MO1401
93.659 Adoption Assistance
 2011 - G1101MO1407 and 2012 - G1201MO1407
93.667 Social Services Block Grant
 2011 - G1101MOSOSR and 2012 - G1201MOSOSR
93.778 Medical Assistance Program
 2011 - 1105MO5ADM and 2012 - 1205MO5ADM

State Agency: Department of Social Services (DSS) - Division of Finance and
 Administrative Services (DFAS)

Questioned Costs: \$148,884

DFAS controls and procedures over the allocation of some payroll costs to federal programs were inadequate, and, as a result, several errors were not prevented and/or detected. Incorrect labor codes were assigned to some employees, resulting in payroll costs for those employees being charged to the wrong cost pools. These cost pool errors resulted in overstatements of payroll costs totaling approximately \$236,000 (\$148,884 federal share) and understatements totaling approximately \$139,000 (\$86,000 federal share) for seven federal programs for the year ended June 30, 2012. We questioned the federal share of the overstatements, or \$148,884.

Recommendation:

The DSS, through the DFAS, resolve the questioned costs with the grantor agency, and establish controls and procedures to ensure payroll costs are allowable and allocable. These procedures should include a periodic documented review of labor codes assigned to employees and the purpose and definition of labor codes to ensure associated payroll costs are charged to appropriate federal programs directly or through the proper cost pool.

Status of Finding:

The DSS - DFAS continues to work with program staff to ensure that staff is assigned to the appropriate labor codes that correspond to their job functions. The DFAS is also currently working to revise the Public Assistance Cost Allocation Plan. Currently, the labor code is part of the position code for each employee and is used to allocate payroll costs to various federal grants or cost pools. The DFAS has completed changes to allocate salaries to allowable cost pools through the Labor Distribution Profile (LDPR) codes in SAM II. The reporting categories which identify which federal grant or pool to allocate to will be part of the LDPR code in SAM II.

Status of Questioned Costs:

Questioned costs were adjusted on the September 30, 2013, quarterly reports. The DSS is waiting on clearance from the grantor agency.

Contact Person: Ami Patel

Phone Number: (573) 751-2170

2012-11A. Child Care Eligibility and Payments

Federal Agency: Department of Health and Human Services

Federal Program: 93.575 Child Care and Development Block Grant

2011 - G1101MOCCDF and 2012 - G1201MOCCDF

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

2011 - G1101MOCCDF and 2012 - G1201MOCCDF

93.713 ARRA - Child Care and Development Block Grant

2009 - G0901MOCCD7

State Agency: Department of Social Services (DSS) - Children's Division (CD), Family Support Division (FSD), and Division of Legal Services

Questioned Costs: \$55,465

Controls over eligibility and provider payments were not sufficient to prevent and/or detect payments made on behalf of ineligible clients or improper payments to child care providers.

- The DSS could not locate the child care eligibility file for 5 of 60 (8 percent) cases reviewed. Child care payments made on behalf of these children and their siblings during the year ended June 30, 2012, totaled \$51,884. We questioned the federal share of \$42,026 (81 percent).
- Eligibility documentation was not sufficient to support a valid need for child care for 5 of 60 (8 percent) cases reviewed. Payments totaling \$12,603, made on behalf of these children and their siblings, were unallowable and/or unsupported by adequate documentation. We questioned the federal share of \$10,208 (81 percent).

- For child care payments, 22 of 60 (37 percent) payments reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. Of these 22 payments, 6 were for cases which also lacked eligibility documentation and were included in the questioned costs above, or were absence and/or holiday payment errors and were questioned in Finding 2012-11B. Payments for the remaining 16 cases totaled an additional \$3,989. We questioned the federal share of \$3,231 (81 percent).

Recommendation:

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

Status of Finding:

Corrective actions taken since the finding was issued follow:

Case Adjustments - Funds have been returned to the federal government or claims have been entered on either a parent or provider.

The DSS continues to review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. The CD and the FSD hold quarterly quality improvement meetings. The Child Care Review Team (CCRT) has been implemented to monitor child care providers, both onsite and off. The FSD continues to work on enhancing document retention efforts. Additional efforts are as follows:

FSD Reorganization and MEDES - The FSD continues to move forward with transitioning from a case management approach to a task based approach with specialized offices; for example, housing child care eligibility with the Temporary Assistance for Needy Families program in one or more locations. The continued development of the MO Eligibility Determination Electronic System (MEDES) will allow for a task based approach which results in greater efficiencies in the processing of program eligibility applications.

Early Childhood and Prevention Services - The CD has restructured the Early Childhood and Prevention Section by streamlining functions based on division responsibilities. As of August 2014, the Division of Finance and Administrative Services is responsible for the oversight and processing of child care provider payments. This change will afford the CD more time to concentrate on the substantial changes resulting from the Child Care Development Block Grant of 2014.

Child Care Electronic Provider System – The CD issued a Request for Information to gather information regarding available Business Intelligence Solutions that would provide the DSS with a comprehensive and time efficient system for the administration of

the Child Care program. A Request for Proposal will be issued seeking proposals for a system that will include:

1. A child care provider registration and tracking system.
2. An electronic time and attendance system for all providers statewide.
3. A child care review system for the purpose of executing and managing a compliance monitoring process for the Child Care program.

Child Care Review Team - In August 2013, the DSS hired four staff to conduct compliance reviews of child care providers. The CCRT uses a risk based monitoring approach to detect providers who are at high risk of non-compliance. This process has created opportunities for identification of deficiencies in child care providers' performance, and a process to hold them accountable for the requirements of their contract/registration agreement. As of October 2014, the DSS has conducted more than 1,400 onsite reviews of child care providers.

Case Review Tool - A child care component to the FSD Case Review System was implemented in March 2012. The CD is utilizing output reports from the CRS to identify programmatic strengths and challenges and areas for policy, field and training improvement. The output reports for fiscal year 2014 have been reviewed and indicate a 94.56 percent accuracy rate statewide.

A program development specialist completes second level reviews on randomly selected cases reviewed by eligibility specialist (ES) supervisors and compiles a quarterly list of critical areas for ES supervisors to focus on during the case review process. A statewide analysis is being prepared for FSD leadership on a quarterly basis. This analysis outlines areas for improvement.

Casework Reference Guide - The FSD Training Unit, in collaboration with Child Care Program and Policy staff, developed a Case Reference Guide (CRG) for FSD workers. The CRG is an informational tool that can be utilized by workers when processing applications and completing other case actions. The CRG does not replace the policy and forms manuals. It is intended to be an additional resource for workers. Workers are to use this guide in conjunction with the policy and forms manuals and memorandums. The CD is currently updating the CRG.

Child Care Manual Revisions - Early Childhood and Prevention Services program and policy staff is continually reviewing the child care manual for clarification and revision.

Calendar Year	Policy Memorandum Updates By Section	Practice Points/Alerts
2011	40	5
2012	82	1
2013	10	4
2014	5	2

Child Care Steering Committee - During the summer of 2012, the DSS formed a steering committee to address child care issues. From this initiative there were four project teams designated to identify deficiencies and problematic areas within the Child Care program: Eligibility, Provider Issues and Policy/Payments, Program Integrity, and Information and Systems Technology. Each team made five or six recommendations related to the team's assigned area. The DSS continues to implement the recommendations made by this committee.

Self-Employment Training - Effective August 1, 2011, the FSD ES and ES supervisors are required to complete the on-line Self-Employment Income Budgeting training course found in the Employee Learning Center. ES and ES supervisors were required to complete the training by December 31, 2011. The self-employment training is to assist in reducing the error rates for all income maintenance programs.

FSD Workers Online Child Care Training - The FSD administers the child care assistance program for income maintenance households. The majority of the families accessing child care receive services through their local FSD office. As of September 1, 2011, FSD frontline workers and supervisors were able to access online child care training through the FSD Training Unit intranet page. New FSD employees are required to successfully complete the online training prior to enrolling in the in-person Basic Child Care Orientation training. New staff access and complete the training through the DSS Employee Learning Center with the online assessment component. Effective April 1, 2013, ES and ES supervisors are required to retake the online Child Care Assistance training every two years after initial completion.

Status of Questioned Costs:

The DSS recovered some of the questioned costs via processing claims against parents or providers. The DSS completed the remaining adjustments on the September 30, 2013, quarterly report. The DSS is waiting on clearance from the grantor agency.

Contact Person: Marianne Dawson
Phone Number: (573) 522-2294

2012-11B. Child Care Eligibility and Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2011 - G1101MOCCDF and 2012 - G1201MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2011 - G1101MOCCDF and 2012 - G1201MOCCDF 93.713 ARRA - Child Care and Development Block Grant 2009 - G0901MOCCD7
State Agency:	Department of Social Services (DSS) - Children's Division (CD), Family Support Division (FSD), and Division of Legal Services (DLS)

Questioned Costs: \$243,382

Controls and procedures over absence and holiday payments were inadequate. Our review of DSS expenditure data determined the DSS paid at least 680 providers on behalf of at least 2,900 children for absences and/or holidays in months with no attendance reported for the child during either the month reported or the subsequent month. Identified payments made on behalf of these children with fiscal year 2012 service dates totaled \$300,471. We questioned the federal share, or \$243,382 (81 percent). In addition, some payment edit checks in the Family Assistance Management Information System and Child Care Online Invoicing System (CCOIS) were not in place or were not operating effectively.

Recommendation:

The DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and implement procedures to ensure payments for absences and holidays are allowable and reviewed in accordance with policy. In addition, system controls should be strengthened to ensure claimed absences are limited in accordance with policy and service dates claimed are timely.

Status of Finding:

The CD clarified payment and attendance policies to identify when it is appropriate to claim absences and holidays during a service month. The policy clarification has been shared with FSD staff and child care providers.

The CD implemented system enhancements to address the absence and holiday issue in the CCOIS. System edits have been implemented in the CCOIS to disallow a provider from billing and being paid for absences and holidays in a service month when actual care has not been provided to a child. These system edits were implemented in March 2013. The CD tested the system edit using payment data from the last three months of fiscal year 2013 and the first four months of data for fiscal year 2014.

Staff identified all child care providers paid for absences and holidays with no actual attendance, during service months covering fiscal year 2012 and fiscal year 2013. Claims have been entered against these providers, if claims were not already established during previous reviews. Staff is reviewing all child care providers paid in fiscal year 2013 and fiscal year 2012 for payment of more than the allowable amount of absences and holidays and claims are in the process of being established.

Provider information and billing patterns were reviewed for possible referral to Attendance and Payment Accuracy training and/or referral to the DLS - Welfare Investigations Unit (WIU) for investigation. Referrals were made to the WIU and returned to the CD because there was no evidence to suggest fraudulent activity. The Child Care Payments Unit initiated the claims process on the additional claims for absence and holiday overpayments in February 2015.

Status of Questioned Costs:

The DSS completed the remaining adjustments on the September 30, 2013, quarterly report. The DSS is waiting on clearance from the grantor agency.

Contact Person: Marianne Dawson

Phone Number: (573) 522-2294

2012-11C. Child Care Eligibility and Payments

Federal Agency: Department of Health and Human Services

Federal Program: 93.575 Child Care and Development Block Grant

2011 - G1101MOCCDF and 2012 - G1201MOCCDF

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

2011 - G1101MOCCDF and 2012 - G1201MOCCDF

93.713 ARRA - Child Care and Development Block Grant

2009 - G0901MOCCDF

State Agency: Department of Social Services (DSS) - Children's Division (CD), Family Support Division (FSD), and Division of Legal Services (DLS)

Controls over child care fraud investigations were not sufficient to ensure cases were investigated timely and effectively.

Recommendation:

The DSS, through the DLS, improve controls and procedures over fraud investigations, and ensure cases are investigated timely, appropriate actions are taken to recover overpayments, and eligibility is not approved when the client is not repaying.

Status of Finding:

DLS Investigations Unit management is working towards ensuring all investigations are completed in a timely manner. Management has conducted a case closing study for the period of January 2010 through September 2012 and established timeframes for closing cases and/or completing various types of investigations. The case closing study allowed management to develop new performance objectives which is expected to increase the accountability for both investigators and supervisors. These performance objectives have been added to both Investigator II and Investigator III job expectations and took effect with cases opened after March 1, 2013. Because of these objectives, statistics are routinely being reviewed to ensure timely case closings. The last review was conducted in April 2014. Once timely case closings and uniformity are accomplished, then it will only be necessary for management to conduct an annual review.

Management has conducted a statewide review of all open cases/investigations to address all case closing deficiencies and to ensure that all appropriate steps were taken. Each investigation opened prior to January 1, 2011, was reviewed and prioritized to ensure closure prior to the statute of limitations. Any case beyond the statute of limitations was

As a result of the statewide review, management has been successful in identifying deficiencies in each region. The Assistant Chief of Investigations currently performs a bi-monthly review of all pending cases to ensure timely closing.

As of October 9, 2014, the DLS Investigations Unit has 72 child care provider investigations open, and of those, 2 have been referred for prosecution.

All of the absences and holiday investigations have been returned to the ECPSS because there was no evidence to suggest fraudulent activity.

Contact Person: Bridget Hug
Phone Number: (573) 751-0903

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2011 - G1101MOCCDF and 2012 - G1201MOCCDF
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2011 - G1101MOCCDF and 2012 - G1201MOCCDF
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

DFAS procedures needed improvement to ensure Child Care and Development Fund (CCDF) federal earmarking requirements (targeted funds) were met. As a result, the DFAS did not report meeting two of three targeted fund requirements for federal fiscal year 2012, and some reported amounts were not supported.

Recommendation:

The DSS, through the DFAS, ensure earmarking requirements are met and improve controls for tracking and reporting targeted fund expenditures. Controls should be sufficient to ensure targeted fund expenditures are allowable and supported.

Status of Finding:

Discretionary funds include targeted funds. The CCDF grant terms and conditions require states to liquidate the discretionary funds by the end of the third fiscal year. The DSS has sufficient controls in place to track and report all targeted fund expenditures, and ensure the requirements are met within the liquidation period.

Contact Person: Ami Patel
Phone Number: (573) 751-2170

2012-13A. Vocational Rehabilitation

Federal Agency: Department of Education
Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to
 States
 2011 - H126A110037 and 2012 - H126A120037
State Agency: Department of Social Services (DSS) - Family Support Division (FSD) -
 Rehabilitation Services for the Blind (RSB)
Questioned Costs: \$5,903

The RSB did not adequately review employment services (ES) provider billings and other supporting documentation and did not obtain independent verification of employment of the clients prior to payment for job placement services for the Vocational Rehabilitation (VR) program. For seven of eight cases reviewed, payments of \$7,501 were made even though at least one or more of the required reports or monthly logs was not submitted by the provider. In addition, a monthly log for one case appeared to be a duplicate of the prior month's log with a client signature that was not consistent with other signatures made by the client in the file. We questioned the federal share of payments for ES services for these seven cases, or \$5,903 (78.7 percent).

Recommendation:

The DSS, through the FSD and RSB, resolve the questioned costs with the grantor agency. In addition, the FSD should establish procedures to improve the billing review process for ES providers, conduct independent verification of job placement for VR clients, and ensure adequate supporting documentation is obtained for all expenditures. The RSB

should also consider more closely reviewing the remainder of the billings reimbursed to this provider.

Status of Finding:

The RSB has enhanced communication procedures between counselors and rehabilitation assistants to ensure adequate supporting documentation and independent verification of job placement is obtained as part of the bill review process for ES providers. The RSB has provided training directed to vocational counselors, rehabilitation assistants, and district supervisors regarding reconciliation of invoices specifically for employment services with required reports, any other supporting documentation that services invoiced have been delivered and resultant case record documentation prior to submitting those same invoices for processing. The DSS continues to communicate with the grantor agency to resolve the questioned costs and related federal reports.

Status of Questioned Costs:

The DSS is awaiting clearance from the grantor agency.

Contact Person: Kevin Faust

Phone Number: (573) 751-4249

2012-14A. Unallowable Costs and Maintenance of Effort

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
 2011 - G1102MOTANF and 2012 - G1202MOTANF

State Agency: Department of Social Services (DSS) - Family Support Division

Questioned Costs: \$32,412,572

The DSS claimed unallowable state foster care, adoption assistance, and subsidized guardianship costs under the Temporary Assistance for Needy Families (TANF) program. The foster care, adoption assistance, and the subsidized guardianship costs claimed included non-emergency assistance, and the costs claimed for emergency assistance were not separately identified; therefore, all costs were unallowable. We questioned all state fiscal year 2012 costs for foster care, adoption assistance, and subsidized guardianship claimed under the TANF program, totaling \$32,412,572 (100 percent federal share).

Recommendation:

The DSS resolve the questioned costs with the grantor agency and ensure prior approved program costs claimed under the TANF program comply with federal regulations.

Status of Finding:

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF maintenance of effort

(MOE). This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012, and was submitted on January 24, 2013, to our grantor agency for review.

The DSS received a decision letter from the Department of Health & Human Services - Administration for Children and Families (ACF) on February 21, 2014, addressing a similar finding (prior audit finding 2010-21A). The ACF did not sustain the similar finding or the questioned costs.

Status of Questioned Costs:

The status is still under discussion with the grantor agency.

Contact Person: Ami Patel

Phone Number: (573) 751-2170

2012-14B. Unallowable Costs and Maintenance of Effort

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
2011 - G1102MOTANF and 2012 - G1202MOTANF

State Agency: Department of Social Services (DSS) - Family Support Division

The DSS included unallowable early childhood educational expenditures of the Missouri Pre-School Program totaling \$14,307,089 in the amounts reported for the annual maintenance of effort (MOE) requirement for the Temporary Assistance for Needy Families (TANF) program.

Recommendation:

The DSS ensure expenditures claimed as MOE are allowable.

Status of Finding:

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF MOE. This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012 and was submitted on January 24, 2013, to our grantor agency for review.

Additionally, during this process, the third party validated the allowability of the claim in question, citing 1999 TANF Final Rule (page 17825), which supports the DSS's contention that it claimed these funds correctly.

The DSS received a decision letter from the Department of Health & Human Services - Administration for Children and Families (ACF) on February 21, 2014, addressing a similar finding (prior audit finding 2010-21B). For the similar finding, the ACF determined early childhood education program expenditures were includable as MOE and did not sustain the finding or questioned costs.

Contact Person: Ami Patel
Phone Number: (573) 751-2170

Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2011 - G1102MOTANF and 2012 - G1202MOTANF
State Agency:	Department of Social Services (DSS) - Family Support Division
Questioned Costs:	\$24,213,235

Recommendation:

-119-

Status of Finding:

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF maintenance of effort (MOE). This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012, and was submitted on January 24, 2013, to our grantor agency for review.

Additionally, during this process, the third party validated the allowability of the claim in question, citing 1999 TANF Final Rule (page 17825), which supports the DSS's contention that it claimed these funds correctly.

We would like to point out that federal TANF funds may also be used to pay for "nonassistance" activities (such as those identified in this finding) that meet the purposes of the program as given in Sections 401(a)(1)-(4) of the Social Security Act and 45 CFR Section 260.20. Federal TANF funds may also be used for activities that benefit non-needy families in some cases, e.g., activities that meet the purpose of either Section 401(a)(3) or (a)(4) of the Act. In this respect, there may be more flexibility in the expenditures that are allowable uses of federal funds than those that are allowable for MOE purposes. This is because federally funded services or benefits do not necessitate a determination of financial eligibility (need) if they do not meet the definition of assistance. Thus, states may use federal TANF funds (in accordance with Section 404 of the Act) to provide "nonassistance" services or benefits to eligible individuals who meet the state's other, nonfinancial, objective criteria for the delivery of such benefits.

The DSS has changed its claiming process to claim these funds as TANF, instead of TANF MOE to align its claiming with the above information.

The DSS received a decision letter from the Department of Health & Human Services - Administration for Children and Families (ACF) on February 21, 2014, addressing a similar finding (prior audit finding 2010-21C). The ACF did not sustain the similar finding and did not pursue a TANF misuse of funds penalty.

Status of Questioned Costs:

The status is still under discussion with the grantor agency.

Contact Person: Ami Patel

Phone Number: (573) 751-2170

2012-14D. Unallowable Costs and Maintenance of Effort

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
 2011 - G1102MOTANF and 2012 - G1202MOTANF

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)

The DSS control system was not effective in ensuring the types of costs claimed under the Temporary Assistance for Needy Families (TANF) program or recorded as TANF maintenance of effort (MOE) met all federal regulatory and grant requirements which resulted in unallowable costs and unqualified sources of MOE claimed against the federal TANF grant.

Recommendation:

The DSS establish a formal control system to ensure the types of costs claimed under the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements.

Status of Finding:

The DSS disagreed with this finding. The DSS's previous response to the finding is unchanged. The DSS is using a manual, developed with the assistance of a third party, to evaluate whether costs are allowable under TANF and/or TANF MOE. This desk manual will help the DSS ensure that it has appropriately categorized costs as TANF or TANF MOE as the definitions of allowable costs vary between the two. The desk manual was finished December 2012, and was submitted on January 24, 2013, to our grantor agency for review. The status is still under discussion with the grantor agency.

The DSS received a decision letter from the Department of Health & Human Services - Administration for Children and Families (ACF) on February 21, 2014, addressing a similar finding (prior audit finding 2010-21D). The ACF did sustain the similar finding and recommendation, but did not pursue a TANF penalty action.

Contact Person: Ami Patel
Phone Number: (573) 751-2170

2012-15A. Eligibility and TANF Assistance Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
2011 - G1102MOTANF and 2012 - G1202MOTANF
State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs: \$18,024

The FSD paid Temporary Assistance for Needy Families (TANF) benefits to some recipients who may not have been eligible or were ineligible for the full amount of TANF payments received.

- For 5 of 60 recipients tested, the eligibility specialist did not act promptly or properly on available information affecting recipient eligibility, resulting in

payment of improper benefits. We questioned the amount of improper benefits paid to these five recipients, totaling \$6,342 (100 percent federal share).

- For 4 of 60 recipients tested, the FSD identified unreported income and took action to close the case; however, the FSD did not establish claims for improper benefits until we inquired about the cases. We questioned the amount of improper benefits identified totaling \$2,369 (100 percent federal share).
- For 4 of 60 recipients tested, the FSD did not maintain adequate documentation to demonstrate compliance with federal requirements related to eligibility for the TANF program. Payments made for these four cases during the year ended June 30, 2012, totaled \$9,313, for which we questioned the entire amount (100 percent federal share).

Recommendation:

The FSD resolve the questioned costs with the grantor agency and strengthen controls to ensure information affecting eligibility is properly reviewed periodically and proper and timely action is taken regarding the information, including case closures and recoupment of overpayments if warranted. In addition, the FSD should maintain required eligibility documentation in all case files.

Status of Finding:

The FSD continues to ensure cases are thoroughly reviewed and acted upon in a timely manner for reported household income changes, at points of assistance application, and identified at scheduled continued-eligibility reviews. Once TANF is in the Missouri Eligibility Determination and Enrollment System, the FSD Income Maintenance (IM) staff will develop a Quarterly Wage Match (QWM) report for staff. IM Memo #53 (6/25/12) was issued to staff with detailed steps to process QWM reports within 15 days of receipt.

Status of Questioned Costs:

An adjustment was made on the September 30, 2013, quarterly report. The DSS is awaiting clearance from the grantor agency.

Contact Person: Valerie Howard
Phone Number: (573) 751-8973

2012-15B. Eligibility and TANF Assistance Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2011 - G1102MOTANF and 2012 - G1202MOTANF
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs:	\$2,237

The FSD did not act upon some notices of non-cooperation from the Child Support Enforcement (CSE) Unit to sanction recipients of the Temporary Assistance for Needy Families (TANF) program, and the CSE Unit did not always notify the FSD of non-cooperating clients.

- The CSE Unit did not notify the FSD of 23 non-cooperating clients tested. Of the 23 cases reviewed, 6 recipients received overpayments totaling \$1,199 during the year ended June 30, 2012. We questioned the federal share of overpayments totaling \$1,199 (100 percent federal share).
- The FSD did not sanction 11 recipients when notified of referral for noncooperation, resulting in overpayments totaling \$1,038 during the year ended June 30, 2012. We questioned the federal share of overpayments, totaling \$1,038 (100 percent federal share).

Recommendation:

The FSD resolve the questioned costs with the grantor agency and develop additional controls to ensure sanctions are imposed on TANF recipients who fail to cooperate with CSE program requirements.

Status of Finding:

The FSD Income Maintenance (IM) section continues to work closely with the division's Child Support (CS) section to further ensure non-cooperation notifications from the CS section are promptly reviewed by IM staff for potential sanctions, and subsequently imposed as warranted. The FSD CS section notified CS staff with CS Memo #20 (April 15, 2013) about non-cooperation procedures for TANF and MO HealthNet recipients. The FSD is moving toward a specialized Temporary Assistance office, so all referrals will be going to one location. This will make it easier to track and have staff follow up.

Status of Questioned Costs:

An adjustment was made on the September 30, 2013, quarterly report. The DSS is awaiting clearance from the grantor agency.

Contact Person: Valerie Howard

Phone Number: (573) 526-6598

2012-16A. TANF Work Participation and Sanctions

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
 2011 - G1102MOTANF and 2012 - G1202MOTANF

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)

The FSD was not in compliance with certain work activity reporting requirements contained in the Work Verification Plan in effect for state fiscal year 2012. For 25 of the

60 cases we tested, the work participation hours were either not documented, not verified, and/or not reported correctly in accordance with the Work Verification Plan.

Recommendation:

The FSD develop additional controls to ensure work activities are adequately documented, verified, and reported in accordance with the FSD Work Verification Plan.

Status of Finding:

The Missouri Work Assistance (MWA) Case Management system was available for data entry June 28, 2011, and entries ceased in the Toolbox system on June 23, 2011. Inquiry access to Toolbox has continued to ensure necessary data was converted from Toolbox to the MWA system.

A Case Review form was developed for use by all MWA coordinators to provide consistency when reviewing data entries and physical files of MWA participants each contractor is serving. This tool is used by all MWA coordinators effective July 1, 2011.

A Case Review Guide was written and shared with MWA staff August 2011, (and upgraded December 2011) to ensure the MWA coordinators understand where policies regarding the form are located in the policy manual and request for proposal to assist contractors with any incorrect findings. This guide and the case review form have also been shared with MWA contractors for use when reviewing their staff case files.

Effective August 1, 2011, MWA coordinators report to the FSD program manager responsible for the MWA program (before that time coordinators reported to regional FSD staff). The change in supervision ensures that positions are dedicated to the MWA program and coordinator accountability for assigned work by the MWA FSD program manager. All field managers and coordinators continue to be dedicated to the support of the MWA program and report to the MWA unit manager.

With this change, four teams have been designated to further develop the MWA program. These teams are:

- MWA System and Data - user guides, system enhancements, reports;
- MWA Policy and Training - policy manual updates, training materials;
- MWA Contracts and Monitoring - monitoring tools, compliance; and
- Special Projects and Research - MWA webpage, research to improve the work participation rates.

Tools developed by these teams will provide contractors with information to ensure participation activities meet work verification standards and supported with adequate documentation. Resources developed will also serve to increase the work participation rate for the state and provide performance measures to the contractors.

MWA staff completed targeted case file reviews in March 2012, for individuals participating in Vocational Education as an activity. The review was conducted to ensure

contractors were obtaining actual attendance sheets (work verification) for this activity rather than entering hours based on a class schedule. This review, and regular case file reviews examine if work verification standards are met.

Contact Person: Jennifer Roberts
Phone Number: (573) 526-5444

2012-16B. TANF Work Participation and Sanctions

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
 2011 - G1102MOTANF and 2012 - G1202MOTANF
State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs: \$393

The FSD did not have adequate procedures in place to ensure Missouri Work Assistance (MWA) contractors notified the FSD when Temporary Assistance for Needy Families (TANF) program recipients failed to meet work participation requirements. For 6 of 57 cases tested, recipients were not appropriately sanctioned for non-compliance with work participation requirements. We questioned the amount of the sanctions that were not imposed on these six recipients for the tested month of February 2012, which totaled \$393 (100 percent federal share).

Recommendation:

The FSD develop additional controls to ensure TANF recipients failing to meet work participation requirements are sanctioned as required. In addition, the FSD should resolve the questioned costs with the grantor agency.

Status of Finding:

The FSD continues to perform the following activities to evaluate contractor compliance with notification requirements to ensure TANF recipients are sanctioned accordingly to policy and procedure.

The Case Review form includes an evaluation of the conciliation and sanction referral process. This tool continues to determine appropriate and timely actions of the MWA contractors should TANF recipients fail to meet the work participation requirements.

The MWA field managers and coordinators review the mass participation screens for case managers in each office to identify those individuals that are not participating in an activity and work with the contractors to identify those that should be placed in conciliation and possibly sanctioned.

Quarterly, the MWA coordinators review a sample of participants that have no hours of participation, no conciliation activity, or no sanction in place. Individuals identified are shared with the contractor for immediate contact and initiation of the conciliation and

sanctioning process to ensure participants failing to meet the work participation requirement are sanctioned as required. These reviews have continued through state fiscal year 2014. Contractors are provided with information on any case file discovered during these reviews that require attention.

Status of Questioned Costs:

An adjustment was made on the September 30, 2013, quarterly report. The DSS is awaiting clearance from the grantor agency.

Contact Person: Jennifer Roberts

Phone Number: (573) 526-5444

2012-18A. Participant Eligibility

Federal Agency: Department of Health and Human Services

Federal Program: 93.767 Children's Health Insurance Program
 2010 - 1005MO5021 and 2011 - 1105MO5021
 93.778 Medical Assistance Program
 2011 - 1105MO5MAP and 1105MO5ADM
 2012 - 1205MO5MAP and 1205MO5ADM

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
 and MO HealthNet Division (MHD)

Questioned Costs: \$3,311,503

Controls were not adequate to ensure participants transferred to a new eligibility determination system were completely converted to the new system. As a result, some annual redeterminations were not conducted timely to evaluate the continued eligibility of participants in the Medical Assistance Program (Medicaid) and Children's Health Insurance Program. Of 894 cases not converted in the Family Assistance Management Information System (FAMIS) as of October 2012, 747 cases did not receive a redetermination during the year ended June 30, 2012, as required. Participants in 584 of the 747 cases had payments made on their behalf after the date a redetermination was due. These ineligible payments totaled \$5,207,584 for the year ended June 30, 2012. We questioned the federal share of the total payments, or \$3,311,503 (63.59 percent).

Recommendation:

The DSS establish controls to ensure all participants transferred to the FAMIS are finalized in the system so annual redeterminations of eligibility will be automatically initiated. In addition, the DSS should resolve questioned costs with the grantor agency.

Status of Finding:

The FSD obtained weekly reports from the Information Technology Services Division listing the cases remaining in the controlled flow to be converted into the FAMIS. The cases listed on the reports were reviewed each week by MHD Program and Policy staff. After review of the cases, MHD Program and Policy staff followed up with county office

staff to ensure the completion of the cases. The conversion of all cases that remained in the flow to be converted into the FAMIS was completed April 8, 2013.

Local FSD office staff have completed reviews and provided documentation to FSD central office staff to verify eligibility for the 584 cases with payments made on their behalf after the date a redetermination was due. The FSD review concentrated on review of eligibility of the cases with the highest dollar amounts first, and then began review of the lower dollar amounts. Of the 584 cases receiving a full eligibility review, 286 cases were found to be eligible for payment and 298 cases were found to be ineligible for payment. Payments made on behalf of the cases that have been reviewed and determined eligible were allowed. Of the total federal questioned costs, the FSD can confirm that \$578,004.33 of the total federal questioned costs were ineligible for payment.

The FSD is completing the claims process for all cases found to be ineligible for payment.

Status of Questioned Costs:

The DSS will resolve the questioned costs with the grantor agency.

Contact Person: Valerie Howard

Phone Number: (573) 751-8973

2012-18B. Participant Eligibility

Federal Agency: Department of Health and Human Services

Federal Program: 93.767 Children's Health Insurance Program
2010 - 1005MO5021 and 2011 - 1105MO5021

93.778 Medical Assistance Program
2011 - 1105MO5MAP and 1105MO5ADM
2012 - 1205MO5MAP and 1205MO5ADM

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
and MO HealthNet Division (MHD)

Questioned Costs: \$219,768

The MHD identified Medical Assistance Program (Medicaid) and Children's Health Insurance Program (CHIP) payments made on behalf of approximately 400 children from 2009 to 2012 who were later determined to be ineligible for these programs at the time of service; however, the MHD has not taken steps to resolve these questioned costs with the grantor agency. The ineligible payments made on behalf of the 122 participants with Medicaid or CHIP payments during the year ended June 30, 2012, totaled \$345,602. We questioned the federal share of the total payments, or \$219,768 (63.59 percent).

Recommendation:

The DSS resolve questioned costs regarding payments for ineligible children with the grantor agency.

Status of Finding:

Further investigation of these claims was performed to determine eligibility by program type based on the dates of service. Results of this review indicate a total of \$96,163 (\$61,150 federal share) was paid for claims on dates of service for which the children were ineligible.

Status of Questioned Costs:

An adjustment was made on the June 30, 2013, quarterly report. The DSS is awaiting clearance from the grantor agency.

Contact Person: Sheila Tannehill

Phone Number: (573) 751-8962

2012-18C. Participant Eligibility

Federal Agency: Department of Health and Human Services

Federal Program: 93.767 Children's Health Insurance Program
2010 - 1005MO5021 and 2011 - 1105MO5021
93.778 Medical Assistance Program
2011 - 1105MO5MAP and 1105MO5ADM
2012 - 1205MO5MAP and 1205MO5ADM

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
and MO HealthNet Division

Questioned Costs: \$13,824

The FSD did not obtain or maintain all documentation required to support eligibility for 6 of 60 cases reviewed.

- A signed application was not obtained or retained for five participants reviewed. Payments totaling \$21,414 were made on behalf of these five participants during the year ended June 30, 2012. We questioned the federal share of the payments, or \$13,617 (63.59 percent).
- Citizenship was not verified during determination of eligibility for one Medicaid participant reviewed. This participant's grace period expired May 21, 2012, at which time the eligibility should have ended. The ineligible payments made on behalf of this participant after expiration of the grace period totaled \$326 during the year ended June 30, 2012. We questioned the federal share of the total payments, or \$207 (63.59 percent).

Recommendation:

The DSS ensure all information required to determine participant eligibility is obtained, verified, and retained to ensure compliance with applicable federal requirements. In addition, the DSS should resolve questioned costs with the grantor agency.

Status of Finding:

The FSD correctly completed the annual Medicaid reviews with Supplemental Nutrition Assistance Program (SNAP) applications. As stated in Section 208.147, RSMo, "1. The family support division shall conduct an annual income and eligibility verification review of each recipient of medical assistance. Such review shall be completed not later than twelve months after the recipient's last eligibility determination. 2. The annual eligibility review requirement may be satisfied by the completion of a periodic food stamp redetermination for the household."

The FSD reviewed the case record of the five participants identified and found that each one had a signed SNAP application in the file. The annual Medicaid redetermination was completed using information obtained by the completion of the SNAP redetermination for the household. Therefore, no adjustment to federal reports is necessary since the cases were determined to be correct.

On March 12, 2013, the FSD issued Income Maintenance memorandum IM-31 "MO HealthNet Case Maintenance" to clarify required documentation.

Effective January 1, 2014, the FSD electronically verifies eligibility factors using the Federal Services Data Hub exchange system through the Missouri Eligibility Determination and Enrollment System for households requiring eligibility determinations based on modified adjusted gross income methodology, which will eliminate much documentation.

Status of Questioned Costs:

The DSS will resolve the questioned costs with the grantor agency.

Contact Person: Kimberly O'Hara
Phone Number: (573) 751-8980

2012-19A. Report Reviews

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 2010 - 1005MO5021 and 2011 - 1105MO5021
 93.778 Medical Assistance Program
 2011 - 1105MO5MAP and 1105MO5ADM
 2012 - 1205MO5MAP and 1205MO5ADM

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD did not review daily exception reports of the Medical Assistance Program and Children's Health Insurance Program claims requiring post-payment reviews during the year ended June 30, 2012.

Recommendation:

The DSS review the report of claims that have been identified for post-payment reviews to ensure erroneous billings are properly recouped.

Status of Finding:

The MHD has completed its review of the daily exception reports to verify the need for any exception to have a status of 4. Unit program managers were contacted to make the decision for their specific program areas. We received confirmation from the managers to change many status 4 exceptions to a different status because reporting the claims is not necessary. The size of the daily report has decreased from an average of 2,200 pages to 150 pages or less. Of this amount, many of the exceptions are utilized by Xerox through the CMSP contract (Clinical Management Services and System for Pharmacy Claims and Prior Authorization). The MHD has completed its review of the CMSP exceptions to determine the need to continue using a status of 4. Since the report has decreased to a manageable size, the MHD is able to review the report.

Originally, the MHD thought it would submit a request to change the way report GMCM6500-R018 is produced. Currently, if an internal control number (ICN) posts more than one exception (up to 25) and any of the exceptions have a status of 4, the ICN will repeat on the report for every exception listed. After review, it was determined that if there is more than one exception posted to a claim, it could be possible for one or more units to need to review the individual claim at different levels depending on which exception posted. Therefore it was decided not to make changes to the way report GMCM6500-R018 works.

We continue our efforts to confirm the necessity of this report as it applies to our claims processing and payment systems today. We are finding that the majority of this report is simply outdated, while newer, more advanced system tools provide the required editing for the MO HealthNet program.

Contact Person: Dianne Sinden
Phone Number: (573) 751-8193

2012-20. Pharmacy Dispensing Fees

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 2010 - 1005MO5021 and 2011 - 1105MO5021
 93.778 Medical Assistance Program
 2011 - 1105MO5MAP and 1105MO5ADM
 2012 - 1205MO5MAP and 1205MO5ADM

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Questioned Costs: \$6,319,991

The MHD periodically changed the rate paid to pharmacies for dispensing prescription drugs under the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP); however, the state regulation authorizing these dispensing fees had not been updated since 1988, and the current rate paid exceeded a 1991 settlement agreement that increased the pharmacy dispensing fee. The MHD did not have adequate documentation to support the determination of the current dispensing fee structure. The MHD paid pharmacies base dispensing fees totaling \$64,137,459 during the year ended June 30, 2012. Had the dispensing fees been paid in accordance with the 1991 settlement agreement, the fees would have totaled \$54,198,803, a difference of \$9,938,656. We questioned the federal share of the difference, or \$6,319,991 (63.59 percent).

Recommendation:

The MHD ensure state regulations related to administration of the Medicaid program and the CHIP are updated when changes are justified, and resolve questioned costs with the grantor agency. In addition, the MHD should ensure increases in payment rates are adequately supported and actuarially sound, as required by federal guidelines.

Status of Finding:

The MHD disagreed with the finding. The MHD makes payments in accordance with the Department of Health and Human Services, Center for Medicare and Medicaid Services (CMS) approved state plan. Furthermore, pharmacy dispensing fees paid under Title XIX and CHIP are communicated in documents during the budget process and authorized by the General Assembly through the appropriations process.

The proposed rule was published on November 1, 2013, Volume 38, No. 21, page 1768, for the regulatory changes necessary to reflect the current pharmacy dispensing fee.

Status of Questioned Costs:

On September 16, 2014, the CMS sent the DSS a demand letter regarding SAO findings 2011-24, 2012-20 and 2013-018 requesting the State of Missouri return the questioned costs. The DSS responded on October 1, 2014, to the demand letter. This finding is the subject of discussions with the grantor agency, but no resolution has yet been finalized.

Contact Person: Rhonda Driver
Phone Number: (573) 522-9879

2013-003. Medicaid Home and Community Based Services

Federal Agency: Department of Health and Human Services

Federal Program: 93.778 Medical Assistance Program
 2012 - 1205MO5MAP and 1205MO5ADM
 2013 - 1305MO5MAP and 1305MO5ADM

State Agency: Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services (DSDS)

Questioned Costs: \$238,623

The DSDS did not ensure annual reassessments were performed, as required, to determine continued need of services of Home and Community Based Services (HCBS) recipients. Assessment documentation was tested for 60 Medicaid recipients who received State Plan Personal Care (SPPC) and/or Aged and Disabled Waiver (ADW) services during the year ended June 30, 2013. The DSDS did not perform annual reassessments of eligibility for 32 of the 59 (54 percent) recipients requiring a reassessment. The payments for SPPC and ADW services provided to these recipients without annual reassessments during the year ended June 30, 2013, totaled \$315,027 for SPPC and \$58,464 for ADW (\$373,491 total). We questioned the federal share of \$238,623 comprised of \$201,271 for SPPC and \$37,352 for ADW (63.89 percent).

Recommendation:

The DHSS, through the DSDS, resolve the questioned costs with the grantor agency and ensure annual reassessments are performed as required.

Status of Finding:

The fiscal year 2015 state budget included funding for HCBS providers to conduct reassessments. The ten Area Agencies on Aging also conduct reassessments. Reassessments by providers totaled 11,999 in fiscal year 2014, an increase of 7,473 over the previous fiscal year. Level of care reassessments for current clients will be scheduled for completion based upon the anniversary date of the last assessment. DHSS staff will review and approve all reassessments submitted by HCBS providers and the Area Agencies on Aging.

Status of Questioned Costs:

DHSS staff has met with staff from the federal Centers for Medicare and Medicaid Services to discuss the issues raised in the audit. The meetings are ongoing.

Contact Person: Celesta Hartgraves

Phone Number: (573) 526-3626

2013-004. Medicaid Developmental Disabilities Comprehensive Waiver

Federal Agency: Department of Health and Human Services

Federal Program: 93.778 Medical Assistance Program
2012 - 1205MO5MAP and 2013 - 1305MO5MAP

State Agency: Department of Mental Health (DMH)

Questioned Costs: \$22,432

Established controls over the Home and Community Based Services (HCBS), Developmental Disabilities Comprehensive Waiver (Comprehensive Waiver) Program were not always being followed. As a result, assessments of need for services were not always performed prior to individuals receiving Medicaid assistance under the program.

Recommendation:

The SEMA establish procedures to ensure the subaward information required to be reported per the FFATA is complete, accurate, and submitted timely.

Status of Finding:

Implemented. The SEMA has implemented a new policy to ensure compliance with the FFATA. At the end of each month the fiscal section sends the SEMA program staff responsible for grant administration a request for the information needed to complete the upload for the FFATA Subaward Reporting System (FSRS). Information received by the fiscal staff is entered into a subrecipient award tracking database. Using this database the fiscal section determines which awards need to be uploaded to the FSRS and enters data into a spreadsheet that is uploaded into the FSRS by the end of each month. The SEMA has received information from the Department of Homeland Security, Federal Emergency Management Agency, Region 7, that the issue is resolved and has provided additional information as requested to close this issue.

Contact Person: Shelly Honse

Phone Number: (573) 526-7324

2013-005B. Reporting and Period of Availability

Federal Agency: Department of Homeland Security

Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

2008 - FEMA-DR-1736-MO, FEMA-DR-1742-MO,
FEMA-DR-1748-MO, FEMA-DR-1749-MO, and
FEMA-DR-1773-MO

2009 - FEMA-DR-1809-MO

2011 - FEMA-DR-1961-MO and FEMA-DR-1980-MO,
and FEMA-DR-4012-MO

State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

Questioned Costs: \$194,867

The SEMA did not ensure certain financial reports for various Public Assistance (PA) awards were submitted timely to the awarding agency. In addition, the SEMA did not ensure expenditures were liquidated timely. None of the six final SF-425 reports filed for PA program awards during fiscal year 2013 were submitted timely to the federal awarding agency. Additionally, we reviewed these six awards and identified expenditures, totaling \$194,867, were charged to the awards after the date when obligations could be liquidated. We questioned the federal share of these costs, or \$194,867 (100 percent).

Recommendation:

The SEMA resolve the questioned costs with the grantor agency, and ensure federal PA awards are liquidated and reported in a timely manner.

Status of Finding:

Partially implemented. The SEMA is continuing to work with the Department of Homeland Security (DHS) - Federal Emergency Management Agency (FEMA), Region 7, to resolve the questioned costs and has provided additional information as requested to resolve and close this issue. To avoid this issue in the future, the SEMA will get written direction from the FEMA as to grant closing dates and will ensure reports are submitted timely.

Status of Questioned Costs:

The SEMA is continuing to work with the DHS - FEMA, Region 7, to resolve the questioned costs and has provided additional information as requested to resolve and close this issue.

Contact Person: Shelly Honse

Phone Number: (573) 526-7324

2013-006A. Subrecipient Monitoring

Federal Agency: Department of Homeland Security
Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

2008 - FEMA-DR-1736-MO, FEMA-DR-1742-MO,
FEMA-DR-1748-MO, FEMA-DR-1749-MO, and
FEMA-DR-1773-MO

2009 - FEMA-DR-1809-MO, FEMA-DR-1822-MO, and
FEMA-DR-1847-MO

2010 - FEMA-DR-1934-MO

2011 - FEMA-DR-1961-MO and FEMA-DR-1980-MO,
and FEMA-DR-4012-MO

State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA did not adequately document reviews performed of subrecipient expenditures to demonstrate compliance with subrecipient monitoring requirements. When the percentage of expenditures reviewed for a subaward is less than 100 percent, the SEMA did not always document which specific expenditures were reviewed.

Recommendation:

The SEMA maintain adequate documentation of reviews performed of subrecipient expenditures to ensure costs are allowable.

Status of Finding:

Implemented. In order to more concisely document payments to applicants (subrecipients) the disaster section staff of the SEMA that process payments for the Public Assistance program have been instructed to retain and file all applicant documentation, spreadsheets and/or notes related to the review of the applicant documentation, as a single payment file, rather than returning the documents to other file categories such as labor, materials equipment, etc. Maintaining a single file for applicant financial documentation will allow the SEMA to better demonstrate the agency's financial review efforts. The SEMA has received information from the Department of Homeland Security, Federal Emergency Management Agency, Region 7, that the issue is resolved and provided additional information as requested to close this issue.

Contact Person: Shelly Honse

Phone Number: (573) 526-7324

2013-006B. Subrecipient Monitoring

Federal Agency: Department of Homeland Security

Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

2008 - FEMA-DR-1736-MO, FEMA-DR-1742-MO,
FEMA-DR-1748-MO, FEMA-DR-1749-MO, and
FEMA-DR-1773-MO

2009 - FEMA-DR-1809-MO, FEMA-DR-1822-MO, and
FEMA-DR-1847-MO

2010 - FEMA-DR-1934-MO

2011 - FEMA-DR-1961-MO and FEMA-DR-1980-MO,
and FEMA-DR-4012-MO

State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA had not established an adequate tracking system to ensure Public Assistance program subrecipients expending \$500,000 or more in federal funds obtained independent Single Audits as required. In addition, the SEMA did not follow-up on findings reported in subrecipient Single Audits.

Recommendation:

The SEMA improve the system to obtain and track Single Audit reports expected and received from applicable subrecipients. In addition, the SEMA should document its review and follow-up of all subrecipient Single Audit reports received.

Status of Finding:

Implemented. The SEMA has established a monitoring plan to include annual certifications for A-133 Single Audit compliance by our local subrecipients and the review of hard copy audits from local subrecipients in conjunction with a review of

electronic audit status' from the federal audit clearinghouse. Certification letters are mailed annually to subrecipients. The SEMA uses a subrecipient award tracking database to notify subrecipients of A-133 Single Audit requirements at the time of award. Any follow-up with subrecipients is documented in the A-133 tracking database. The SEMA has received information from the Department of Homeland Security - Federal Emergency Management Agency, Region 7, that the issue is resolved and provided additional information as requested to close this issue.

Contact Person: Shelly Honse
Phone Number: (573) 526-7324

2013-007A. Payroll Allocations and Salary Certifications

Federal Agency: Department of Agriculture
 Department of Health and Human Services

Federal Program: 10.561 State Administrative Matching Grants for the Supplemental
 Nutrition Assistance Program
 2012 - 2012IS251443 and 2013 - 2013IS251443
 93.558 Temporary Assistance for Needy Families
 2012 - G1202MOTANF and 2013 - G1302MOTANF
 93.575 Child Care and Development Block Grant
 2012 - G1201MOCCDF and 2013 - G1301MOCCDF
 93.596 Child Care Mandatory and Matching Funds of the Child Care
 and Development Fund
 2012 - G1201MOCCDF and 2013 - G1301MOCCDF
 93.658 Foster Care - Title IV-E
 2012 - G1201MO1401 and 2013 - G1301MO1401
 93.659 Adoption Assistance
 2012 - G1201MO1407 and 2013 - G1301MO1407
 93.667 Social Services Block Grant
 2012 - G1201MOSOSR and 2013 - G1301MOSOSR
 93.778 Medical Assistance Program
 2012 - 1205MO5ADM and 2013 - 1305MO5ADM

State Agency: Department of Social Services (DSS) - Division of Finance and
 Administrative Services (DFAS)

Questioned Costs: \$291,064

DFAS controls and procedures over the allocation of some payroll costs to federal programs were inadequate. Incorrect labor codes were assigned to some employees, resulting in payroll costs for those employees being charged to wrong cost pools. These cost pool errors resulted in overstatements of payroll costs totaling approximately \$525,000 (\$291,000 federal share) and understatements totaling approximately \$487,000 (\$308,000 federal share) for seven federal programs for the year ended June 30, 2013. We questioned the federal share of the overstatements, or \$291,064.

Recommendation:

The DSS, through the DFAS, resolve the questioned costs with the grantor agency and establish controls and procedures to ensure payroll costs are allowable and allocable. These procedures should include periodic documented reviews of labor codes assigned to employees and the purpose and definition of labor codes to ensure associated payroll costs are charged to appropriate federal programs directly or through the proper cost pool.

Status of Finding:

All the payroll codes have been reviewed and all changes were made effective January 1, 2014, in the SAM II Human Resource system. In addition to staff from Grants Management, Human Resources, Compliance and Quality Control, and the fiscal liaisons performing quarterly reviews of the labor codes, the DSS is also working on revising the cost allocation methodology through the Public Assistance Cost Allocation Plan.

This finding has been cleared by the Department of Health and Human Services.

Status of Questioned Costs:

An adjustment was made on the March 31, 2014, quarterly report.

Contact Person: Ami Patel

Phone Number: (573) 751-7302

2013-007B. Payroll Allocations and Salary Certifications

Federal Agency: Department of Agriculture
 Department of Health and Human Services

Federal Program: 10.561 State Administrative Matching Grants for the Supplemental
 Nutrition Assistance Program
 2012 - 2012IS251443 and 2013 - 2013IS251443
 93.558 Temporary Assistance for Needy Families
 2012 - G1202MOTANF and 2013 - G1302MOTANF
 93.575 Child Care and Development Block Grant
 2012 - G1201MOCCDF and 2013 - G1301MOCCDF
 93.596 Child Care Mandatory and Matching Funds of the Child
 Care and Development Fund
 2012 - G1201MOCCDF and 2013 - G1301MOCCDF
 93.658 Foster Care - Title IV-E
 2012 - G1201MO1401 and 2013 - G1301MO1401
 93.659 Adoption Assistance
 2012 - G1201MO1407 and 2013 - G1301MO1407
 93.667 Social Services Block Grant
 2012 - G1201MOSOSR and 2013 - G1301MOSOSR
 93.778 Medical Assistance Program
 2012 - 1205MO5ADM and 2013 - 1305MO5ADM

State Agency: Department of Social Services (DSS) - Division of Finance and

Administrative Services (DFAS)

Questioned Costs: \$179,982

The DSS did not prepare salary certifications for employees whose personnel costs were charged wholly to the Title IV-E Foster Care program. Personnel costs (salaries, benefits, and indirect costs) for these employees totaled \$359,964. We questioned the federal share, or \$179,982 (50 percent).

Recommendation:

The DSS, through the DFAS, resolve the questioned costs with the grantor agency and prepare semi-annual salary certifications as required.

Status of Finding:

The DSS has included the employees working solely with the Statewide Automated Child Welfare Information System (SACWIS) on the semi-annual salary certifications.

The DSS does not agree that the personnel costs for these employees should be disallowed. The SACWIS operating costs are allowed under the Title IV-E Foster Care program.

This finding has been cleared by the Department of Health and Human Services.

Status of Questioned Costs:

This finding has been cleared by the grantor agency.

Contact Person: Ami Patel

Phone Number: (573) 751-7302

2013-008A. Residential Treatment and Case Management Payments

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
2012 - G1202MOTANF and 2013 - G1302MOTANF

93.658 Foster Care - Title IV-E
2012 - G1201MO1401 and 2013 - G1301MO1401

93.659 Adoption Assistance
2012 - G1201MO1407 and 2013 - G1301MO1407

93.778 Medical Assistance Program
2012 - 1205MO5ADM and 2013 - 1305MO5ADM

State Agency: Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)

Questioned Costs: \$7,357,204

The DSS did not have adequate documentation to support the daily rate used to allocate a portion of payments to residential treatment facilities to the Foster Care and Temporary

Assistance for Needy Families (TANF) programs, and controls and procedures over the allocation of rehabilitative residential treatment payments needed improvement.

- The DSS did not have documentation to support how the room and board/supervision daily rate was determined. The DSS allocated residential treatment facility room and board/supervision payments totaling \$4,281,830 to the Foster Care program and \$4,721,309 to the TANF program during state fiscal year 2013. We questioned the entire federal share of \$2,635,895 (61.56 percent) and \$4,721,309 (100 percent) for the Foster Care and TANF programs, respectively.
- Errors existed in the system logic the Information Technology Services Division (ITSD) used to prepare the monthly report which calculated the room and board/supervision portion of residential treatment facility payments. As a result, the DSS allocated duplicate residential treatment payments totaling approximately \$4,800 to the Foster Care program for 2 of the 15 children reviewed. Additionally, if the amount paid to the residential treatment facility was higher than the maximum Missouri rate, the excess payments were not properly allocated between room and board/supervision and rehabilitative services. Payments related to report logic errors were included in the questioned costs above.

Recommendation:

The DSS, through the CD and DFAS, resolve questioned costs with the grantor agency and ensure that the room and board/supervision rate is adequately supported and reflects actual costs as required by federal regulations. Additionally, the DSS should determine if programming changes are needed to improve the accuracy of the monthly ITSD report.

Status of Finding:

The period under review was state fiscal year 2013 (July 1, 2012 - June 30, 2013). The time study used to validate the room and board/supervision was completed from July 29 through August 18, 2013. Results of this time study were applied to cost reports gathered previously from the residential treatment providers. The time period of costs gathered was previous to state fiscal year 2013. The results of this time study adequately support the daily rate being claimed to Title IV-E Foster Care for residential treatment costs and validate that no material change in the rate claimable to Title IV-E had occurred.

The DSS evaluates the accuracy of the reports completed by the ITSD on a monthly basis. Any discrepancies or issues that arise are addressed with the ITSD immediately.

Status of Questioned Costs:

The DSS will resolve the questioned costs with the grantor agency.

Contact Person: Sheila Tannehill

Phone Number: (573) 751-8962

2013-008B. Residential Treatment and Case Management Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
 2012 - G1202MOTANF and 2013 - G1302MOTANF
 93.658 Foster Care - Title IV-E
 2012 - G1201MO1401 and 2013 - G1301MO1401
 93.659 Adoption Assistance
 2012 - G1201MO1407 and 2013 - G1301MO1407
 93.778 Medical Assistance Program
 2012 - 1205MO5ADM and 2013 - 1305MO5ADM
State Agency: Department of Social Services (DSS) - Children's Division (CD) and
 Division of Finance and Administrative Services (DFAS)

The DSS had not utilized established procedures to ensure all payments to Foster Care case management (FCCM) contractors were properly allocated to federal programs. As a result, some contractor payments were allocated to federal programs based on the contractors' budgeted expenditure categories rather than contractors' actual expenditures.

Recommendation:

The DSS, through the CD and DFAS, establish procedures to ensure all payments to Foster Care case management contractors are allocated to federal programs in accordance with federal regulations.

Status of Finding:

In state fiscal year 2013, the DSS developed an expenditure validation plan which includes an analytical review of case management/administration to compare the amount paid to contractors (via the contracted case rate) to the actual costs incurred by the contractors and to the amount claimed to federal programs. The purpose of this analytical review is to determine the reasonableness of the case rate as compared to actual costs incurred by contractors and federal dollars claimed. This validation plan was submitted to and approved by the Administration for Children and Families. The first quarter for which this analytical review of case management/administration was completed was the first quarter of federal fiscal year 2014. While the DSS has agreed to analytically review the actual costs incurred by the FCCM contractors, it should be noted that the FCCM contractor's actual costs are not subject to federal guidelines for allowability, or any other compliance requirement under the federal OMB Circulars; as they are not subrecipients of this grant program/contract. Rather, it is the DSS's payments made to them that are subject to these federal requirements/guidelines.

Contact Person: Sheila Tannehill
Phone Number: (573) 751-8962

2013-009A. Child Care Eligibility and Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
 2012 - G1201MOCCDF and 2013 - G1301MOCCDF
 93.596 Child Care Mandatory and Matching Funds of the Child
 Care and Development Fund
 2012 - G1201MOCCDF and 2013 - G1301MOCCDF
State Agency: Department of Social Services (DSS) - Children's Division (CD) and
 Family Support Division (FSD)
Questioned Costs: \$71,846

Controls over eligibility and provider payments were not sufficient to prevent and/or detect payments made on behalf of ineligible clients or improper payments to child care providers.

- The DSS could not locate the child care eligibility file for 7 of 60 (12 percent) cases reviewed. Child care payments made on behalf of these children and their siblings during the year ended June 30, 2013, totaled \$47,147. We questioned the federal share of \$34,889 (74 percent).
- Eligibility documentation was not sufficient to support a valid need for child care for 11 of 60 (18 percent) cases reviewed. Payments totaling \$46,507, made on behalf of these children and their siblings, during the year ended June 30, 2013, were unallowable and/or unsupported by adequate documentation. We questioned the federal share of \$34,415 (74 percent).
- Child care payments made on behalf of 20 of 60 (33 percent) children reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. Of these payments, five were for cases that also lacked eligibility documentation and were included in the questioned costs above. Payments for the remaining 15 cases totaled an additional \$3,435. We questioned the federal share of \$2,542 (74 percent).

Recommendation:

The DSS through the CD and FSD, resolve the questioned costs with the grantor agency and review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

Status of Finding:

Corrective actions taken since the finding was issued follow:

Case Adjustments - Funds have been returned to the federal government or claims have been entered on either a parent or provider.

The DSS continues to review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. The CD and the FSD hold quarterly quality improvement meetings. The Child Care Review Team (CCRT) has been implemented to monitor child care providers, both onsite and off. The FSD continues to work on enhancing document retention efforts. Additional efforts are as follows:

FSD Reorganization and MEDES - The FSD continues to move forward with transitioning from a case management approach to a task based approach with specialized offices; for example housing child care eligibility with Temporary Assistance for Needy Families program in one or more locations. The continued development of the MO Eligibility Determination Electronic System (MEDES) will allow for a task based approach which results in greater efficiencies in the processing of program eligibility applications.

Early Childhood and Prevention Services - The CD has restructured the Early Childhood and Prevention Section by streamlining functions based on division responsibilities. As of August 2014, the Division of Finance and Administrative Services is responsible for the oversight and processing of child care provider payments. This change will afford the CD more time to concentrate on the substantial changes resulting from the Child Care Development Block Grant of 2014.

Child Care Electronic Provider System - The CD issued a Request for Information to gather information regarding available Business Intelligence Solutions that would provide the DSS with a comprehensive and time efficient system for the administration of the Child Care program. A Request for Proposal will be issued seeking proposals for a system that will include:

1. A child care provider registration and tracking system.
2. An electronic time and attendance system for all providers statewide.
3. A child care review system for the purpose of executing and managing a compliance monitoring process for the child care program.

Child Care Review Team (CCRT) - In August 2013, the DSS hired four staff to conduct compliance reviews of child care providers. The CCRT uses a risk based monitoring approach to detect providers who are at high risk of non-compliance. This process has created opportunities for identification of deficiencies in child care providers' performance, and a process to hold them accountable for the requirements of their contract/registration agreement. As of October 2014, the DSS has conducted more than 1,400 onsite reviews of child care providers.

Case Review Tool - A child care component to the FSD Case Review System (CRS) was implemented in March 2012. The CD is utilizing output reports from the CRS to identify programmatic strengths and challenges and areas for policy, field and training improvement. The output reports for fiscal year 2014 have been reviewed and indicate a 94.56 percent accuracy rate statewide.

A program development specialist completes second level reviews on randomly selected cases reviewed by eligibility specialist (ES) supervisors and compiles a quarterly list of critical areas for ES supervisors to focus on during the case review process. A statewide analysis is provided to FSD leadership on a quarterly basis. This analysis outlines areas for improvement.

Casework Reference Guide - The FSD Training Unit, in collaboration with Child Care Program and Policy staff, developed a Case Reference Guide (CRG) for FSD workers. The CRG is an informational tool that can be utilized by workers when processing applications and completing other case actions. The CRG does not replace the policy and forms manuals. It is intended to be an additional resource for workers. Workers are to use this guide in conjunction with the policy and forms manuals and memorandums. The CD is updating the CRG.

Child Care Manual Revisions - Early Childhood and Prevention Services program and policy staff is continually reviewing the child care manual for clarification and revision.

Calendar Year	Policy Memorandum Updates By Section	Practice Points/Alerts
2011	40	5
2012	82	1
2013	10	4
2014	5	2

Child Care Steering Committee - During the summer of 2012, the DSS formed a steering committee to address child care issues. From this initiative there were four project teams designated to identify deficiencies and problematic areas within the Child Care program: Eligibility, Provider Issues and Policy/Payments, Program Integrity, and Information and Systems Technology. Each team made five or six recommendations related to the team's assigned area. The DSS continues to implement the recommendations made by this committee.

Self-Employment Training - Effective August 1, 2011, the FSD ES and ES supervisors are required to complete the on-line Self-Employment Income Budgeting training course found in the Employee Learning Center. ES and ES supervisors were required to complete the training by December 31, 2011. The self-employment training is to assist in reducing the error rates for all income maintenance programs.

FSD Workers Online Child Care Training - The FSD administers the Child Care assistance program for income maintenance households. The majority of the families accessing child care receive services through their local FSD office. As of September 1, 2011, FSD frontline workers and supervisors were able to access online child care training through the FSD Training Unit intranet page. New FSD employees are required to successfully complete the online training prior to enrolling in the in-person Basic Child Care Orientation training. New staff access and complete the training through the DSS Employee Learning Center with the online assessment component. Effective April 1,

2013, ES and ES supervisors are required to retake the online Child Care Assistance training every two years after initial completion.

Status of Questioned Costs:

An adjustment was made on the March 31, 2014, quarterly report. The DSS will address remaining questioned costs with the grantor agency. The DSS is waiting for clearance from the grantor agency.

Contact Person: Marianne Dawson

Phone Number: (573) 522-2294

2013-009B. Child Care Eligibility and Payments

Federal Agency: Department of Health and Human Services

Federal Program: 93.575 Child Care and Development Block Grant

2012 - G1201MOCCDF and 2013 - G1301MOCCDF

93.596 Child Care Mandatory and Matching Funds of the Child
Care and Development Fund

2012 - G1201MOCCDF and 2013 - G1301MOCCDF

State Agency: Department of Social Services (DSS) - Children's Division (CD) and
Family Support Division (FSD)

Questioned Costs: \$411

Some payment edit checks in the Family Assistance Management Information System (FAMIS) were not operating effectively. As a result, some providers were paid for more than the authorized number of days or more than the allowed number of absences and/or holidays. The DSS paid child care providers multiple times for the same child and service month for about 12,600 children during state fiscal year 2013. We reviewed payments to child care providers made on behalf of 40 of these children.

- For 4 of the 40 (10 percent) payments reviewed, the FAMIS system paid the provider for more than the child's authorized number of days for the calendar month.
- For 5 of the 40 (13 percent) payments reviewed, the FAMIS system paid the provider more than the allowed number of absences and/or holidays.

Overpayments due to the above identified system errors totaled \$556. We questioned the federal share, or \$411 (74 percent).

Recommendation:

The DSS through the CD and FSD, resolve the questioned costs with the grantor agency and improve system controls to ensure payments are limited to authorized days and payments for absences and holidays are limited in accordance with policy.

Status of Finding:

Information Technology Services Division - FAMIS staff have identified duplicate authorizations being made, but has not been able to identify the cause of the problem. While FAMIS staff are working to resolve the issue, a report of duplicate authorizations is created monthly to take action to avoid duplicate invoices and payment. This report will continue to be provided to CD staff until the system issue is resolved.

Payment of excessive absences and holidays was identified in the fiscal year 2012 Single Audit. The issue was corrected in FAMIS in November 2013.

Status of Questioned Costs:

An adjustment was made on the March 31, 2014, quarterly report. The DSS is waiting for clearance from the grantor agency.

Contact Person: Marianne Dawson

Phone Number: (573) 522-2294

2013-010. Child Care Provider Eligibility

Federal Agency: Department of Health and Human Services

Federal Program: 93.575 Child Care and Development Block Grant
2012 - G1201MOCCDF and 2013 - G1301MOCCDF
93.596 Child Care Mandatory and Matching Funds of the Child
Care and Development Fund
2012 - G1201MOCCDF and 2013 - G1301MOCCDF

State Agency: Department of Social Services (DSS) - Children's Division (CD) and
Family Support Division (FSD)

Questioned Costs: \$21,146

The DSS did not have adequate controls and procedures in place to ensure certain child care providers participating in the Child Care Development Fund subsidy program complied with statutory requirements for license-exempt status. By statute, child care providers were exempt from licensing requirements if they cared for four or less unrelated children, known as "four-or-less" (FOL) registered providers.

For 8 of 10 (80 percent) FOL providers reviewed, the relationships between some of the children and their providers could not be verified or the FSD eligibility specialist did not use the correct relationship code. As a result, these eight providers may have cared, and been paid by the DSS, for more than the four unrelated children allowed during the month tested. The DSS paid these eight providers \$28,576 during the month reviewed. We questioned the federal share of \$21,146 (74 percent).

Recommendation:

The DSS, through the CD, resolve questioned costs with the grantor agency and improve controls and procedures to ensure child care providers participating in the subsidy

program are in compliance with state licensing requirements. These procedures should include maintaining adequate documentation to demonstrate verification of a child's relationship to the provider at the time of authorization.

Status of Finding:

The CD is revising the policy, which clarifies documentation requirements for relationship between recipient and FOL child care providers. The CD is drafting a Practice Point to address the appropriate use of Family Assistance Management Information System relationship codes to be distributed to eligibility specialists (ES).

The CD will create and publish an invoice message to educate child care providers on the rules regarding relationship to remain in compliance as a registered FOL.

The CD has established a program development specialist position whose responsibilities include completing second level reviews on randomly selected cases reviewed by ES supervisors and compiling a quarterly list of critical areas for ES supervisors to focus on during the case review process. The CD has started discussions with FSD leadership regarding the results of the second level reviews. The issue of documentation of relationship between recipient and FOL child care provider will be included in those discussions.

Status of Questioned Costs:

An adjustment was made on the March 31, 2014, quarterly report. The DSS is waiting for clearance from the grantor agency.

Contact Person: Marianne Dawson

Phone Number: (573) 522-2294

2013-011. Foster Care Payment Coding

Federal Agency: Department of Health and Human Services

Federal Program: 93.658 Foster Care - Title IV-E

 2012 - G1201MO1401 and 2013 - G1301MO1401

 93.659 Adoption Assistance

 2012 - G1201MO1407 and 2013 - G1301MO1407

State Agency: Department of Social Services (DSS) - Division of Finance and
Administration Services (DFAS) and Children's Division (CD)

Questioned Costs: \$1,146,008

DSS controls and procedures over the establishment and monitoring of assigned accounting system coding for assistance payments were inadequate. Coding errors occurred and went undetected, and as a result, some payments to residential facilities were incorrectly allocated to the Adoption Assistance program instead of the Foster Care program. Since October 2011, the DSS incorrectly claimed \$3,857,991 in residential facility payments to the Adoption Assistance program (\$2,408,911 federal share),

including \$1,850,490 for the year ended June 30, 2013. We questioned the federal share of fiscal year 2013 payments claimed incorrectly, or \$1,146,008 (61.93 percent).

Recommendation:

DSS, through the CD and the DFAS, resolve questioned costs with the grantor agency and develop controls and procedures to ensure appropriate coding is established and expenditures are claimed to the appropriate federal program. Controls and procedures should include a periodic supervisory review of coding.

Status of Finding:

DFAS staff have been meeting on a regular basis to review the payment coding to ensure the accuracy of coding. DFAS staff has worked to improve communication about coding sheet changes between DFAS Budget, Grants, and Accounts Payable staff.

Status of Questioned Costs:

An adjustment was made on the December 31, 2013, quarterly report. The DSS is waiting on clearance from the grantor agency.

Contact Person: Ami Patel
Phone Number: (573) 751-7302

2013-012. Foster Care Cost Allocation Procedures

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
 2012 - G1201MO1401 and 2013 - G1301MO1401
State Agency: Department of Social Services (DSS) - Division of Finance and
 Administration (DFAS)
Questioned Costs: \$30,143

DFAS controls and procedures over the allocation and calculation of the federal portion of costs for the Title IV-E Foster Care program needed improvement and as a result, errors were not prevented and/or detected.

The DSS contracted with four state universities to provide educational assistance to students preparing for a Master's Degree in Social Work (MSW) and reimbursed the universities for both direct and indirect costs. The DSS incorrectly claimed MSW contract indirect costs at the 75 percent enhanced training federal financial participation (FFP) rate rather than the 50 percent administrative FFP rate. The incorrect calculations involved indirect costs totaling approximately \$183,000 reimbursed to universities. We questioned \$30,143, the amount of federal costs claimed in excess of the appropriate federal share.

Recommendation:

The DSS, through the DFAS, resolve questioned costs with the grantor agency and implement controls to ensure indirect costs are claimed at the proper federal financial participation rate. These procedures should include a detailed and documented supervisory review of cost allocation spreadsheets.

Status of Finding:

The DFAS is reviewing all current cost allocation spreadsheets as it prepares for a revision of the Public Assistance Cost Allocation Plan.

Status of Questioned Costs:

The DSS changed methodology used to claim these costs on the cost allocation spreadsheets to address the questioned costs.

Contact Person: Ami Patel

Phone Number: (573) 751-7302

2013-013. Foster Care Residential Facility Training Reimbursements

Federal Agency: Department of Health and Human Services

Federal Program: 93.658 Foster Care - Title IV-E
2012 - G1201MO1401 and 2013 - G1301MO1401

State Agency: Department of Social Services (DSS) - Children's Division (CD)

Questioned Costs: \$17,055

The CD had not established sufficient procedures to monitor residential facility training reimbursements. As a result, reimbursements to these facilities continued to be unsupported and/or unallowable. Of the \$72,334 in training reimbursements reviewed, payments totaling \$22,741 (31 percent) were unsupported and/or unallowable, of which we questioned \$17,055 claimed as the 75 percent federal share.

Recommendation:

The DSS, through the CD, resolve questioned costs with the grantor agency and improve residential facility monitoring procedures to ensure training costs reimbursed are for allowable activities outlined in federal regulations and are adequately supported.

Status of Finding:

On May 3, 2011, the CD issued to residential treatment providers reimbursed for training costs a letter outlining enhanced procedures that will ensure there is adequate documentation to support claiming those costs for Title IV-E Foster Care training reimbursement. An invoice checklist has been developed and is being used to review all invoices and supporting documentation received. Prior to payment being issued, a second-level review is being completed by a member of the Division of Finance and Administrative Services (DFAS) staff.

Residential treatment providers are now required to code the training course to one of a list of Title IV-E Foster Care allowable topics and to provide a rationale/justification for Title IV-E reimbursement of the course costs. Additionally, the DSS has developed an internal team to review to ensure the training meets Title IV-E Foster Care training criteria. Trainings meeting this criterion will be approved. After all curriculums are reviewed a new process will be put in place to only reimburse for trainings already approved.

Additionally, DFAS has strengthened department quality assurance and compliance functions to provide enhanced monitoring of programs and technical assistance to staff with fiscal responsibilities.

In June 2014, a decision letter was received from the grantor agency regarding a similar 2010 finding. The letter directed the DSS to return all Title IV-E Foster Care Residential Treatment training costs claimed for state fiscal year 2010. Further, DSS agreed to discontinue claiming these dollars going forward until they are covered in a federally approved training plan.

Status of Questioned Costs:

Questioned costs were adjusted on the March 31, 2014, and June 30, 2014, quarterly reports. The DSS will address remaining questioned costs with the grantor agency. The DSS is waiting on clearance from the grantor agency.

Contact Person: Sheila Tannehill
Phone Number: (573) 751-8962

2013-014. Section 1512 Reporting

Federal Agency: Department of Health and Human Services
Federal Program: 93.719 ARRA - State Grants to Promote Health Information
 Technology
 2009 - 90HT001201
State Agency: Department of Social Services (DSS) - Division of Finance and
 Administration (DFAS)

The DSS did not report the identity of vendors paid by the subrecipient for the ARRA - Health Information Technology program as required for Section 1512 reporting.

Recommendation:

The DSS, through the DFAS, work with the grantor agency to determine if Section 1512 reports should be amended to reflect the required data elements not previously reported.

Status of Finding:

The DSS reported all previous payments made by the subrecipient Missouri Health Connection on the final Section 1512 reporting period for quarter ending December 31, 2013.

Contact Person: Donna Imhoff

Phone Number: (573) 751-1526

2013-015A. Eligibility and TANF Assistance Payments

Federal Agency: Department of Health and Human Services

Federal Program: 93.558 Temporary Assistance for Needy Families
2012 - G1202MOTANF and 2013 - G1302MOTANF

State Agency: Department of Social Services (DSS) - Family Support Division (FSD)

Questioned Costs: \$2,325

The FSD paid Temporary Assistance for Needy Families (TANF) benefits to some recipients who may not have been eligible or were ineligible for the full amount of TANF payments received.

- The FSD identified unreported income or other changed circumstances for 4 of 60 recipients tested and took action to close the cases; however, the FSD did not establish claims for recoupment of the improper benefits until we inquired about these cases. The FSD determined improper benefits for these cases totaled \$1,405. We questioned the amount of the improper benefits identified totaling \$1,405 (100 percent federal share).
- The FSD did not maintain adequate documentation for 1 of 60 recipients tested. The recipient's assistance application/eligibility statement and system-generated interview summary were printed in January 2013, but not signed by the recipient until August 2013, after we requested the case file. Payments made for this recipient during the year ended June 30, 2013, totaled \$920, for which we questioned the entire amount (100 percent federal share).

Recommendation:

The FSD resolve the questioned costs with the grantor agency and strengthen controls to ensure proper and timely action is taken regarding the recoupment of overpayments. In addition, the FSD should maintain required eligibility documentation in all case files.

Status of Finding:

The FSD continues to ensure cases are thoroughly reviewed and acted upon in a timely manner for reported household income changes, at points of assistance application, and identified at scheduled continued-eligibility reviews. Once TANF is in the Missouri Eligibility Determination and Enrollment System, the FSD Income Maintenance (IM) staff will develop a Quarterly Wage Match (QWM) report for staff. IM Memo #53

(6/25/12) was issued to staff with detailed steps to process QWM reports within 15 days of receipt.

Status of Questioned Costs:

An adjustment will be made on the December 31, 2014, quarterly report. The DSS is awaiting clearance from the grantor agency.

Contact Person: Valerie Howard
Phone Number: (573) 751-8973

2013-015B. Eligibility and TANF Assistance Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2012 - G1202MOTANF and 2013 - G1302MOTANF
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs:	\$1,126

The FSD did not act upon some notices of non-cooperation from the Child Support Enforcement (CSE) Unit to sanction recipients of the Temporary Assistance for Needy Families (TANF) program, and the CSE Unit did not always notify the FSD of non-cooperating clients.

- The CSE Unit did not properly notify the FSD of 18 of 60 non-cooperating clients tested. Of the 18 cases reviewed, 3 recipients received overpayments totaling \$650 during the year ended June 30, 2013. We questioned the federal share of overpayments totaling \$650 (100 percent federal share).
- The FSD did not sanction 12 of 60 recipients when notified of referral for non-cooperation, resulting in overpayments totaling \$476 during the year ended June 30, 2013. We questioned the federal share of overpayments, totaling \$476 (100 percent federal share).

Recommendation:

The FSD resolve the questioned costs with the grantor agency and develop additional controls to ensure sanctions are imposed on TANF recipients who fail to cooperate with CSE program requirements.

Status of Finding:

The FSD Income Maintenance (IM) section continues to work closely with the division's Child Support (CS) section to further ensure non-cooperation notifications from the CS section are promptly reviewed by IM staff for potential sanctions, and subsequently imposed as warranted. The FSD CS section notified CS staff with CS Memo #20 (April 15, 2013) about non-cooperation procedures for TANF and MO HealthNet recipients.

The FSD is moving toward a specialized Temporary Assistance office, so all referrals will be going to one location. This will make it easier to track and have staff follow up.

Status of Questioned Costs:

An adjustment will be made on the December 31, 2014, quarterly report. The DSS is awaiting clearance from the grantor agency.

Contact Person: Valerie Howard
Phone Number: (573) 526-6598

2013-016A. TANF Work Participation and Sanctions

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
 2012 - G1202MOTANF and 2013 - G1302MOTANF
State Agency: Department of Social Services (DSS) - Family Support Division (FSD)

The FSD was not in compliance with certain work activity reporting requirements contained in the Work Verification Plan in effect for state fiscal year 2013. For 20 of the 60 cases tested, the work participation hours were either not documented, not verified, and/or not reported correctly in accordance with the Work Verification Plan.

Recommendation:

The FSD develop additional controls to ensure work activities are adequately documented, verified, and reported in accordance with the FSD Work Verification Plan.

Status of Finding:

The Missouri Work Assistance (MWA) Case Management system was available for data entry June 28, 2011, and entries ceased in the Toolbox system on June 23, 2011. Inquiry access to Toolbox has continued to ensure necessary data was converted from Toolbox to the MWA system.

A Case Review form was developed for use by all MWA coordinators to provide consistency when reviewing data entries and physical files of MWA participants each contractor is serving. This tool is used by all MWA coordinators effective July 1, 2011.

A Case Review Guide was written and shared with MWA staff August 2011 (and upgraded December 2011) to ensure the MWA coordinators understand where policies regarding the form are located in the policy manual and RFP to assist contractors with any incorrect findings. This guide and the case review form have also been shared with MWA contractors for use when reviewing their staff case files.

Effective August 1, 2011, MWA coordinators report to the FSD program manager responsible for the MWA program (before that time coordinators reported to regional FSD staff). The change in supervision ensures that positions are dedicated to the MWA

program and coordinator accountability for assigned work by the MWA FSD program manager. All field managers and coordinators continue to be dedicated to the support of the MWA program and report to the MWA unit manager.

With this change, four teams have been designated to further develop the MWA program. These teams are:

- MWA System and Data - user guides, system enhancements, reports;
- MWA Policy and Training - policy manual updates, training materials;
- MWA Contracts and Monitoring - monitoring tools, compliance; and
- Special Projects and Research - MWA webpage, research to improve the work participation rates.

Tools developed by these teams will provide contractors with information to ensure participation activities meet work verification standards and supported with adequate documentation. Resources developed will also serve to increase the work participation rate for the state and provide performance measures to the contractors.

MWA staff completed targeted case file reviews in March 2012, for individuals participating in Vocational Education as an activity. The review was conducted to ensure contractors were obtaining actual attendance sheets (work verification) for this activity rather than entering hours based on a class schedule. This review and regular case file reviews examine if work verification standards are met.

Contact Person: Jennifer Roberts
Phone Number: (573) 526-5444

2013-016B. TANF Work Participation and Sanctions

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
 2012 - G1202MOTANF and 2013 - G1302MOTANF
State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs: \$612

The FSD did not have adequate procedures in place to ensure Missouri Work Assistance (MWA) contractors notified the FSD when Temporary Assistance for Needy Families (TANF) program recipients failed to meet work participation requirements or ensure timely investigation of notices from MWA contractors of incorrect addresses for recipients. For 9 of 60 cases tested, recipients were not appropriately sanctioned for non-compliance with work participation requirements. We questioned the amount of the sanctions that were not imposed on these 9 recipients for the tested month of February 2013, which totaled \$612 (100 percent federal share).

Recommendation:

The FSD develop additional controls to ensure TANF recipients failing to meet work participation requirements are sanctioned as required. In addition, the FSD should resolve the questioned costs with the grantor agency.

Status of Finding:

The FSD continues to perform the following activities to evaluate contractor compliance with notification requirements to ensure TANF recipients are sanctioned according to policy and procedure.

The Case Review form includes an evaluation of the conciliation and sanction referral process. This tool continues to determine appropriate and timely actions of the MWA contractors should TANF recipients fail to meet the work participation requirements.

The MWA field managers and coordinators review the mass participation screens for case managers in each office to identify those individuals that are not participating in an activity and work with the contractors to identify those that should be placed in conciliation and possibly sanctioned.

Quarterly, the MWA coordinators review a sample of participants that have no hours of participation, no conciliation activity, or no sanction in place. Individuals identified are shared with the contractor for immediate contact and initiation of the conciliation and sanctioning process to ensure participants failing to meet the work participation requirement are sanctioned as required. These reviews have continued through state fiscal year 2014. Contractors are provided with information on any case file discovered during these reviews that require attention.

Status of Questioned Costs:

An adjustment was made on the March 30, 2014, quarterly report. The DSS is awaiting clearance from the grantor agency.

Contact Person: Jennifer Roberts

Phone Number: (573) 526-5444

2013-017A. Child Support Enforcement

Federal Agency: Department of Health and Human Services

Federal Program: 93.563 Child Support Enforcement
 2012 - G1204MO4005 and 2013 - G1304MO4005

State Agency: Department of Social Services (DSS) - Family Support Division (FSD) -
 Child Support Enforcement (CSE) and Division of Finance and
 Administrative Services (DFAS)

Questioned Costs: \$200,960

The FSD reimbursed unallowable personnel severance costs for 15 employees totaling \$200,960 to one county providing child support services. The FSD failed to identify the unallowable costs included on the county's invoice for October 2012 and did not require the county provide supporting documentation for the unusually large amount of personnel costs claimed for some employees. We questioned the amounts reimbursed for personnel severance costs for the 15 employees totaling \$200,960 (100 percent federal share).

Recommendation:

The DSS, through the FSD and DFAS, resolve the questioned costs with the grantor agency and develop additional controls to ensure costs are allowable and adequate documentation is maintained prior to issuing payment.

Status of Finding:

To avoid any possible future audit findings of this nature, if the DSS receives a request for severance pay, permission of the cognizant federal agency (Department of Health and Human Services) will be requested.

Status of Questioned Costs:

The questioned costs have been offset against the December 2012 invoice from the Jackson County Prosecuting Attorney's Office that had not been paid.

Contact Person: John Ginwright

Phone Number: (573) 751-4995

2013-017B. Child Support Enforcement

Federal Agency: Department of Health and Human Services

Federal Program: 93.563 Child Support Enforcement
 2012 - G1204MO4005 and 2013 - G1304MO4005

State Agency: Department of Social Services (DSS) - Family Support Division (FSD) -
 Child Support Enforcement (CSE) and Division of Finance and
 Administrative Services (DFAS)

Questioned Costs: \$106,609

The DFAS incorrectly recorded costs from one vendor invoice for call center services provided in February 2013, resulting in \$106,609 being improperly overcharged to the CSE program. We questioned the unallowable costs totaling \$106,609 (100 percent federal share).

Recommendation:

The DSS, through the FSD and DFAS, resolve the questioned costs with the grantor agency and develop additional controls to ensure costs are properly allocated to federal programs and recorded in the state accounting system.

Status of Finding:

DFAS staff has been meeting on a regular basis to review payment coding to ensure accuracy. DFAS staff has worked to improve communication about coding sheet changes between DFAS Budget, Grants and Accounts Payable staff.

Status of Questioned Costs:

An adjustment was made on the September 30, 2014, quarterly report.

Contact Person: Ami Patel

Phone Number: (573) 751-7302

2013-018. Pharmacy Dispensing Fees

Federal Agency: Department of Health and Human Services

Federal Program: 93.767 Children's Health Insurance Program
2011 - 1105MO5021 and 2012 - 1205MO5021
93.778 Medical Assistance Program
2012 - 1205MO5MAP and 1205MO5ADM
2013 - 1305MO5MAP and 1305MO5ADM

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

Questioned Costs: \$6,102,152

The MHD had periodically changed the rate paid pharmacies for dispensing prescription drugs under the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP); however, the state regulation authorizing these dispensing fees had not been updated since 1988, and the current rate paid exceeded a 1991 settlement agreement that increased the pharmacy dispensing fee. The MHD paid pharmacies base dispensing fees totaling \$63,037,007 during the year ended June 30, 2013. Had the dispensing fees been paid in accordance with the 1991 settlement agreement, the fees would have totaled \$53,268,876, a difference of \$9,768,131. We questioned the federal share of the difference, or \$6,102,152 (62.47 percent).

Recommendation:

The MHD resolve questioned costs with the grantor agency and ensure any future increases in payment rates are included in state regulations.

Status of Finding:

The MHD disagreed with the finding. The MHD makes payments in accordance with the Department of Health and Human Services, Center for Medicare and Medicaid Services (CMS) approved state plan. Furthermore, pharmacy dispensing fees paid under Title XIX and CHIP are communicated in documents during the budget process and authorized by the General Assembly through the appropriations process.

The proposed rule was published on November 1, 2013, Volume 38, No. 21, page 1768, for the regulatory changes necessary to reflect the current pharmacy dispensing fee.

Status of Questioned Costs:

On September 16, 2014, the CMS sent the DSS a demand letter regarding SAO findings 2011-24, 2012-20 and 2013-018 requesting the State of Missouri return the questioned costs. The DSS responded on October 1, 2014, to the demand letter. This finding is the subject of discussions with the grantor agency, but no resolution has yet been finalized.

Contact Person: Rhonda Driver

Phone Number: (573) 522-9879

2013-019A. Cash Receipt Controls

Federal Agency: Department of Health and Human Services

Federal Program: 93.767 Children's Health Insurance Program
2011 - 1105MO5021 and 2012 - 1205MO5021
93.778 Medical Assistance Program
2012 - 1205MO5MAP and 1205MO5ADM
2013 - 1305MO5MAP and 1305MO5ADM

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD did not restrictively endorse checks and money orders immediately upon receipt or deposit receipts in a timely manner.

Recommendation:

The DSS establish controls to restrictively endorse checks and money orders immediately upon receipt and deposit all receipts in a timely manner.

Status of Finding:

The MHD has modified policies and procedures to restrictively endorse checks and money orders immediately upon receipt and deposit all receipts within 5 business days.

Contact Person: Brenda Roush

Phone Number: (573) 751-1092

2013-019B. Cash Receipt Controls

Federal Agency: Department of Health and Human Services

Federal Program: 93.767 Children's Health Insurance Program
2011 - 1105MO5021 and 2012 - 1205MO5021
93.778 Medical Assistance Program
2012 - 1205MO5MAP and 1205MO5ADM
2013 - 1305MO5MAP and 1305MO5ADM

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD did not adequately restrict user access within the cash receipts and accounts receivable modules of the Medicaid Management Information System (MMIS), increasing the risk of misappropriation.

Recommendation:

The DSS restrict user access within the MMIS accounting system and adequately segregate duties related to record keeping and asset custody.

Status of Finding:

The MHD has worked with the MMIS security staff to develop procedures to ensure that user access within the MMIS accounting system is restricted and duties are segregated related to record keeping and asset custody.

Contact Person: Brenda Roush

Phone Number: (573) 751-1092

2013-020. Pharmacy Reimbursement Allowance Tax

Federal Agency: Department of Health and Human Services

Federal Program: 93.767 Children's Health Insurance Program
2011 - 1105MO5021 and 2012 - 1205MO5021
93.778 Medical Assistance Program
2012 - 1205MO5MAP and 1205MO5ADM
2013 - 1305MO5MAP and 1305MO5ADM

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD did not have effective controls in place to ensure or demonstrate compliance with requirements of the Pharmacy Reimbursement Allowance (PRA) program. As a result, due to a data entry error taxes totaling at least \$104,646 were not properly assessed to a pharmacy.

Recommendation:

The DSS establish controls to ensure all pharmacies are assessed and billed the correct amount of PRA taxes. In addition, the DSS should pursue collection of the \$104,646 in taxes owed.

Status of Finding:

The MHD has implemented an electronic reporting requirement for pharmacy chains which will assist providers in accurately reporting their gross receipts. To ensure the information provided is accurately transferred to the Pharmacy Tax database, the provider's data will be electronically transferred and validated by MHD staff. Gross sales are collected annually. MHD requests the gross sales in March for the previous calendar year. The MHD collected the \$104,646 in taxes owed on November 21, 2013.

Contact Person: Andrew Haslag
Phone Number: (573) 751-2226

2013-021. Report Reviews

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
 2012 - 1205MO5MAP and 1205MO5ADM
 2013 - 1305MO5MAP and 1305MO5ADM
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Questioned Costs: \$1,024

- A. MHD personnel did not ensure timely review of a claims report for Medicaid participants who had recently become Medicare dually eligible to determine if recoupment from the provider was needed. We identified 6 of 40 (15 percent) claims tested were not reviewed timely or at all.
- B. The MHD did not have sufficient procedures to ensure reports related to Buy-In program eligibility were reviewed to determine the proper enrollment of participants. As a result, the MHD failed to add 9 participants and delete 5 ineligible participants from the Buy-In program. The ineligible payments made on behalf of the 5 ineligible participants totaled \$1,668 during the year ended June 30, 2013. We questioned the federal share of the ineligible payments, or \$1,024 (61.37 percent).

Recommendation:

The MHD resolve the questioned costs with the grantor agency and establish controls to ensure complete and timely review of all reports related to participants who become Medicare dually eligible and the Medicare Buy-In program. In addition, the MHD should establish controls to ensure action taken as a result of the reviews is properly applied to the participant.

Status of Finding:

The MHD has reviewed the current list of Medicare Buy-In reports and developed more efficient processes to review the reports in a timeframe consistent with established policies and procedures. The MHD has enhanced internal controls by implementing quarterly staff reviews to ensure the accuracy of actions taken resulting from the report reviews.

Status of Questioned Costs:

An adjustment was made on the June 30, 2014, quarterly report. The DSS is waiting for clearance from the grantor agency.

Contact Person: Dianne Sinden
Phone Number: (573) 751-8193

2013-022. Davis-Bacon Act

Federal Agency: Department of Transportation
Federal Program: 20.319 ARRA - High-Speed Rail Corridors and Intercity Passenger
 Rail Service - Capital Assistance Grants
 FR-HSR-0071-11-01-00 and FR-HSR-0076-11-01-00
State Agency: Missouri Department of Transportation (MoDOT)

The MoDOT did not have adequate controls in place to ensure compliance with Davis-Bacon Act prevailing wage requirements on High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants (HSIPR) projects. The MoDOT personnel did not review payroll documents or perform other procedures to ensure wages paid by a railroad company to its employees for work on HSIPR projects complied with the company's collective bargaining agreement. In addition the railroad company used a construction management firm to monitor and ensure its HSIPR contractors and subcontractors complied with prevailing wage requirements. However, documentation of MoDOT project managers' monitoring of this oversight activity was not prepared or maintained.

Recommendation:

The MoDOT establish controls to monitor wages paid by the railroad company for compliance with the Davis-Bacon Act, and ensure adequate documentation of all monitoring procedures is prepared and maintained.

Status of Finding:

Implemented. The MoDOT has developed monitoring procedures and is maintaining documentation to show the MoDOT has reviewed wages in correlation with collective bargaining agreements and contractor wages in relation to prevailing wages to ensure compliance with the Davis-Bacon Act. Those procedures involve obtaining the applicable wage rate schedules from any pertinent collective bargaining agreements and obtaining applicable payroll records of those working on HSIPR projects.

Contact Person: Brenda Morris
Phone Number: (573) 522-5688



John Watson
Missouri State Auditor

TRANSPORTATION

Department of Transportation



April 2015
Report No. 2015-015

<http://auditor.mo.gov>



John Watson
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Transportation

Recusal	To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff.
Restricted Funds	Article IV, Section 30(b) of the Missouri Constitution limits the use of State Road Fund monies to activities related to construction and maintenance of the highway system, but the Missouri Department of Transportation (MoDOT) disbursed over \$7 million of these funds for other uses, including safety grants to local coalitions, legal settlements with former employees, administrative leave, and an employee's personal loss.
Personnel Payments	The MoDOT placed 122 employees on administrative leave for 2 months prior to termination without requiring the employees to do any work during this time, costing MoDOT almost \$1.5 million in salary and benefits. The MoDOT has a more generous relocation assistance policy than the Office of Administration's (OA) relocation policy, and it made some payments which did not comply with its own policy. In the 2 years ended June 30, 2014, MoDOT paid \$872,991 in relocation assistance, \$622,147 more than would have been allowed under the OA policy. In addition, the MoDOT paid \$91,168 on behalf of one employee to relocate to Kansas City, when the employee was not eligible to receive relocation assistance, according to the MoDOT policy. A portion of these costs covered a \$30,000 loss on the sale of residential property for this employee (a second residence which had nothing to do with the relocation) and gave this employee dual housing reimbursements totaling \$21,816 for 18 months prior to the sale of this house, instead of the 6 months allowed by MoDOT policy.
Sunshine Law	The Commission approved a \$625,000 settlement to a former employee in a closed meeting but did not publicly disclose the final resolution as required by the state Sunshine Law.
Property Damage	The MoDOT's efforts to locate parties responsible for damaging MoDOT property are inadequate, and it appears the MoDOT may be writing off accounts prematurely. During the 2 years ended June 30, 2014, the MoDOT closed 6,903 property damage accounts (totaling \$6,477,930) because the responsible party was not identified and wrote off 1,348 accounts (totaling \$2,168,518) as uncollectible. District personnel stated they do not document efforts to locate responsible parties. In addition, for 2 of 25 write offs tested, the MoDOT received payments totaling \$476 after the accounts had been written off.

Vehicle Usage	The MoDOT does not have a formal policy regarding the utilization of vehicles, and some MoDOT vehicles may be underutilized. The MoDOT's informal policy considers light duty trucks, cars, and pickup trucks driven less than 10,125, 11,250, and 11,718 miles per year, respectively, to be underutilized. By this standard, 513 vehicles (33 percent) were underutilized in fiscal year 2014 and 532 (34 percent) were underutilized in fiscal year 2013.
State Flight Operations	The State Auditor issued the State Flight Operations report (2015-003) in January 2015, which included findings related to the MoDOT. The state paid for charter flights for MoDOT commission members when the state-owned planes were available. The MoDOT spent approximately \$259,000 flying commission members to commission meetings, when commission members of state boards other than the MoDOT and the Missouri Department of Conservation typically receive motor vehicle mileage reimbursement for travel costs. The MoDOT allowed non-authorized passengers on state passenger flights.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Department of Transportation

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Restricted Funds4 2. Personnel Payments.....6 3. Sunshine Law12 4. Property Damage13 5. Vehicle Usage.....15 6. State Flight Operations16
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	18
---------------------------------------------	----

Appendixes

A	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2014.....	20
B	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2014.....	24
	Statement of Revenues, Expenditures, and Changes in Fund Balances	
C-1	Year Ended June 30, 2014	25
C-2	Year Ended June 30, 2013	28



JOHN WATSON

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Missouri Highways and Transportation Commission
and
David Nichols, Director
Department of Transportation
Jefferson City, Missouri

To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited certain operations of the Department of Transportation, in fulfillment of our duties under Chapter 29, RSMo. The department engaged Rubin Brown, Certified Public Accountants (CPAs), to audit the department's financial statements for the years ended June 30, 2014 and 2013. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2013, since the year ended June 30, 2014, audit had not been completed at the time we started our audit. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014 and 2013. The objectives of our audit were to:

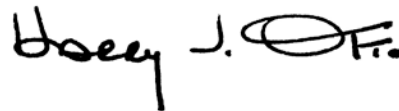
1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and operations. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Transportation.

A handwritten signature in black ink, appearing to read "Harry J. Otto".

Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Andrew Behrens
	Eli Beck
	Sara R. Walsh, MPA

Department of Transportation

Management Advisory Report

State Auditor's Findings

1. Restricted Funds

The Missouri Department of Transportation (MoDOT) disbursed \$7,148,195 in restricted monies from the State Road Fund for safety grants to local coalitions, legal settlements with former employees, administrative leave, and an employee's loss on the sale of residential property that are not allowable State Road Fund disbursements under the Missouri Constitution.

Article IV, Section 30(b), Missouri Constitution, limits the use of State Road Fund monies to activities related to construction and maintenance of the highway system. In addition, Section 226.220.2, RSMo, limits State Road Fund costs and expenses to locating, relocating, establishing acquiring, reimbursing for construction, improving and maintaining state highways in the system as specified in Article IV, Section 30(b), of the constitution; acquiring, materials, equipment and buildings; and other purposes and contingencies relating and appertaining to the construction and maintenance of highways. In addition, in *Smith v. Coffey*, 37 S.W.3d 797 (Mo. Banc 2001) and *State ex. Rel. Missouri Highway and Transportation Commission v. Keeven*, 895 S.W.2d 587 (Mo. Banc 1995), the Missouri Supreme Court held that highway funds can only be used on projects directly related to highway construction or on highway related activities. The following disbursements from the State Road Fund do not directly relate to these purposes:

- The MoDOT disburses monies on behalf of local coalitions for public information and outreach, training, child safety seats, bicycle helmets, and emergency response initiatives related to highway safety. In addition, the MoDOT pays local municipalities directly for some law enforcement costs, such as officer overtime and equipment, associated with highway safety. During the 2 years ended June 30, 2014, the MoDOT disbursed \$3,757,610 related to this safety grant program from the State Road Fund.
- The MoDOT paid settlements to former employees who accused the department of discrimination from the State Road Fund. The MoDOT disbursed 10 settlements totaling \$1,899,000 during the 2 years ended June 30, 2014 from the State Road Fund. At least 9 settlements related to employee discrimination lawsuits, the majority of which related to the Bolder Five-Year Direction (BFYD) Plan.
- The MoDOT placed 122 employees on administrative leave for 60 days prior to termination. The salary and benefit costs paid from the State Road Fund totaled \$1,461,585 during the 2 years ended June 30, 2014. Paying employees not to work (leave with pay) is neither related to the construction of highways or highway related activities.
- The MoDOT paid an employee \$30,000 from the State Road Fund to help offset the loss on the sale of residential property that was not located in the employee's official domicile.



Department of Transportation
Management Advisory Report - State Auditor's Findings

Since these disbursements do not relate to the construction and maintenance of highways, our legal analysis concludes the disbursements are not allowable costs of the State Road Fund.

Recommendation

The MoDOT refrain from making disbursements from the State Road Fund that are not allowable under Article IV, Section 30(b), Missouri Constitution, and Section 226.220.2, RSMo.

Auditee's Response

The MoDOT disagrees the cited State Road Fund payments are not allowable under the Missouri Constitution and state law. The Commission's express authority to hire personnel carries with it the reasonably implied authority to pay salary and benefits to such personnel from the State Road Fund and to resolve employment disputes and litigation with current or former employees. Section 105.716, RSMo, provides it is the MoDOT's responsibility for the negotiation, compromise and payment of claims against the MoDOT. The Commission has the authority to "otherwise improve" the state highway system under Article IV, Section 30(b), Missouri Constitution, which can include making state highway travel safer such as through promotion of safety belt laws, motorcycle safety, etc.

We will, however, contact the Office of Administration-Division of Budget and Planning, and seek their advice on requesting appropriations from alternative funding sources for the payment of judgments and settlements. We will also look to federal funding sources and see if it is possible to use federal funds for the highway safety expenses cited.

Auditor's Comment

Article IV, Section 30(b) of the Missouri Constitution lists the allowable uses of State Road Fund monies, and states that these monies may be used for those listed state highway system uses and purposes and no others. Each purpose listed clearly refers to the maintenance and construction of the state highway system. We agree that State Road Fund monies may be expended to employ necessary personnel for the purposes listed in this section. Additionally, we agree that State Road Fund monies may be used for the payment of salary and benefits. However, the administrative leave provided to certain employees documented in this report was not related to the construction and maintenance of the state highway system. These employees were placed on administrative leave for a period of time immediately prior to being terminated. As such, they were no longer employed as necessary for the purposes listed in Article IV, Section 30(b) of the constitution. It is also our interpretation that the payment of legal settlements, unless related to the construction and maintenance of the state highway system, is not an acceptable use of State Road Fund monies. The constitution does provide that monies may be used "to complete and widen or **otherwise improve** and maintain the state highway system heretofore designated and laid out under existing laws" (emphasis added). However,



Department of Transportation
Management Advisory Report - State Auditor's Findings

this is clearly referring to the maintenance and construction of the highway system and does not include safety programs.

2. Personnel Payments

2.1 Administrative leave

The MoDOT paid benefits to, or on behalf of, employees that were excessive and provided little or no value to the MoDOT or the road and bridge system.

During the year ended June 30, 2013, as part of planned employee reductions, the MoDOT placed 122 employees on administrative leave for 2 months prior to terminating these employees. The MoDOT did not require the employees to work while on administrative leave and paid them a total of \$1,483,949 in salary and benefits over the 2-month period.

In June 2011, the Highways and Transportation Commission (the Commission) approved the Bolder Five-Year Direction (BFYD) Plan, that included an elimination of approximately 1,200 staff positions. Some of these positions were vacant at the time and some employees left the MoDOT for other employment opportunities prior to the effective date of the staff reductions. However, as of November 2012, there were 122 active employees in positions marked for elimination. At that time the Commission approved placing these employees on administrative leave for 60 days prior to official termination. While on administrative leave, the MoDOT continued to compensate the employees at the same pay rate and provided benefits, including health, life, and disability insurance; annual and sick leave; and contributions to the retirement fund.

The MoDOT placed 108 employees on administrative leave on December 1, 2012, and allowed the remaining 14 employees to work 2 additional months before placing them on administrative leave on February 1, 2013. Six of these 14 employees were eligible for retirement on March 1, 2013, or April 1, 2013, so their employments were extended to allow them to reach retirement eligibility. However, the remaining 8 employees were eligible for retirement prior to March 2013, but the MoDOT extended their employment to allow them to reach a service anniversary date of 2 to 5 years past retirement eligibility to have full years of service for the retirement backdrop.

The MoDOT has not established a policy regarding the use of administrative leave, other than its limited use in the employee award program. In addition, the extensive use of administrative leave in this instance appears unnecessary and provided no benefit to the MoDOT or to the road and bridge system. Further, in our opinion, these payments were not allowable to be paid from the State Road Fund under the Missouri Constitution (see finding number 1).



Department of Transportation
Management Advisory Report - State Auditor's Findings

2.2 Relocation assistance

The MoDOT's relocation assistance policy is more generous than the Office of Administration's (OA) relocation policy. In addition, the MoDOT made some relocation assistance payments that did not comply with MoDOT policy. As a result, during the 2 years ended June 30, 2014, the MoDOT paid approximately \$622,000 more in employee relocation assistance than would have been allowed for employees of most other state agencies.

Costs eligible for reimbursement

During the 2 years ended June 30, 2014, the MoDOT paid \$872,991 to, or on behalf of, employees who were relocated by the MoDOT; however, some payments appear excessive and the total amount of assistance an employee may receive is not capped.

The OA's relocation assistance policy limits employee relocation expenses to costs of moving household goods and personal belongings, costs of storing household goods and personal belongings up to 1 month, and costs of transportation for 1 round trip to locate a home and 1 one-way trip for the actual move. These costs are capped at 10 percent of the employee's salary immediately after the move. The policy also allows for temporary lodging for up to 30 calendar days, which is not capped. The OA policy does not allow for increased salary payments, and specifically states meal expenses and real estate fees are not allowable for reimbursement.

The MoDOT paid a total of \$250,844 in relocation expenses that are allowable under the OA policy. The remaining \$622,147 not reimbursable under the OA policy, included:



Department of Transportation
Management Advisory Report - State Auditor's Findings

Description	2014	2013	Total
Realtor fees	\$ 5,557	9,150	14,707
Loan discount fee reimbursement	3,000	0	3,000
Increased mortgage interest rate	350	616	966
Loan fees	5,843	6,104	11,947
Closing fees	11,654	15,870	27,524
Dual housing (1)	827	22,746	23,573
Meals - house hunting	290	125	415
Meals - move new home	132	131	263
Meals - temporary quarters	8,577	12,801	21,378
Lump sum for graduates (2)	21,500	3,250	24,750
Buyer Value Option Services (3)	158,975	156,035	315,010
Carrying Cost (4)	36,022	86	36,108
Bridge loan interest	4,592	0	4,592
4 percent temporary (6 month) salary increase	19,546	20,790	40,336
One-time salary payment (5)	22,090	74,051	96,141
Unassigned	40	1,397	1,437
	\$ 298,995	323,152	622,147

(1) Reimbursement for one of the employee's mortgage payments if the employee has not been able to sell the residence in the prior location, but has purchased a residence in the new location.

(2) New college graduates are allowed a lump sum payment to help offset initial moving costs.

(3) Employee home sales coordinated through a third party. Includes closing costs to sell a house.

(4) Taxes, insurance, and utilities of properties of transferred employees who are selling their properties through the Buyer Value Option Service.

(5) To offset the employee's increased tax liability owed on moving expense reimbursements, homeowners receive a one-time payment equal to one semi-monthly paycheck, and renters and mobile home owners receive a one-time payment equal to one-half of a semi-monthly paycheck. The 2013 amount also includes a \$30,000 personal loss on the sale of a house, which is not allowed under the policy, as explained below.

As shown, the MoDOT policy allows for various costs of selling a house, including mortgage assistance and the option for the MoDOT to pay a third party to sell an employee's house. The MoDOT also gives employees one-time lump sum payments to help offset the increased taxes the employees will have to pay on taxable relocation expense reimbursements.

Noncompliance with policy

The MoDOT made relocation assistance payments to an employee who was not eligible to receive these payments. In addition, the payments, including a \$30,000 payment to partially cover the loss the employee incurred on the sale of residential property and \$15,321 for extended dual housing reimbursements, did not comply with the MoDOT's relocation assistance policy.

In 2011, as a result of the employee reduction plan, the MoDOT eliminated the Macon district and the employee transferred to the Kansas City district with the same job title. The MoDOT policy states an employee is only allowed relocation assistance for a lateral move if the employee competed for the position. The Chief Engineer at the time approved providing relocation assistance to this employee, even though MoDOT personnel could not provide written documentation showing this employee competed for the position.



Department of Transportation
Management Advisory Report - State Auditor's Findings

Prior to the 2011 move, this employee transferred to the Macon office in 2007 and purchased a second residential property outside of his domiciled area. In 2011 the employee was transferred to the Kansas City office and was attempting to sell both residential properties. In November 2012, the employee notified the MoDOT he could not sell either property without incurring a loss, and the MoDOT agreed to reimburse the employee \$30,000 on the loss of the sale of the property located outside of the employee's official domicile because that property was considered to be the most marketable. However, a personal loss on the sale of residential property is not a reimbursable cost under the MoDOT relocation assistance policy. In addition, the property in question had nothing to do with his employment in either the Macon or Kansas City districts. The MoDOT disbursed the \$30,000 payment through the state payroll system and included the amount in the employee's regular income for income tax purposes. This employee also exercised the Buyer Value Option in the MoDOT's policy to sell the residence, resulting in the MoDOT paying a third party \$21,101 in selling costs.

In addition, the MoDOT paid this employee \$21,816 in dual housing reimbursements for 18 months prior to the sale of the house. However, MoDOT policy only provides for dual housing mortgage payment reimbursement for up to 6 months. If the MoDOT had limited reimbursement to 6 months, dual housing reimbursement would have been \$6,495.

In total, the MoDOT paid \$91,168 to, or on behalf of, this employee in relocation assistance related to this move. Had the MoDOT limited relocation expenses to 10 percent of the employee's salary as provided for in the OA policy, reimbursements would have been only \$10,236 plus temporary housing of \$1,335, a savings of \$79,597.

Conclusions

The MoDOT has little apparent justification to provide relocation assistance to its employees that are more generous than those provided to most other state employees. In addition, the MoDOT did not follow its own policy when reimbursing an employee for dual housing costs and a loss on the sale of residential property. Also, our legal analysis concluded the reimbursement for an employee's loss, even though the property was outside of the employee's official domicile at the time of the purchase, violates Article III, Section 39, Missouri Constitution, which prohibits granting any extra compensation, fee, or allowance to employees for services already rendered.

Recommendations

The MoDOT:

- 2.1 Establish an administrative leave policy that does not provide excessive benefits and directly benefits the road and bridge system.



Department of Transportation
Management Advisory Report - State Auditor's Findings

- 2.2 Revise its relocation assistance policy to provide benefits similar to those allowed under the OA's relocation assistance policy, and ensure future relocation reimbursements comply with the revised policy.

Auditee's Response

- 2.1 *The paid administrative leave was limited to an extraordinary circumstance where leave with pay was warranted. The Missouri Code of State Regulations provides the necessary guidance for this type of administrative leave as it grants to the appointing authority (in this case, the MoDOT) the discretion to determine when extraordinary reasons exist for time off with pay. The circumstances of the BFYD Plan were extraordinary and historical – a significant organizational restructuring and work force reduction initiated by the MoDOT.*

In this circumstance, administrative leave was beneficial to MoDOT and to the road and bridge system. The Commission committed that the staffing reduction of 1,200 employees would be completed by March 31, 2013. The Commission and the MoDOT committed to our employees that layoffs would be the last step of the process. The administrative leave benefited those being laid off because it allowed them to move on with their lives and livelihoods with less negative impact. It benefited the remaining MoDOT employees as it improved their safety, security and wellbeing. The citizens of Missouri benefited because the MoDOT could begin hiring maintenance workers. The hiring freeze had resulted in significant understaffing in maintenance and we needed additional personnel on board and ready to fight the coming winter weather.

Through December 31, 2014, the actions taken to reduce workforce, facilities and equipment have resulted in operating budget savings of \$605 million. Those savings, which will be well over \$1 billion by the time ten years have passed, were directed to the construction program. That action served Missouri well by increasing contractor work to maintain the roads and bridges in the state. It also delayed the point where state transportation funds are insufficient to match federal funds. When Missouri can no longer match federal funds, which even with the BFYD Plan we estimate will occur in 2017, fuel taxes paid in the state of Missouri will go to other states.

Should the Commission and the MoDOT again be faced with extraordinary circumstances that would require a massive workforce reduction and layoffs, we will consider the need to create an administrative leave policy that supplements the requirements of the Code of State Regulations and fits the situation.



Department of Transportation
Management Advisory Report - State Auditor's Findings

- 2.2 *While MoDOT's policy may be more generous than OA's policy, the department is not required to follow OA's policy and instead has established a program that meets our needs. While we have adjusted it over the years, it has been in place for decades. It was particularly important during the BFYD Plan, when so many employees were required to relocate their families to remain employed.*

Related to BFYD Plan and the findings regarding one particular employee's relocation assistance, the MoDOT disagrees the employee was not eligible to receive the payments.

The district engineers and division heads were assigned to one of three teams, each led by a member of the executive management team, and given the task of significantly downsizing the MoDOT to save operating costs so the savings could be directed to road construction and maintenance. It was clear from the beginning that the process would lead to fewer districts and fewer divisions, therefore fewer district engineers and division heads. Each of the team members knew that every day they were competing for one of the remaining jobs. The executive management team made those decisions and the job offers. District engineers and division heads that did not accept the position they were offered knew they could end up without a job. The number of districts was reduced from ten to seven, and this employee was appointed to the same position in the Kansas City district that the employee previously held in the Macon district, a district that was eliminated. It is true no paper form exists to document interest in these positions. But we believe it is inaccurate to say these individuals did not compete for their jobs. The employee was eligible for relocation assistance consistent with how similarly situated employees were handled. Under the unique circumstances of the BFYD Plan, an informed organizational decision was made to extend dual housing beyond the initial six months for several employees who were required to accept a job offer in another location in order to remain employed. With respect to the payment for the loss on the sale of the home, the employee would not have chosen to sell any home but for the required move to another work location. The employee simply chose to sell the most marketable home, in part to minimize the overall expenses associated with the relocation. While the lump sum payment for the loss on the sale of the home was done in addition to other benefits offered under the relocation assistance program, the department believes the payment was necessary and done with the right approvals.



Department of Transportation
Management Advisory Report - State Auditor's Findings

The MoDOT disagrees the payment violates Article III, § 39, Missouri Constitution. Payment of benefits to current employees is not extra compensation after service has been rendered but is a benefit for continuing and current employment.

Auditor's Comment

- 2.1 The MoDOT refers to guidelines contained in state regulations regarding the use of administrative leave, but does not acknowledge state regulations regarding employee layoff procedures. The MoDOT acknowledges in its response that the BFYD Plan was an employee layoff. 1 CSR 20-3.070, Separation, Suspension, and Demotion, does not provide for leave with pay for employee layoffs.

Article IV, Section 30(b), Missouri Constitution, provides that State Road Fund monies may be used to employ personnel as necessary for the purposes described in that section. Those purposes clearly refer to the construction and maintenance of the state highway system. It is our belief that the use of administrative leave in this manner was not necessary for the purposes listed in Article IV, Section 30(b), Missouri Constitution, and as such, were not an appropriate use of State Road Fund monies.

- 2.2 A loss on the sale of a residence is not a reimbursable cost under the MoDOT relocation assistance policy, and the property in question had nothing to do with his employment in either the Macon or Kansas City districts. As such, our legal analysis concluded that the \$30,000 payment constituted an impermissible extra compensation or allowance as defined under Article III, Section 39, Missouri Constitution.

3. Sunshine Law

The Commission does not always make public the final disposition of legal matters discussed in closed meetings. An employee discrimination settlement totaling \$625,000 was approved by the Commission in May 2013. The final resolution of the lawsuit was not publicly disclosed as required by law.

Section 610.021(1), RSMo, requires any minutes, vote or settlement agreement relating to legal actions, causes of action or litigation involving the commission or any agent or entity representing its interests or acting on its behalf or with its authority, including any insurance company acting on behalf of a public government body as its insured, shall be made public upon final disposition of the matter voted upon or upon the signing by the parties of the settlement agreement, including the terms of the settlements.

Recommendation

The MoDOT ensure the final disposition of legal matters discussed at closed meetings is made public as required by state law.



Auditee's Response

The MoDOT disagrees with the SAO's legal conclusion regarding the Sunshine Law. Settled or resolved lawsuits are not published or announced in open meetings, but the Commission and the MoDOT treat settlement agreements as open records and provide such information upon request. This practice complies with the Sunshine Law. In fact, in the 2013 legislative session, Senate Bill 843 was introduced that would specifically require the publication of such information in an open meeting as the SAO suggests, but Senate Bill 843 did not pass.

Auditor's Comment

MoDOT's position that it complies with the Sunshine Law by making settlements approved in closed meeting available "upon request" is illogical. When the Commission goes into a closed session it merely cites Section 610.021(1), RSMo, and does not inform the public that a settlement was discussed and approved in a closed meeting. Furthermore, closed meeting minutes are closed records so the public cannot ask for closed meeting minutes to determine if a settlement was approved. Requiring the public to speculate a settlement occurred in a meeting closed pursuant to Section 610.021(1), RSMo, surely does not comply with the Sunshine Law's liberal construction requirement under Section 610.011, RSMo.

In addition, the meaning of the phrase "shall be made public" in Section 610.021(1) RSMo, is not defined in Missouri case law or through an Attorney General's opinion. However, employing the normal rules of statutory construction of giving words their plain and ordinary meaning, the phrase "shall be made public upon final disposition" is in active voice requiring a more affirmative action rather than just a passive response of making settlement agreements available only upon a request. Our interpretation of the meaning of the phrase "shall be made public upon final disposition" as it relates to settlement agreements leads us to conclude some action is required by the MoDOT to meet this requirement. Had the legislature's intent been for the final disposition of legal settlements to only be made available to the public upon request, we believe the language would convey that, since other sections of Chapter 610 use similar language in referencing disclosure of matters discussed and voted on in closed meetings. The MoDOT is using taxpayer money to settle lawsuits and should err on the side of full disclosure once all parties agree to a settlement and it is finalized.

4. Property Damage

The MoDOT's efforts to locate individuals responsible for damaging MoDOT property and subsequent collection procedures are not adequate. During the 2 years ended June 30, 2014, the MoDOT closed 6,903 property damage accounts totaling \$6,477,930 because the responsible party was not identified, and wrote off 1,348 accounts totaling \$2,168,518 as uncollectible.

When district employees discover damage to MoDOT property (typically occurring because of vehicular accidents) the employees report the damage



Department of Transportation
Management Advisory Report - State Auditor's Findings

to the district office and a property damage account is set up by the district to track the repair costs. Under MoDOT's current procedure, employees within the district where the damage occurred review the Missouri State Highway Patrol accident systems to match damage identified by the MoDOT to related police reports. If the responsible party is not located within 6 months, the account is closed by central office personnel without discussing the accounts with the district employees or determining if any effort has been made to locate the responsible party. We contacted the district with the highest number of closed accounts (2,551 closed accounts, or 37 percent statewide). District personnel stated they do not document efforts to locate responsible parties; therefore, there is no documentation the central office could review before closing the accounts in that district.

In addition to closing the account, if the responsible party is located and the MoDOT later determines the account is uncollectable, the account is written off and the MoDOT does not perform any additional efforts to collect monies or send the account to a collection agency. For 2 of the 25 write offs tested, the MoDOT received payments totaling \$476 after the accounts had been written off. Although the additional amount recovered was minimal, it appears the MoDOT may be writing off accounts prematurely and may be able to collect through additional efforts, including the use of a collection agency.

Adequate controls and procedures over property damage are necessary to ensure responsible parties are identified and the costs to repair property damage are properly collected from the responsible parties. Communication between the central office and district offices is essential and a checklist or similar document would assist in ensuring all efforts have been made to locate the responsible party and collect related monies. In addition, utilizing a collection agency for unpaid accounts could help the MoDOT maximize property damage revenue.

Recommendation

The MoDOT develop controls and procedures for documenting efforts to locate responsible parties, perform adequate oversight to ensure efforts have been performed to collect property damage revenues prior to closing or writing off accounts, and consider utilizing a collection agency to maximum property damage revenues.

Auditee's Response

The MoDOT is reviewing the advantages and disadvantages of outsourcing property damage collection. We are preparing a request for proposal and once responses are received, we will determine if we should outsource this function. Additionally, the MoDOT will review controls and procedures related to locating responsible parties and performing oversight of account closing and write offs, to ensure appropriate documentation exists.



5. Vehicle Usage

The MoDOT does not have a formal policy related to utilization of vehicles. As a result, some MoDOT vehicles may be underutilized.

The MoDOT's informal vehicle policy, as stated in the General Services Division annual fleet data report, considers light duty trucks, cars, and pickup trucks driven less than 10,125, 11,250, and 11,718 miles, respectively each year, to be underutilized. There are no formal policies requiring documentation of how each vehicle is to be used and anticipated mileage of each vehicle. During the year ended June 30, 2014, MoDOT employees drove 513 of the 1,562 light duty trucks, cars, and pickup trucks (33 percent) less than the mileage thresholds listed above. Similarly, during the year ended June 30, 2013, the MoDOT underutilized 532 of the 1,571 such vehicles (34 percent).

Two district representatives stated some vehicles are underutilized because districts are short-staffed and do not currently have personnel to use the vehicles. These representatives also stated if the vehicles are transferred or sold, it is difficult to obtain authorization for additional vehicles in the future so districts wish to maintain current vehicle levels. However, since MoDOT staffing levels statewide are currently very close to its staffing level goal under the BFYD Plan, it is unlikely that the districts will increase their staffing levels in the foreseeable future and vehicles may continue to be underutilized. Another district representative stated the district needs some vehicles for seasonal employees, but the vehicles are rarely used during the offseason. The MoDOT General Services Division reported similar results in its annual fleet data report.

Given the large number of vehicles operated by the MoDOT, an adequate district vehicle policy is necessary to address justification for assigning vehicles to each district, anticipated use and mileage of vehicle types, and standardization of vehicle log documentation to ensure vehicles are used in accordance with district needs.

Recommendation

The MoDOT create a formal policy for management of fleet vehicles, including establishing minimum annual mileage requirements or requiring written justification for maintaining underutilized vehicles.

Auditee's Response

A team of district representatives and central office general services staff annually identify the number of units of each fleet class needed to address the responsibilities of the department. This includes identifying best practices to ensure we are managing our fleet to the appropriate number of units. Many factors contribute to annual fleet mileage including staffing levels in specific job titles requiring passenger vehicles, demographics of the district (districts that cover a smaller geographic area have lower mileage), and the physical location of projects within the districts. Some of these factors result in lower mileage on specific vehicles without changing



Department of Transportation
Management Advisory Report - State Auditor's Findings

the duties and responsibilities of employees and their need for a vehicle. We focus more on utilization compared to the age of the vehicle, rather than one year's use.

We have discussed documentation and retention of fleet decisions with applicable staff. District general services managers review fleet use to determine if it is within the desired thresholds. They will identify fleet above or below the desired thresholds and discuss with the district management team opportunities to improve utilization though moving units within the district, between districts or to the central office. The district may determine it is appropriate to retain the unit as is/where is, for review in the subsequent year, but will better document the analysis and decisions.

6. State Flight Operations

In January 2015, the Office of the State Auditor issued Report No. 2015-003, *State Flight Operations*. The report communicated the results of our audit performed to determine if flights were managed in a cost effective, efficient, and consistent manner.

The audit concluded the state airplane fleet is larger than necessary, there is duplication of efforts between agencies, and despite the low utilization of state aircraft, state agencies incur unnecessary costs for chartered flights. In addition, there were specific concerns related to the MoDOT, as follows:

- For the 2 years ended December 2013, MoDOT's utility plane flew only 47 days (9.7 percent of available days). The state paid \$183,638 for chartered flights, primarily to provide transportation to MoDOT and Missouri Department of Conservation (MDC) commission members; even though state-owned pressurized passenger planes were available on 67 percent of the days charter flights were used, resulting in approximately \$122,000 in unnecessary costs.
- During the 2 years ended June 30, 2013, the MoDOT spent approximately \$259,000 flying governor-appointed commission members to commission meetings held across the state, when commission members of state boards other than the MoDOT and the MDC typically receive motor vehicle mileage for reimbursement of travel costs. We estimate the MoDOT could have saved \$211,000 during the 2-year audit period by providing commissioners mileage reimbursement instead of plane transportation.
- The MoDOT allowed non-authorized passengers on state passenger flights, including commission members' spouses, family members, and former commissioners, which is against state policy.



Department of Transportation
Management Advisory Report - State Auditor's Findings

Complete findings, recommendations, and auditee response are contained in the *State Flight Operations* report.

Department of Transportation

Organization and Statistical Information

The State Highway Department was created in 1913 to act as the state's agent for public roads. The State Highway Commission was created in 1921 with the passage of the Centennial Road Law and was charged with the administration of the network of connecting state highways, including their location, design, construction, and maintenance. Missouri's state highway system currently encompasses some 33,890 miles of highway that have been developed and improved since 1917.

The Missouri Department of Transportation was created by the Omnibus State Reorganization Act of 1974. The department's objective was to develop and implement a plan for meeting the total transportation needs of the people of the state.

On November 6, 1979, an amendment to the Missouri Constitution was passed by the state's voters. It merged the Department of Transportation and the State Highway Department to form the Department of Highways and Transportation. This constitutional amendment gave a newly created Highways and Transportation Commission the authority over all state transportation programs and facilities.

In August 1996, Section 226.005, RSMo, changed the name of the department to the Department of Transportation.

The department is divided into a central office and seven districts. The central office, which oversees the operation and administration of the department, is separated into administrative and engineering divisions and is located in Jefferson City. The districts are seven separate geographical areas with a district engineer in charge of each district to administer the work within the defined area.

In addition to designing, building, and maintaining roads and bridges, the MoDOT is responsible for administering a number of state and federal programs that fund and support aviation, railroads, transit, waterways and freight development, as well as administering motor carrier and highway safety programs.

On November 2, 2004, Amendment 3 to the Missouri Constitution was passed by the state's voters which set in motion a 4-year phase in, redirecting motor vehicle sales taxes previously deposited in the state's general revenue fund to a newly created State Road Bond Fund. Amendment 3 also requires all state revenue derived from highway users, less certain expenses for collection and actual cost of the Missouri Highway Patrol in administering and enforcing any state motor vehicle law and traffic regulations, to be deposited in the State Road Fund. Monies disbursed from the State Road Fund are restricted to payments of principal and interest on state road bonds, and to construct and maintain the highway system.



Department of Transportation
Organization and Statistical Information

The department employed 5,068 full-time employees and 271 part-time employees on June 30, 2014.

The Highways and Transportation Commission is headed by a six-member bipartisan commission, appointed by the governor with the advice and consent of the senate. They serve without compensation for staggered 6 year terms.

Commission Members At
June 30, 2014

Commissioner	Term Expires
Stephen R. Miller (1)	March 1, 2011
Lloyd J. Carmichael	March 1, 2015
Kenneth H. Suelthaus	March 1, 2015
Gregg C. Smith	March 1, 2019
Vacant (2)	March 1, 2017
Vacant	March 1, 2019

- (1) Although the Commissioner's term has expired, he continues to serve on the Commission until a successor is appointed by the Governor.
- (2) On September 3, 2014, Bryan T. Scott was appointed by the Governor to fill this vacant position.

The Commission appoints a director who implements policies and is responsible for the statewide management of transportation programs. The director reports regularly to the commission concerning all aspects of program operations through monthly commission meetings.

Kevin Keith served as Director until his resignation effective March 20, 2013. Dave Nichols was appointed Director on April 2, 2013.

Appendix A

Missouri Department of Transportation
Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,					
		2014			2013		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND							
Port authority capital improvement assistance	\$	3,000,000	2,909,999	90,001 *	0	0	0 *
Elderly and disabled transportation assistance		1,194,129	1,158,305	35,824 *	1,194,129	1,158,305	35,824 *
Urban, small urban, and rural transportation systems		500,000	485,000	15,000 *	0	0	0 *
Port authority grants		0	0	0 *	250,000	242,500	7,500 *
Rail Program		8,900,000	8,900,000	0	7,900,000	7,900,000	0
Local and regional port authority		0	0	0	1,000,000	0	1,000,000
St. Charles Bike/Pedestrian Bridge Feasibility Study		50,000	48,500	1,500 *	0	0	0 *
Total General Revenue Fund		13,644,129	13,501,804	142,325	10,344,129	9,300,805	1,043,324
MULTIMODAL OPERATIONS FEDERAL FUND							
Fringe Benefits personal service		184,799	163,312	21,487	223,978	156,441	67,537
Transit Program Grants under 49 USC 5305		15,910,249	6,823,761	9,086,488	15,910,249	6,570,440	9,339,809
Transit Program Grants under 49 USC 5309		16,499,394	3,227,637	13,271,757	16,499,394	5,207,197	11,292,197
Rail Program infrastructure improvements		35,000,000	13,291,968	21,708,032	33,000,000	13,586,661	19,413,339
New Freedom Transit Program		0	0	0	1,390,030	780,952	609,078
Job Access and Reverse Commute Grants Program		0	0	0	3,200,000	1,749,473	1,450,527
Multimodal operations		83,500	34,933	48,567	83,500	41,845	41,655
Federal Rail, Port And Freight Assistance Program		1,000,000	0	1,000,000	1,000,000	0	1,000,000
Transit Program grants to public transit providers		5,000,000	0	5,000,000	0	0	0
Transit Program Sections under 49 USC 5310 and 5317		15,190,030	815,674	14,374,356	9,686,400	3,925,745	5,760,655
Transit Program Sections under 49 USC 5311 and 5316		27,124,692	15,048,232	12,076,460	23,926,692	13,647,177	10,279,515
Administration personal service		269,658	241,935	27,723	492,211	236,291	255,920
Administration expense and equipment		249,625	27,003	222,622	400,000	75,362	324,638
Aviation Program		41,416,304	26,030,302	15,386,002	41,416,304	18,014,516	23,401,788
Total Multimodal Operations Federal Fund		157,928,251	65,704,757	92,223,494	147,228,758	63,992,100	83,236,658
DEPARTMENT OF TRANSPORTATION HIGHWAY SAFETY FUND							
Maintenance Program personal service		307,771	264,211	43,560	305,696	208,806	96,890
Maintenance Program expense and equipment		54,393	54,393	0	55,000	36,562	18,438
Maintenance Program fringe benefits personal service		216,453	154,991	61,462	187,664	109,443	78,221
Maintenance Program fringe benefits expense and equipment		3,010	0	3,010	3,010	0	3,010
Maintenance Program		18,977,120	13,744,716	5,232,404	40,000,000	39,998,074	1,926
Total Department of Transportation Highway Safety Fund		19,558,747	14,218,311	5,340,436	40,551,370	40,352,885	198,485
MOTOR CARRIER SAFETY ASSISTANCE PROGRAM TRANSPORTATION - FEDERAL FUND							
Motor Carrier Safety Assistance Program (MCSAP)		1,999,725	1,477,829	521,896	2,000,000	1,427,704	572,296
Total MCSAP Transportation-Federal Fund		1,999,725	1,477,829	521,896	2,000,000	1,427,704	572,296

Appendix A

Missouri Department of Transportation
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
MOTORCYCLE SAFETY TRUST FUND						
Maintenance Program expense and equipment	425,000	318,141	106,859	425,000	387,026	37,974
Total Motorcycle Safety Trust Fund	425,000	318,141	106,859	425,000	387,026	37,974
GRADE CROSSING SAFETY ACCOUNT FUND						
Protection of the public against hazards	3,000,000	1,208,831	1,791,169	3,000,000	1,353,382	1,646,618
Total Grade Crossing Safety Account Fund	3,000,000	1,208,831	1,791,169	3,000,000	1,353,382	1,646,618
STATE ROAD BOND FUND						
Outstanding State Road Bond debt	139,018,000	138,929,018	88,982	121,268,046	119,787,910	1,480,136
Total State Road Bond Fund	139,018,000	138,929,018	88,982	121,268,046	119,787,910	1,480,136
STATE ROAD FUND						
Fleet, Facilities, and Information Systems expense and equipment	58,749,799	51,647,591	7,102,208	66,261,050	51,657,577	14,603,473
Outstanding State Road Bond debt	154,001,750	154,000,961	789	169,546,229	169,546,229	0
Maintenance Program expense and equipment	218,437,298	202,437,027	16,000,271	219,226,815	191,074,261	28,152,554
Construction Program expense and equipment	19,576,496	18,636,066	940,430	17,569,603	17,001,549	568,054
Construction Program construction	964,034,011	907,275,559	56,758,452	1,104,807,979	1,060,836,251	43,971,728
Administration personal service	18,092,652	16,811,848	1,280,804	18,005,009	17,005,093	999,916
Administration expense and equipment	6,579,562	5,848,214	731,348	5,222,664	4,708,257	514,407
Administration fringe benefit personal service	12,471,061	10,959,139	1,511,922	11,319,034	10,350,621	968,413
Administration fringe benefit expense and equipment	14,565,765	13,514,869	1,050,896	14,573,543	13,275,559	1,297,984
Construction Program personal service	64,987,950	61,272,626	3,715,324	70,146,669	63,074,055	7,072,614
Construction Program fringe benefits personal service	45,328,542	41,083,675	4,244,867	44,648,988	40,375,619	4,273,369
Construction Program fringe benefits expense and equipment	456,307	455,628	679	1,944,952	458,556	1,486,396
Maintenance Program personal service	137,946,508	132,245,713	5,700,795	144,570,654	127,397,838	17,172,816
Maintenance Program fringe benefits personal service	102,015,953	92,948,921	9,067,032	94,290,586	85,909,350	8,381,236
Maintenance Program fringe benefits expense and equipment	6,288,445	6,287,267	1,178	6,537,541	6,285,320	252,221
Fleet, Facilities, and Information Systems (IS) personal services	13,825,716	10,484,168	3,341,548	13,750,903	10,443,123	3,307,780
Fleet, Facilities, and IS fringe benefits personal service	9,402,328	7,118,278	2,284,050	8,735,740	6,741,963	1,993,777
Fleet, Facilities, and IS fringe benefits expense and equipment	204,117	203,410	707	261,260	204,014	57,246
Multimodal Operations administration personal service	436,794	422,003	14,791	435,101	433,130	1,971
Multimodal Operations fringe benefits personal service	305,740	251,226	54,514	261,364	227,436	33,928
Multimodal Operations administration expense and equipment	24,852	21,342	3,510	49,212	49,212	0
Total State Road Fund	1,847,731,646	1,733,925,531	113,806,115	2,012,164,896	1,877,055,013	135,109,883
STATE ROAD FUND - SERIES 2008 FUND						
Construction Bond Debt	1	0	1	1	0	1
Total State Road Fund-Series 2008 Fund	1	0	1	1	0	1

Appendix A

Missouri Department of Transportation
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND						
Refunds and distribution of motor fuel taxes	25,000	23,237	1,763	34,000	32,936	1,064
Motor fuel tax refund	30,000,000	19,696,978	10,303,022	30,000,000	20,460,925	9,539,075
Total State Highways and Transportation Department Fund	30,025,000	19,720,215	10,304,785	30,034,000	20,493,861	9,540,139
RAILROAD EXPENSE FUND						
Multimodal Operations administration personal service	410,086	341,753	68,333	408,018	338,749	69,269
Multimodal Operations administration expense and equipment	100,902	85,263	15,639	75,421	75,416	5
Multimodal Operations Reimbursement Railroad Expense Fund	90,500	75,741	14,759	90,500	66,264	24,236
Multimodal Operations fringe benefits personal service	289,644	196,583	93,061	245,334	178,568	66,766
Total Railroad Expense Fund	891,132	699,340	191,792	819,273	658,997	160,276
STATE TRANSPORTATION FUND						
Multimodal Operations fringe benefits personal service	94,731	74,377	20,354	82,056	79,596	2,460
Multimodal Operations reimbursement	35,000	23,603	11,397	35,000	17,009	17,991
Transit Program distributing funds	560,875	560,875	0	560,875	560,875	0
Station repairs and improvements	25,000	25,000	0	25,000	25,000	0
Multimodal Operations administration expense and equipment	21,226	8,649	12,577	10,395	9,831	564
Waterways Program grants to port authorities	375,000	368,960	6,040	375,000	372,332	2,668
Transit Program operating subsidy	1,274,478	1,213,078	61,400	1,274,478	1,274,478	0
Freight Enhancement Program	850,000	850,000	0	0	0	0
Multimodal Operations administration personal service	147,971	111,189	36,782	147,244	139,532	7,712
Total State Transportation Fund	3,384,281	3,235,731	148,550	2,510,048	2,478,653	31,395
LIGHT RAIL SAFETY FUND						
Light Rail Safety Program	1,000,000	0	1,000,000	1,000,000	0	1,000,000
Total Light Rail Safety Fund	1,000,000	0	1,000,000	1,000,000	0	1,000,000
STATE TRANSPORTATION ASSISTANCE REVOLVING FUND						
Multimodal Operations loans	1,000,000	0	1,000,000	1,000,000	0	1,000,000
Total State Transport Assistance Revolving Fund	1,000,000	0	1,000,000	1,000,000	0	1,000,000
AVIATION TRUST FUND						
Aviation Program	10,000,000	4,012,860	5,987,140	10,000,000	5,322,898	4,677,102
Multimodal Operations administration personal service	487,175	430,559	56,616	484,907	461,789	23,118
Multimodal Operations administration expense and equipment	24,827	16,694	8,133	24,827	20,815	4,012
Multimodal Operations fringe benefits personal service	345,628	284,297	61,331	292,515	276,251	16,264
Multimodal Operations Reimbursement Avaiton Trust Fund	75,567	64,141	11,426	75,567	68,190	7,377
Airport master planning	1,000,000	0	1,000,000	0	0	0
Airport Improvements	5,000,000	109,165	4,890,835	0	0	0
Total Aviation Trust Fund	16,933,197	4,917,716	12,015,481	10,877,816	6,149,943	4,727,873

Appendix A

Missouri Department of Transportation
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
FEDERAL STIMULUS-MODOT FUND						
ARRA Transit Program locally matched grants	2,000	2,000	0	0	0	0
Total Federal Stimulus-MoDOT Fund	2,000	2,000	0	0	0	0
Total All Funds	\$ 2,236,541,109	1,997,859,224	238,681,885	2,383,223,337	2,143,438,279	239,785,058

* The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2014	2013
General Revenue Fund		
Port authority capital improvement assistance	\$ 90,000	0
Elderly and disabled transportation assistance	35,824	35,824
Urban, small urban, and rural transportation systems	15,000	0
Port authority grants	0	7,500
St. Charles Bike/Pedestrian Bridge Feasibility Study	1,500	0
Total General Revenue Fund	\$ 142,324	43,324

Appendix B

Department of Transportation Comparative Statement of Expenditures (from Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	222,626,003	219,738,406	234,342,827	258,566,155	275,595,771
Benefits	153,234,800	144,405,289	144,253,178	146,226,119	132,427,469
Travel, in-state	1,670,171	1,495,242	1,602,477	1,879,889	2,173,440
Travel, out-of-state	305,923	324,457	307,847	258,118	490,705
Fuel and utilities	9,248,198	8,496,937	8,230,272	8,803,091	8,339,508
Supplies	140,038,877	123,544,033	135,636,993	159,351,884	165,436,637
Professional development	1,386,656	1,335,354	1,132,759	1,511,075	1,962,539
Communication service and supplies	4,560,855	4,971,350	4,278,451	5,387,720	5,443,075
Services:					
Professional services	62,921,558	50,048,882	39,353,816	51,771,295	82,236,017
Housekeeping and janitorial	7,614,341	5,899,107	5,487,146	5,768,465	6,023,848
Maintenance and repair	13,721,200	13,892,976	11,531,469	14,019,513	18,167,790
Equipment:					
Computer	5,928,603	6,013,478	3,708,014	10,078,444	7,550,706
Motorized	20,936,481	20,705,141	13,903,617	16,016,417	20,883,068
Office	61,179	109,449	62,659	193,652	340,480
Other	11,031,571	7,225,019	5,159,885	8,794,634	13,509,471
Property and improvements	761,480,866	915,098,995	1,132,673,176	1,208,955,032	1,313,162,354
Debt service	298,965,904	302,300,356	285,301,311	314,919,362	227,064,352
Building lease payments	775,663	364,651	509,152	561,792	850,829
Equipment rental and leases	1,647,471	1,840,523	2,150,766	2,160,269	2,703,250
Miscellaneous expenses	36,147,995	38,549,488	35,848,829	32,242,843	30,249,120
Refunds	21,348,760	24,278,278	26,079,696	28,797,603	25,806,320
Program distributions	222,206,149	252,800,868	259,505,900	262,449,023	253,388,447
Total Expenditures	<u>1,997,859,224</u>	<u>2,143,438,279</u>	<u>2,351,060,240</u>	<u>2,538,712,395</u>	<u>2,593,805,196</u>

Appendix C-1

Department of Transportation
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Year Ended June 30, 2014

	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Multimodal Operations Federal Fund
Revenues				
Fuel taxes	\$ 489,629,923	128,032	0	0
Sales and use taxes	2,320,388	147,776,270	151,612,341	0
Licenses, fees and permits	187,620,158	100,109,044	0	0
Intergovernmental/cost reimbursements/miscellaneous	5,836,383	78,193,683	0	671,845
Investment earnings	264,207	10,785,218	413,683	0
American Recovery and Reinvestment Act	0	12,986,185	4,913,556	10,734,899
State government	0	0	0	14,346,615
Federal government	0	839,979,131	0	49,659,157
Total Revenues	<u>685,671,059</u>	<u>1,189,957,563</u>	<u>156,939,580</u>	<u>75,412,516</u>
Expenditures				
Current				
Administration	0	48,547,149	0	0
Fleet, facilities and information systems	0	35,904,361	0	0
Maintenance	0	436,404,202	0	0
Construction	0	216,562,721	0	0
Multimodal operations	0	762,747	0	77,691,359
Capital outlay	0	849,812,486	0	84,830
Debt service	0	184,001,031	143,838,727	0
Other state agencies	233,469,660	0	0	0
Total expenditures	<u>233,469,660</u>	<u>1,771,994,697</u>	<u>143,838,727</u>	<u>77,776,189</u>
Excess of revenues over (under) expenditures	452,201,399	(582,037,134)	13,100,853	(2,363,673)
Other Financing Sources (Uses)				
Notes issued	0	13,240,155	0	0
Refunding bonds issued	0	900,990,000	0	0
Premium on bonds	0	185,693,095	0	0
Refunding bonds escrow payment	0	(1,082,244,879)	0	0
Capital leases issued	0	(2,043,820)	0	0
Capital asset sales	0	7,443,361	0	35,982
Transfers in	0	476,745,383	0	0
Transfers out	(454,584,060)	0	0	0
Total other financing sources (uses)	<u>(454,584,060)</u>	<u>499,823,295</u>	<u>0</u>	<u>35,982</u>
Net Changes in Fund Balances	(2,382,661)	(82,213,839)	13,100,853	(2,327,691)
Fund Balances, beginning of year	<u>107,806,222</u>	<u>1,034,291,241</u>	<u>36,962,999</u>	<u>751,911</u>
Fund Balances, end of year	<u>\$ 105,423,561</u>	<u>952,077,402</u>	<u>50,063,852</u>	<u>(1,575,780)</u>

Appendix C-1

Department of Transportation
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Year Ended June 30, 2014

	State Transportation Fund	Aviation Trust Fund	State Transportation Assistance Revolving Fund	Motor Carrier Safety Assistance Program Transportation Federal Fund
Revenues				
Fuel taxes	0	225,963	0	0
Sales and use taxes	4,042,317	6,009,714	0	0
Licenses, fees and permits	0	0	0	0
Intergovernmental/cost reimbursements/miscellaneous	0	0	0	97
Investment earnings	0	119,152	96,479	0
American Recovery and Reinvestment Act	0	0	0	0
State government	0	0	0	0
Federal government	0	0	0	1,688,957
Total Revenues	4,042,317	6,354,829	96,479	1,689,054
Expenditures				
Current				
Administration	0	0	0	0
Fleet, facilities and information systems	0	0	0	0
Maintenance	0	0	0	1,339,153
Construction	0	0	0	0
Multimodal operations	3,247,108	5,586,754	391	0
Capital outlay	0	0	0	0
Debt service	0	0	0	0
Other state agencies	0	0	0	0
Total expenditures	3,247,108	5,586,754	391	1,339,153
Excess of revenues over (under) expenditures	795,209	768,075	96,088	349,901
Other Financing Sources (Uses)				
Notes issued	0	0	0	0
Refunding bonds issued	0	0	0	0
Premium on bonds	0	0	0	0
Refunding bonds escrow payment	0	0	0	0
Capital leases issued	0	0	0	0
Capital asset sales	0	3,998	0	4,500
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total other financing sources (uses)	0	3,998	0	4,500
Net Changes in Fund Balances	795,209	772,073	96,088	354,401
Fund Balances, beginning of year	1,658,411	11,377,122	3,849,708	(234,005)
Fund Balances, end of year	2,453,620	12,149,195	3,945,796	120,396

Appendix C-1

Department of Transportation
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Year Ended June 30, 2014

	Grade Crossing Account Safety Fund	Railroad Expense Fund	Department of Transportation Highway Safety Fund	Motorcycle Safety Trust Fund
Revenues				
Fuel taxes	0	0	0	0
Sales and use taxes	0	0	0	0
Licenses, fees and permits	1,312,967	756,623	0	359,108
Intergovernmental/cost reimbursements/miscellaneous	42,800	0	8,090	0
Investment earnings	0	0	0	0
American Recovery and Reinvestment Act	0	0	0	0
State government	0	0	0	0
Federal government	0	0	34,843,267	0
Total Revenues	<u>1,355,767</u>	<u>756,623</u>	<u>34,851,357</u>	<u>359,108</u>
Expenditures				
Current				
Administration	0	0	0	0
Fleet, facilities and information systems	0	0	0	0
Maintenance	0	0	12,511,312	321,999
Construction	0	0	0	0
Multimodal operations	1,309,355	734,403	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	0
Other state agencies	0	0	0	0
Total expenditures	<u>1,309,355</u>	<u>734,403</u>	<u>12,511,312</u>	<u>321,999</u>
Excess of revenues over (under) expenditures	46,412	22,220	22,340,045	37,109
Other Financing Sources (Uses)				
Notes issued	0	0	0	0
Refunding bonds issued	0	0	0	0
Premium on bonds	0	0	0	0
Refunding bonds escrow payment	0	0	0	0
Capital leases issued	0	0	0	0
Capital asset sales	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(22,161,323)	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(22,161,323)</u>	<u>0</u>
Net Changes in Fund Balances	46,412	22,220	178,722	37,109
Fund Balances, beginning of year	<u>5,086,574</u>	<u>649,306</u>	<u>109,586</u>	<u>70,606</u>
Fund Balances, end of year	<u><u>5,132,986</u></u>	<u><u>671,526</u></u>	<u><u>288,308</u></u>	<u><u>107,715</u></u>

Appendix C-2

Department of Transportation
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Year Ended June 30, 2013

	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Multimodal Operations Federal Fund
Revenues				
Fuel taxes	\$ 486,135,509	138,610	0	0
Sales and use taxes	56,791,147	125,161,522	114,329,854	0
Licenses, fees and permits	183,156,641	97,407,997	0	0
Intergovernmental/cost reimbursements/miscellaneous	7,237,088	129,295,255	0	2,212,066
Investment earnings	176,449	(1,434,901)	69,963	0
American Recovery and Reinvestment Act	0	28,026,219	5,337,922	16,547,733
State government	0	0	0	11,630,299
Federal government	0	894,664,491	0	48,623,933
Total Revenues	<u>733,496,834</u>	<u>1,273,259,193</u>	<u>119,737,739</u>	<u>79,014,031</u>
Expenditures				
Current				
Administration	0	46,936,054	0	0
Fleet, facilities and information systems	0	38,057,876	0	0
Maintenance	0	417,868,882	0	0
Construction	0	241,930,422	0	0
Multimodal operations	0	824,349	0	77,739,458
Capital outlay	0	955,004,763	0	1,409,895
Debt service	0	190,944,733	125,107,968	0
Other state agencies	226,683,268	0	0	0
Total expenditures	<u>226,683,268</u>	<u>1,891,567,079</u>	<u>125,107,968</u>	<u>79,149,353</u>
Excess of revenues over (under) expenditures	506,813,566	(618,307,886)	(5,370,229)	(135,322)
Other Financing Sources (Uses)				
Notes issued	0	9,493,172	0	0
Capital leases issued	0	116,309	0	0
Capital asset sales	0	13,288,747	0	0
Transfers in	0	511,732,245	0	0
Transfers out	(509,143,956)	0	0	0
Total other financing sources (uses)	<u>(509,143,956)</u>	<u>534,630,473</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(2,330,390)	(83,677,413)	(5,370,229)	(135,322)
Fund Balances, beginning of year	<u>110,136,612</u>	<u>1,117,968,654</u>	<u>42,333,228</u>	<u>887,233</u>
Fund Balances, end of year	<u>\$ 107,806,222</u>	<u>1,034,291,241</u>	<u>36,962,999</u>	<u>751,911</u>

Appendix C-2

Department of Transportation
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Year Ended June 30, 2013

	State Transportation Fund	Aviation Trust Fund	State Transportation Assistance Revolving Fund	Motor Carrier Safety Assistance Program Transportation Federal Fund
Revenues				
Fuel taxes	0	254,711	0	0
Sales and use taxes	3,048,207	4,832,189	0	0
Licenses, fees and permits	0	0	0	0
Intergovernmental/cost reimbursements/miscellaneous	0	(18,300)	0	45
Investment earnings	0	(9,652)	49,181	0
American Recovery and Reinvestment Act	0	0	0	0
State government	0	0	0	0
Federal government	0	0	0	1,117,640
Total Revenues	3,048,207	5,058,948	49,181	1,117,685
Expenditures				
Current				
Administration	0	0	0	0
Fleet, facilities and information systems	0	0	0	0
Maintenance	0	0	0	1,406,706
Construction	0	0	0	0
Multimodal operations	2,489,320	6,319,888	10,476	0
Capital outlay	0	74,205	0	0
Debt service	0	0	0	0
Other state agencies	0	0	0	0
Total expenditures	2,489,320	6,394,093	10,476	1,406,706
Excess of revenues over (under) expenditures	558,887	(1,335,145)	38,705	(289,021)
Other Financing Sources (Uses)				
Notes issued	0	0	0	0
Capital leases issued	0	0	0	0
Capital asset sales	0	0	0	6,547
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total other financing sources (uses)	0	0	0	6,547
Net Changes in Fund Balances	558,887	(1,335,145)	38,705	(282,474)
Fund Balances, beginning of year	1,099,524	12,712,267	3,811,003	48,469
Fund Balances, end of year	1,658,411	11,377,122	3,849,708	(234,005)

Appendix C-2

Department of Transportation
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Year Ended June 30, 2013

	Grade Crossing Safety Account Fund	Railroad Expense Fund	Department of Transportation Highway Safety Fund	Motorcycle Safety Trust Fund
Revenues				
Fuel taxes	0	0	0	0
Sales and use taxes	0	0	0	0
Licenses, fees and permits	1,300,150	784,786	0	372,221
Intergovernmental/cost reimbursements/miscellaneous	3,896	0	1,431	0
Investment earnings	0	0	0	0
American Recovery and Reinvestment Act	0	0	0	0
State government	0	0	0	0
Federal government	0	0	40,664,497	0
Total Revenues	<u>1,304,046</u>	<u>784,786</u>	<u>40,665,928</u>	<u>372,221</u>
Expenditures				
Current				
Administration	0	0	0	0
Fleet, facilities and information systems	0	0	0	0
Maintenance	0	0	35,072,355	392,423
Construction	0	0	0	0
Multimodal operations	1,298,519	722,013	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	0
Other state agencies	0	0	0	0
Total expenditures	<u>1,298,519</u>	<u>722,013</u>	<u>35,072,355</u>	<u>392,423</u>
Excess of revenues over (under) expenditures	5,527	62,773	5,593,573	(20,202)
Other Financing Sources (Uses)				
Notes issued	0	0	0	0
Capital leases issued	0	0	0	0
Capital asset sales	0	2,600	3,066	0
Transfers in	0	0	0	0
Transfers out	0	0	(2,588,289)	0
Total other financing sources (uses)	<u>0</u>	<u>2,600</u>	<u>(2,585,223)</u>	<u>0</u>
Net Changes in Fund Balances	5,527	65,373	3,008,350	(20,202)
Fund Balances, beginning of year	<u>5,081,047</u>	<u>583,933</u>	<u>(2,898,764)</u>	<u>90,808</u>
Fund Balances, end of year	<u><u>5,086,574</u></u>	<u><u>649,306</u></u>	<u><u>109,586</u></u>	<u><u>70,606</u></u>



John Watson
Missouri State Auditor

Office of State Treasurer

Year Ended
June 30, 2014



April 2015
Report No. 2015-016

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Office of State Treasurer

Recusal	To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee the procedures performed by the State Auditor's professional audit staff.
Community Development Contract	<p>The Office of State Treasurer (STO) issued complete payment to a contractor to serve as the STO's Community Development Grant Administrator before any services had been performed. The STO received a one-year, non-recurring appropriation of \$225,000 for the fiscal year ended June 30, 2014, to fund a project to create sustainable communities and help families achieve economic stability. The STO issued a request for proposal to potential bidders on March 17, 2014, selected a winning bid on May 16, 2014, and signed the resulting contract on June 18, 2014.</p> <p>Although the STO planned for project activities to begin late in the fiscal year, the STO made no request to re-appropriate funds to later fiscal years. Re-appropriation would have allowed the STO to release funds to the grant administrator as services were provided. Instead, the STO paid the entire \$225,000 to the contractor on June 23, 2014, just before the expiration of the appropriation, and before any agreed-upon services were provided. Although the contract included reporting and monitoring requirements, payment in full before any services had been provided reduces the STO's options to compel satisfactory completion of the contract.</p>

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Office of State Treasurer

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Finding	Community Development Contract4
------------------------------------------------------------	---------------------------------------

Organization and Statistical Information	7
---------------------------------------------	---

Appendixes

A	Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments Year Ended June 30, 2014	9
B	Comparative Statement of Appropriations and Expenditures 2 Years Ended June 30, 2014.....	10
C	Comparative Statement of Expenditures (From Appropriations) 2 Years Ended June 30, 2014.....	11
D	Comparative Statement of Funds in Custody of State Treasurer 5 Years Ended June 30, 2014.....	12
E	Comparative Statement of Interest Received on Pooled Investments 5 Years Ended June 30, 2014.....	13
	Notes to the Appendixes	14



JOHN WATSON

Missouri State Auditor

Honorable Clint Zweifel, State Treasurer
Jefferson City, Missouri

To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited certain operations of the Office of State Treasurer in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2014. The objectives of our audit were to:

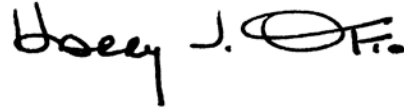
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Office of State Treasurer.

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large, looped "H" and a distinct "O" at the end.

Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Gayle Garrison
Audit Staff:	Sheila Hohenstreet
	Marlon McDaniels, M Acct.
	Nicholas Schafer, MBA

Office of State Treasurer

Management Advisory Report

State Auditor's Finding

Community Development Contract

The Office of State Treasurer (STO) issued complete payment to a contractor to serve as the STO's Community Development Grant Administrator in June 2014 before any agreed-upon services had been provided.

Project timeline

The STO received a one-year, non-recurring appropriation totaling \$225,000 for the fiscal year beginning July 1, 2013, for the purpose of funding a project to create sustainable communities and help families achieve economic stability. While the STO did not request funding for this project, the appropriation was added by the legislature and approved by the Governor. The activities envisioned in this project fall outside the STO's normal financial administration role for the state and the STO had no previous experience procuring similar services or managing such projects. The STO began researching and preparing a request for proposal (RFP) in the fall of 2013 and issued the completed RFP to potential bidders on March 17, 2014. The STO evaluated the proposals received and conducted interviews with the top rated respondents between April 11, 2014 and May 12, 2014. The winning bidder was selected on May 16, 2014 and the resulting contract was signed on June 18, 2014.

Project scope

The project included two community development programs to be delivered in underprivileged Jackson County communities by the grant administrator's four site-contractors during an 18-month period. The first program focused on intervention and comprehensive redevelopment of disadvantaged neighborhoods by engaging local residents and other stakeholders in five goals (1) develop, preserve, and invest in the physical environment; (2) increase family income and wealth; (3) stimulate local and regional economic activity; (4) improve access to quality education; and (5) foster livable, safe, and healthy environments. The second program focused on improving low income family economic stability by providing services to the families in the areas of (1) employment placement and career improvement, (2) financial education and coaching, and (3) public benefits access.

Contract payment and monitoring

Although the STO planned for the project activities to begin late in the fiscal year ended June 30, 2014, the STO made no request in the fiscal year 2015 budget process to re-appropriate the funds to subsequent years. Re-appropriation would have allowed release of the funds to the grant administrator as services were provided. Instead, the RFP released by the STO indicated payment would be a one-time lump sum from the STO to the grant administrator in the amount of \$225,000. The subsequent contract written by the STO required the STO to release all of the funds to the grant administrator upon execution of the agreement and required the grant administrator to expend all funding on agreed upon activities within 18 months. The STO paid the entire \$225,000 to the grant administrator on June 23, 2014, three business days after executing the contract, and just before expiration of the appropriation.



Office of State Treasurer
Management Advisory Report - State Auditor's Finding

The contract included reporting and monitoring requirements throughout and beyond the 18-month contract period. The grant administrator is required to submit monthly and quarterly activity and expenditure reports, including reports of each site-contractors' contract-related expenditures and services provided. These reports are to include outcome-based information for the number of clients served as well as clients' progress toward key indicators of economic stability. The grant administrator must also perform quarterly monitoring visits for each site-contractor. The STO retained the right to perform multiple monitoring visits of the grant administrator and each of the site-contractors. If findings result from the STO site visits, the grant administrator is required to prepare a corrective action plan.

As of January 2015, the STO had received monthly reports through November 2014, and the September 2014 quarterly report. The STO had not performed any site visits but had followed up with the grant administrator with a request for clarification of certain data.

Diminished ability to compel services

Payment of the contract's full value before any services had been provided reduces the STO's options to compel satisfactory completion of the contract. Because full payment has already been issued, the STO cannot reduce or halt periodic payments as a way to prompt corrective action in the event that service thresholds or milestones are not met. Instead, corrective action by the STO would likely require the use of STO personnel resources and/or expenditure of additional public funds to enforce compliance with the contract or recoup funds already released.

Recommendation

The STO refrain from establishing contracts that require full payment before any services are provided and establish procedures to ensure payments on future contracts are made based upon satisfactory completion of services provided.

Auditee's Response

As noted in the Auditor's report, the STO received a one-year, non-recurring appropriation for fiscal year 2014 in the amount of \$225,000 to fund program models for the purpose of creating sustainable communities and helping families achieve economic stability in Jackson County, Missouri. This appropriation was added by the Missouri Legislature during the budget process and it was approved by the Governor on June 28, 2013.

Following approval of this budget item, the STO undertook the process of drafting and distributing a competitive RFP to award the funds. The RFP was distributed to 21 potential bidders in March of 2014 and was posted on the STO website, the Office of Administration website and with Jackson County on its website. Six bids were received in April of 2014. Following a thorough evaluation and interview process, the winning bidder was identified by the STO in May of 2014. After approving and documenting the winning bidder's Community Improvement Model and budget (as required by the RFP), the STO and the winning bidder entered into a contract and the funds were transferred to the winning bidder by the end of fiscal year



Office of State Treasurer
Management Advisory Report - State Auditor's Finding

2014 to ensure the appropriation did not lapse and to ensure that the STO complied with the intent of the Legislature and the Governor.

The STO was not appropriated any funds for staffing related to the grant, therefore the STO chose a contractor who would serve as the grant administrator. Except for certain direct program expenses and a small portion of the funds which were provided to the administrator as an administrative fee, the remainder of the funds are distributed by the administrator to sub-grantees (site-contractors) who operate the program models. The contract provides for monitoring of both the administrator and the site-contractors throughout the term of the grant. The STO is provided monthly and quarterly reports from both the administrator and site-contractors. The administrator performs site visit audits of its site-contractors to ensure compliance with the contract and the budget. The STO also may perform regular monitoring site visits for both the administrator and the site-contractors to ensure compliance with the contract throughout the 18-month term of the project. If deficiencies are found, corrective action plans are required under the contract.

The Auditor's recommendation states that the STO should refrain from establishing contracts that require full payment before any services are provided. As noted in the Auditor's report and above, this appropriation was a one-year, non-recurring appropriation. The STO has no plans or intentions to procure similar services or manage similar processes in the future.

Office of State Treasurer

Organization and Statistical Information

The State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, in short-term U.S. government securities, or in certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) disbursements and records, (3) investments and deposit programs, and (4) unclaimed property.

The accounting and banking services area (1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, (2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, (3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, (4) reconciles bank activity to receipt and disbursement activity reflected on the state books, (5) determines the amount of state monies not needed for current operating expenses, and (6) confirms daily disbursements with the bank as certified by the Office of Administration.

The disbursements and records area provides processing support to other areas of the office by (1) retrieving state checks, and 2) controlling and processing outlawed checks and processing and verifying claims for replacement checks.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447, RSMo). The Unclaimed Property Division is responsible for (1) ensuring unclaimed property is reported, (2) receiving and recording reports of unclaimed property, (3) depositing unclaimed funds to the Abandoned Fund Account Fund, (4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and (5) processing owner claims for abandoned funds or physical property.

On January 14, 2013, Clint Zweifel was inaugurated for his second term as the forty-fifth Treasurer of the state of Missouri. His term will expire in January 2017.



Office of State Treasurer
Organization and Statistical Information

As of June 30, 2014, the office had 44 full-time positions and 1 part-time position to assist in the accomplishment of its mission.

Financial Activity

A summary of the office's operating financial activity, cash and investment balances, and investment income is presented in the following Appendixes and in the Notes to the Appendixes.

Appendix A

Office of State Treasurer
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2014

	Treasurer's General Operations Fund	Treasurer's Information Fund	Central Check Mailing Service Revolving Fund	Abandoned Fund Account Fund	Total (Memorandum Only)
RECEIPTS					
Agency securities interest	\$ 2,712,474	0	0	0	2,712,474
Time deposit interest	287,508	0	0	0	287,508
Unclaimed properties	0	0	0	92,162,061	92,162,061
Mail and postage services	0	0	78,643	0	78,643
Miscellaneous	704	380	0	1,824	2,908
Total Receipts	<u>3,000,686</u>	<u>380</u>	<u>78,643</u>	<u>92,163,885</u>	<u>95,243,594</u>
DISBURSEMENTS					
Personal service	1,468,112	0	9,905	512,238	1,990,255
Employee fringe benefits	640,901	0	6,189	260,530	907,620
Unemployment benefits	4,800	0	0	518	5,318
Expense and equipment	242,496	763	62,762	93,923	399,944
Advertising and auction expenses	0	0	0	1,176,330	1,176,330
Abandoned fund claim payments	0	0	0	38,601,868	38,601,868
Cost allocation plan	27,916	0	0	0	27,916
Leasing operations	195,106	0	0	0	195,106
Total Disbursements	<u>2,579,331</u>	<u>763</u>	<u>78,856</u>	<u>40,645,407</u>	<u>43,304,357</u>
RECEIPTS OVER (UNDER)					
DISBURSEMENTS	421,355	(383)	(213)	51,518,478	51,939,237
TRANSFERS					
From General Revenue Fund	0	0	0	4,887,828	4,887,828
To General Revenue Fund	0	0	0	(68,710,475)	(68,710,475)
To Mental Health Trust Fund	0	0	0	(33,726)	(33,726)
To State Public School Fund	0	0	0	(3,191,132)	(3,191,132)
Total Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>(67,047,505)</u>	<u>(67,047,505)</u>
RECEIPTS OVER (UNDER)					
DISBURSEMENTS AND TRANSFERS	421,355	(383)	(213)	(15,529,027)	(15,108,268)
CASH AND INVESTMENTS, JULY 1	1,451,304	3,008	613	34,947,228	36,402,153
CASH AND INVESTMENTS, JUNE 30	<u>\$ 1,872,659</u>	<u>2,625</u>	<u>400</u>	<u>19,418,201</u>	<u>21,293,885</u>

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix B

Office of State Treasurer
Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,					
		2014			2013		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND							
Issuing duplicate/outlawed checks	\$	1,625,000	1,614,905	10,095	2,587,597	2,586,752	845
Refunds of excess interest from the linked deposit program		2,500	530	1,970	405	405	0
Sustainable communities/family economic stability program models		225,000	225,000	0	0	0	0
Total General Revenue Fund		1,852,500	1,840,435	12,065	2,588,002	2,587,157	845
TREASURER'S GENERAL OPERATIONS FUND							
Personal service		1,596,591	1,467,869	128,722	1,575,924	1,425,765	150,159
Expense and equipment		270,672	242,496	28,176	270,672	212,440	58,232
Total Treasurer's General Operations Fund		1,867,263	1,710,365	156,898	1,846,596	1,638,205	208,391
TREASURER'S INFORMATION FUND							
Expense and equipment		8,000	763	7,237	8,000	536	7,464
Total Treasurer's Information Fund		8,000	763	7,237	8,000	536	7,464
CENTRAL CHECK MAILING SERVICE REVOLVING FUND							
Personal service		11,894	9,905	1,989	23,418	21,541	1,877
Expense and equipment		225,000	62,762	162,238	225,000	46,995	178,005
Total Central Check Mailing Service Revolving Fund		236,894	72,667	164,227	248,418	68,536	179,882
ABANDONED FUND ACCOUNT FUND							
Personal service		530,019	512,238	17,781	525,756	511,005	14,751
Expense and equipment		98,600	93,923	4,677	98,600	86,326	12,274
Advertising and auctions		1,475,000	1,176,330	298,670	918,621	918,064	557
Payment of claims for abandoned property		40,000,000	38,604,634	1,395,366	38,451,000	38,155,002	295,998
Total Abandoned Fund Account Fund		42,103,619	40,387,125	1,716,494	39,993,977	39,670,397	323,580
Total All Funds	\$	46,068,276	44,011,355	2,056,921	44,684,993	43,964,831	720,162

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix C

Office of State Treasurer Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,	
	2014	2013
Personal service	\$ 1,990,012	1,958,311
Travel	27,033	15,366
Expense and equipment	261,238	224,378
Communications expense	92,383	87,840
Professional services	1,102,332	790,085
Maintenance and repair services	63,940	77,044
Equipment and software purchases	29,348	69,648
Abandoned fund claim payments	38,604,634	38,155,002
Replacement of outlawed checks	1,614,905	2,586,752
Other	225,000	0
Refunds of excess interest from the linked deposit program	530	405
Total Expenditures	\$ 44,011,355	43,964,831

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix D

Office of State Treasurer

Comparative Statement of Funds in Custody of State Treasurer

	June 30,				
	2014	2013	2012	2011	2010
APPROPRIATED FUNDS					
Demand Deposits:					
US Bank	\$ 89,043	21,066	19,521,037	19,576,124	36,059,240
Central Bank	25,777,485	72,111,952	8,162,215	69,141,278	51,298,737
Wells Fargo Bank	75,008,898	75,026,626	0	0	0
Commerce Bank	8,049,837	8,637,503	10,063,041	14,987,119	15,006,383
Bank of New York Midwest	0	0	75,045,355	50,045,196	50,190,689
UMB Bank	36,741	13,939	(1,032,510)	(25,491,067)	(132,951,485)
Collection bank accounts	2,097,687	1,958,119	2,560,911	12,160,071	1,990,604
Total Demand Deposits	111,059,691	157,769,205	114,320,049	140,418,721	21,594,168
Pooled Investments:					
Time deposits	531,748,998	559,725,267	569,867,495	652,429,893	589,443,027
U.S. government securities	2,100,914,983	2,300,958,056	2,070,031,748	2,224,602,562	2,473,096,949
Commercial paper and banker acceptances	0	0	0	61,693,783	0
Repurchase agreements	833,101,000	846,675,000	887,623,000	1,213,394,000	704,639,000
Total Pooled Investments	3,465,764,981	3,707,358,323	3,527,522,243	4,152,120,238	3,767,178,976
Total Demand Deposits and Pooled Investments	3,576,824,672	3,865,127,528	3,641,842,292	4,292,538,959	3,788,773,144
Special Fund Dedicated Investments:					
U.S. government securities	46,998,293	41,280,359	39,270,832	39,282,060	35,817,480
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	47,003,423	41,285,489	39,275,962	39,287,190	35,822,610
Total Appropriated Funds	3,623,828,095	3,906,413,017	3,681,118,254	4,331,826,149	3,824,595,754
NONAPPROPRIATED FUNDS					
Demand deposits	12,721,952	12,375,296	10,640,648	10,926,394	12,584,187
Repurchase agreements	1,012,000	1,000,000	1,006,000	0	1,000,000
Commercial paper and banker acceptances	0	0	0	999,988	0
Total Nonappropriated Funds	13,733,952	13,375,296	11,646,648	11,926,382	13,584,187
Total Cash and Investments	\$ 3,637,562,047	3,919,788,313	3,692,764,902	4,343,752,531	3,838,179,941

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix E

Office of State Treasurer

Comparative Statement of Interest Received on Pooled Investments

		Year Ended June 30,				
		2014	2013	2012	2011	2010
INTEREST RECEIPTS						
General and special funds	\$	21,870,120	23,614,348	26,429,849	31,748,010	39,599,319
Debt retirement funds		2,125,573	1,515,945	2,288,094	2,906,855	6,742,590
Total Appropriated Funds		23,995,693	25,130,293	28,717,943	34,654,865	46,341,909
Trust funds		808	1,473	6,539	3,792	3,730
Total Interest Receipts	\$	23,996,501	25,131,766	28,724,482	34,658,657	46,345,639

The accompanying Notes to the Appendixes are an integral part of this statement.



Notes to the Appendixes

1. Basis of Presentation

Amounts presented in Appendixes A through E are reported on the budgetary or cash basis of accounting. The budgetary basis recognizes revenues as cash is received and expenditures as cash is disbursed. Missouri issued a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014, in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial activity of the Office of State Treasurer is included in the CAFR.

The amounts presented in Appendix A represent receipts, disbursements, transfers, and cash balances of funds that are dedicated to the activities and programs of the office.

The amounts presented in Appendixes B and C represent funds appropriated to the office by the Missouri General Assembly and expended by the office.

The amounts presented in Appendixes D and E represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subject to appropriation; trust funds are not. The appendixes do not include any funds or investments that are not in the custody of the State Treasurer.

2. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than 5 years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by at least 2 nationally recognized statistical rating organizations and in commercial paper, issued by domestic corporations receiving the highest rating issued by at least 2 nationally recognized statistical rating organizations. Investments in bankers acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy that shall include an



Office of State Treasurer
Organization and Statistical Information

asset allocation plan limiting the total amount of state money that may be invested in each investment category authorized by law.

Deposits

The State Treasurer maintains approximately 205 demand deposit bank accounts throughout the state. These accounts include collection accounts for various state agencies and the state's primary operating accounts. Cash balances in the state's operating accounts that are not needed for immediate use are invested.

The State Treasurer's deposits at June 30, 2014, were entirely covered by federal depositary insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo, require depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The State Treasurer's investments at June 30, 2014, are listed by type below to give an indication of the level of risk assumed by the state at year end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

Investments in Custody of State Treasurer - June 30, 2014

	Reported Amount	Fair Value
Time deposits	\$ 531,748,998	531,748,998
U.S. government securities	2,147,913,276	2,142,267,450
Repurchase agreements	834,113,000	834,113,000
Other investments	5,130	73,963
Total investments	\$ 3,513,780,404	3,508,203,411

Investments are recorded at acquisition cost except "other" investments that are recorded at par. Investments in time deposits and repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

3. Demand Deposit and Collection Accounts

The demand deposit accounts on Appendix D are used to manage the state's daily receipt, disbursement, and transfer activities and to segregate funds available for investing.

The demand deposit accounts consist of the following:



Office of State Treasurer
Organization and Statistical Information

Demand Deposit Accounts

	June 30, 2014		June 30, 2013		June 30, 2012	
	Bank Balance (\$)	Number of Accounts	Bank Balance (\$)	Number of Accounts	Bank Balance (\$)	Number of Accounts
US Bank	89,043	1	21,066	1	19,521,037	1
Central Bank	177,858,617	32	170,849,347	31	116,710,766	30
Commerce Bank	8,285,228	9	8,812,671	9	10,423,780	9
Bank of New York	0	0	0	0	75,076,252	2
Wells Fargo	75,100,857	2	75,014,605	2	0	0
UMB Bank	36,741	1	13,939	1	249,250	4

The collection bank accounts on Appendix D consist of three master concentration accounts and their related collection accounts. The master General Concentration, Conservation Concentration, and Lottery Concentration accounts were at Central Bank at June 30, 2014, 2013 and 2012 and have been reported above. The related collection account bank balances were \$2,571,803, \$2,243,064 and \$2,641,064, at June 30, 2014, 2013 and 2012, respectively.

Banking service agreements on the central demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. The negative balances at June 30 (Appendix D) for the appropriated funds demand deposits represent the book balance net of amounts invested.

4. Special Fund Dedicated Investments

The State Treasurer is assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Appendix D represent specific investments made or held by the State Treasurer on behalf of the Pansy Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection, distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansy Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments that were transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.



John Watson
Missouri State Auditor

Twenty-Fifth Judicial Circuit

City of Dixon Municipal Division



April 2015
Report No. 2015-017

<http://auditor.mo.gov>



John Watson
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Twenty-Fifth Judicial Circuit, City of Dixon Municipal Division

Accounting Controls and Procedures

Neither the Municipal Judge nor city personnel perform adequate supervisory or independent reviews of accounting functions and records. In addition, neither the Court Clerk nor city personnel reconcile manual receipt slips issued to receipts recorded in the computer system. The municipal division does not regularly document the reasons for and approval of waivers of amounts due, and supporting documentation for some community service transactions was inadequate. We identified problems with 6 of the 12 noncash transactions reviewed. Additionally, the Court Clerk does not always deposit bond monies or transmit fines and court costs to the City Collector timely. Police Department personnel issue generic unnumbered bond forms, and do not maintain a log to account for bond forms issued. Further, the municipal division does not maintain adequate bond records or provide reports of bond dispositions or open status to the City Clerk. As of February 2015, the municipal division had not properly disbursed bonds totaling \$16,404 collected through September 30, 2014.

Municipal Division Procedures

Numerous errors contained in monthly reports of municipal division collections generated by the Court Clerk have resulted in the submission of inaccurate reports of municipal division activities to the Office of State Courts Administrator and the city. Differences between actual amounts collected and amounts reported occurred because (1) monthly reports generated include only part of each month's activities, (2) court surcharges were inaccurately programmed in the computer system, and (3) warrant fees were not recorded in the computer system. Because the city disburses Crime Victims' Compensation and Peace Officers Standards and Training surcharges to the state based on the monthly reports, the city has disbursed incorrect amounts to the state. Additionally, the municipal division increased court costs by \$3 in September 2013 without statutory authority to do so, and the court assesses a potentially improper \$50 warrant fee. Also, the municipal division does not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected and transmitted to the city for inclusion in the city's annual report submitted to the State Auditor's office. This information is necessary for the city to determine whether excess revenues should be distributed to the state Department of Revenue. The municipal division and the Police Department do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

Computer Controls

The municipal division does not periodically back up the data in the computer system and the current Court Clerk uses the same user identification and password to log onto the computer system as used by the former Court Clerk who resigned in December 2013.

In the areas audited, the overall performance of this entity was Fair .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Twenty-Fifth Judicial Circuit

City of Dixon Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Accounting Controls and Procedures4
Findings	2. Municipal Division Procedures8
	3. Computer Controls 13

Organization and Statistical	15
Information	



JOHN WATSON

Missouri State Auditor

Presiding Judge
Twenty-Fifth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
City of Dixon, Missouri

We have audited certain operations of the City of Dixon Municipal Division of the Twenty-Fifth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2014. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Dixon Municipal Division of the Twenty-Fifth Judicial Circuit.

An additional report, No. 2015-007, *City of Dixon*, was issued in February 2015.

A handwritten signature in black ink that reads "John Watson". The signature is fluid and cursive, with the first name "John" and the last name "Watson" clearly distinguishable.

John Watson
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Denise Huddleston, MBA

Twenty-Fifth Judicial Circuit

City of Dixon Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Oversight of court functions is not sufficient, reconciliations and documentation procedures are lacking, and a significant amount of bond monies has been allowed to accumulate in the city's bond account.

Municipal division fines and court costs are collected by the Court Clerk and transmitted to the City Collector for deposit into the city's general account. Bonds are collected by Police Department personnel and transmitted to the Court Clerk, and the Court Clerk deposits the monies in the city's bond account. During the year ended September 30, 2014, the municipal division collected approximately \$41,400 in fines, court costs, and bonds.

1.1 Oversight

Neither the Municipal Judge nor city personnel perform adequate supervisory or independent reviews of accounting functions and records. Proper segregation of duties within the municipal division is not possible because the Court Clerk is the only municipal division employee. The Court Clerk is responsible for all duties related to collecting and recording monies, posting fines and court costs into the computer system, depositing bond monies into the city's bond account, and transmitting fines and court costs to the city for deposit. The City Collector's comparison of receipt slips to deposits and transmittals excludes bond activity and voided receipt slips.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by implementing documented thorough supervisory or independent reviews of accounting records.

1.2 Receipt slips and reconciliations

Neither the Court Clerk nor city personnel reconcile manual receipt slips issued to receipts recorded in the computer system.

The Court Clerk issues manual receipt slips for all monies received, prepares deposits based on manual receipt slips, and records fines and court costs in the computer system. The Court Clerk indicated she did not know how to generate a report of receipts from the computer system. In addition, we noted instances where voided receipt slips were not retained. As a result, there is no assurance the Court Clerk properly recorded all monies collected in the system and generated accurate monthly collection reports from that system for submission to the state and city.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, and ensure the accuracy of monthly collection reports, procedures should be established to account for manual receipt slips and verify receipts have been recorded in the computer system.



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

1.3 Noncash transactions

The municipal division does not ensure noncash transactions posted to the computer system are properly documented and has not established adequate procedures for review and approval of noncash transactions by persons independent of the receipting process.

The Court Clerk makes noncash transactions to document community service performed or jail time served in lieu of fines and court costs due, and to waive fines and court costs. At our request, the Court Clerk generated reports of noncash transactions posted to the system for community service performed and jail time served. These reports indicated 17 noncash transactions totaling \$6,426 occurred during the year ended September 30, 2014. The Court Clerk was unable to produce a report of noncash transactions for waivers of fines and court costs.

The municipal division does not always document the reasons for and approval of waivers of amounts due, and supporting documentation for some community service transactions was inadequate. Municipal division personnel indicated community service performed should be supported by a timesheet signed by a designated city supervisor attesting to hours of service completed and jail time served should be supported by a judicial order on the docket sheet. However, we identified documentation problems with 6 of 12 noncash transactions reviewed and posted from May 2013 to December 2014 (3 pertained to waiver of fines and court costs and 3 pertained to community service performed or jail time served). Examples of problems identified are as follows:

- The Court Clerk posted a noncash transaction of \$322.50 in November 2013 to waive fines and court costs due from a defendant; however, she could not provide any documentation supporting this waiver. The Municipal Judge does not maintain documentation to support his periodic reviews of accounts receivable listings and his authorizations for the Court Clerk to waive amounts due.
- A noncash transaction of \$525.50 was posted to a case in September 2014 for 65 hours of community service performed; however, the supporting timesheets showed only 51 hours worked and were not signed by a city supervisor.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance noncash transactions are approved and accounted for properly. Noncash transactions should be supported by adequate documentation and reviewed and approved by someone independent of cash custody and record-keeping functions to ensure such transactions are appropriate.



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

1.4 Deposits and transmittals The Court Clerk does not always deposit bond monies or transmit fines and court costs to the City Collector timely. For example, cash collected for 3 bonds received between September 9 and September 26, 2014, totaling \$1,077.50, was deposited on October 6, 2014. Cash (\$777.50) and checks and money orders (\$898.50) collected for fines and court costs between July 9 and July 30, 2014, totaling \$1,676, was transmitted to the City Collector on August 5, 2014.

Failure to implement timely depositing and transmitting of receipts procedures increases the risk of loss, theft, or misuse of monies going undetected.

1.5 Bond forms Police Department personnel issue generic unnumbered bond forms and do not maintain a log of bond forms issued. Since bond forms do not have a sequential number, neither the Court Clerk nor city personnel can account for the bond forms. In addition, the use of generic unnumbered bond forms decreases the ability to ensure bond receipts are adequately recorded and properly transmitted to the municipal division.

To reduce the risk of loss, theft, or misuse of bond monies received, and to provide assurance all bond monies are accounted for properly, official prenumbered bond forms should be issued for all bonds received and all bonds collected should be recorded on a bond log.

1.6 Bond records and procedures The municipal division does not maintain adequate bond records and does not provide reports of bond dispositions (applied, forfeited, or refunded) or open status to the City Clerk. As a result, bonds totaling \$16,404 collected through September 30, 2014, have accumulated in the city's bond account and had not been appropriately disbursed or refunded as of February 2015.

The municipal division does not maintain a bond ledger indicating the date and amount received, related case, and bond disposition or open status. Because the Court Clerk does not provide reports of bond dispositions or open status to the City Clerk, bond monies have accumulated in the bond account and no disbursements have been made since the account was opened in August 2013. Also, open bonds have not been reconciled to the bond account balance.

We prepared a list of open bonds at September 30, 2014, and compared it to the reconciled bond account bank balance. The \$17,482 reconciled bank balance consisted of open bonds totaling \$1,078, bonds applied totaling \$15,404 that should have already been disbursed to the city when the related cases were closed, and two \$500 bonds to be refunded. The two \$500 bonds were not recorded in a bond ledger or in the related case files. When the associated cases were closed (one in February 2014 and the other in June 2014) the defendants were ordered to pay fines and court costs. Rather than



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

applying the \$500 bonds already held to amounts due, the Court Clerk collected the full amount of fines and court costs assessed from each defendant and did not refund the bond monies. The Court Clerk indicated she inadvertently collected too much money from these defendants because she did not realize bonds had been posted on these cases. After we discussed this situation with municipal division personnel, they discussed it with city officials. In February 2015, the city issued refunds to both defendants.

To ensure bond monies are accounted for and disbursed properly and timely, the Court Clerk should maintain a bond ledger and provide reports of necessary information to the City Clerk. A bond ledger is necessary to account for all bonds received, track activities of each bond, identify open bonds and bonds that need to be disbursed, and to prepare and provide reports to the city. These reports are necessary to communicate disbursements needed from the bond account, compare city bond records to municipal division records, reconcile open bonds to cash balances, detect and correct errors, and ensure sufficient cash is available for payment of all amounts due. The failure to routinely review open bonds and apply, forfeit, or refund monies when appropriate increases the volume of cases requiring monitoring and deprives the state, city, or others the use of those monies. If refunding is appropriate, but proper payees cannot be located, the monies should be disposed of in accordance with state law.

Recommendations

The City of Dixon Municipal Division:

- 1.1 Ensure documented thorough independent or supervisory reviews of accounting records are periodically performed.
- 1.2 Reconcile manual receipt slips issued to receipts recorded in the computer system.
- 1.3 Require an independent review and approval of all noncash transactions, and retain adequate documentation to support noncash transactions.
- 1.4 Ensure bond receipts are deposited timely and fines and court costs monies are transmitted to the City Collector timely.
- 1.5 Work with the Police Department to ensure official prenumbered bond forms are issued, the numerical sequence of all bond forms is accounted for, and a bond log is maintained to record all bonds received.
- 1.6 Maintain a complete bond ledger to account for all bond activities, prepare and provide reports of bond activities to the City Clerk, and work with the city to ensure all bonds are accounted for and disbursed properly.



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

Auditee's Response

The City of Dixon Municipal Division provided the following written responses:

- 1.1 We will ensure a supervisory review is performed and documented on the last day of the month, or as soon as possible thereafter.*
- 1.2 We are in the process of developing procedures to reconcile manual receipt slips to the computer system. We will ensure all manual receipt slips are entered correctly and in a timely manner.*
- 1.3 We have developed forms to document fines and court costs waived, and community service waived. Judicial approval will be documented on these forms and on computer reports of jail time served and community service performed.*
- 1.4 We will ensure every fine(s), court cost, and cash bond is submitted to the City Collector in a timely manner. Cash bonds are now transmitted to the City Collector instead of deposited by the Court Clerk.*
- 1.5 We are working with the Police Department to ensure prenumbered bond forms are used and the numerical sequence of forms is accounted for. We have developed a bond log to record and account for all bond forms.*
- 1.6 We have developed a bond log to record and account for all bond monies received and disbursed. We are in the process of developing forms to communicate bond activity to the City Clerk to ensure all bonds are accounted for and disbursed properly.*

2. Municipal Division Procedures

Procedures related to monthly reports, court surcharges, court costs, warrant fees, monitoring excess revenues, and ticket accountability need improvement.

2.1 Monthly reports and court surcharges

The Court Clerk did not submit accurate monthly reports of municipal division collections to the state and city. As a result, municipal division activities have been incorrectly reported to the Office of State Courts Administrator (OSCA) and the city lacks the information needed to accurately track amounts collected by the municipal division and disburse court surcharges collected.

The Court Clerk generates the monthly Municipal Division Summary Reporting Form from the computer system, showing collection amounts entered into the computer system. This monthly report is submitted to the OSCA and to the City Clerk. The City Clerk utilizes the report to disburse certain court surcharges to the state.



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

Our review of monthly reports generated by the Court Clerk from the computer system identified numerous errors. The Court Clerk had not adequately reviewed these reports or identified the errors. The table below presents actual amounts collected versus amounts reported on the September 2014 report:

Collections	Actual	Reported	Over/ (Under) Reported
Fines	\$ 2,624.50	2,479.50	(145.00)
Court costs	364.00	308.00	(56.00)
Court surcharges:			
Crime Victims' Compensation (CVC)	194.50	127.80	(66.70)
Peace Officers Standards and Training (POST)	26.00	18.25	(7.75)
Law Enforcement Training (LET)	52.00	36.50	(15.50)
Judicial Education (JE)	25.00	25.90	.90
Warrant fees	100.00	0.00	(100.00)
Other costs:			
Court	0.00	43.05	43.05
Jail	44.50	0.00	(44.50)
Total	\$ 3,430.50	3,039.00	(391.50)

As further explained below, differences occurred because (1) monthly reports generated include only part of each month's activities, (2) court surcharges were inaccurately programmed in the computer system, and (3) warrant fees were not recorded in the computer system.

Reporting period

The Court Clerk generates the monthly reports around the 15th of the month reported, instead of after the month has ended. As a result, the reports only include the activities related to the first half of the month, including activities on court day, and the activities of the second half of the month are not subsequently reported. The Court Clerk indicated she generates the reports in this manner to meet OSCA's reporting deadline of the 15th of each month; however, the deadline pertains to the 15th of the month following the month reported.

Court surcharges

Court surcharges totaling \$11.50 per case are not accurately allocated by the computer system due to programming errors. As a result, court surcharge amounts are incorrectly reported and disbursed.

The municipal division collects various court surcharges for each case as provided by city ordinance, including \$7.50 for CVC, \$1 for POST, and \$2 for LET. In addition, the municipal division withholds \$1 from the \$15 (\$12 prior to September 1, 2013) court cost amount for JE as authorized by Section 479.260, RSMo.



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

Examples of incorrect allocations of the \$11.50 court surcharges collected in September 2014 versus the required allocation for some tickets follows:

		CVC	POST	LET	JE	Court Cost	Total
Required Allocation	\$	7.50	1.00	2.00	1.00	0.00	11.50
<u>Ticket number</u>							
50072188	\$	3.38	0.45	0.90	0.45	6.32	11.50
50072197		3.16	0.45	0.90	0.68	6.31	11.50
50072273		7.00	1.00	2.00	1.50	0.00	11.50
50072469		7.00	1.00	1.99	1.51	0.00	11.50

The Court Clerk was unable to determine why the computer system incorrectly and inconsistently allocated the court surcharges.

Warrant fees

Since the Court Clerk does not record warrant fees in the computer system, warrant fees collected are not included in the monthly reports (see section 2.3).

Conclusions

Due to inaccurate information reported on the monthly reports, municipal division activities have been incorrectly reported to the OSCA. In addition, because the city disburses CVC and POST surcharges to the state based on the monthly reports, the city has disbursed incorrect amounts to the state. For September 2014, the city made disbursements to the state based on reported CVC surcharges of \$127.80 instead of the actual amount collected of \$194.50; and reported POST surcharges of \$26 instead of the actual amount of \$18.25. Furthermore, without accurate monthly reports and allocations of costs, the city is unable to accurately track and record LET and JE surcharges, which can only be disbursed for specific purposes.

Supreme Court Operating Rules 4.28 and 4.29 and OSCA instructions require monthly reports of cases filed and fines and court costs collected to be submitted to the OSCA and the city. Reports are to be submitted by the 15th of the month following the reporting month and include all activities that have occurred since the last report. To ensure accurate information is reported to the OSCA and court surcharges collected are correctly reported to the city and disbursed to the state and/or tracked in accordance with city ordinance and state law, the municipal division should establish procedures to generate accurate monthly Municipal Division Summary Reporting Forms. Such procedures should include ensuring monthly reports include all activities of the entire month, accurately programming court surcharge allocations into the computer system, and reconciling reported amounts to municipal division records.



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

2.2 Court costs

The municipal division increased court costs by \$3, from \$12 to \$15, effective September 1, 2013, without statutory authority. Neither the Municipal Judge nor the Court Clerk could provide a basis for the increase. After we discussed this situation with municipal division personnel, they reduced court costs to \$12 effective January 2015.

Supreme Court Operating Rule 21.01, Section 488.012, RSMo, and city ordinances allow \$12 to be charged for court costs.

2.3 Warrant fees

The municipal division assesses a potentially improper \$50 warrant fee for each warrant issued for failure to pay amounts due. According to municipal division records, warrant fees collected totaled approximately \$2,000 during the year ended September 30, 2014. Per Section 479.260, RSMo, a municipality may by ordinance provide for court fees pursuant to sections 488.010 to 488.020, RSMo. There is no statutory provision that authorizes the municipal division to assess the warrant fee.

2.4 Monitoring of excess revenues

The municipal division has not provided a report of traffic violation tickets and associated fines and court costs revenues to the city for inclusion in the calculation and reporting required in the city's annual financial report filed with the State Auditor's office (SAO).

The municipal division does not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected and transmitted to the city. This information is needed by the city to calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, determine whether excess revenues should be distributed to the state Department of Revenue, and provide an accounting of the percent in its annual financial report as required by state law.

The city has not filed annual financial reports for its fiscal years ended September 30, 2013, and 2014, with the SAO as required by law. With the completion of its current fiscal year (October 1, 2014, through September 30, 2015), the city will again be required to report the percent of annual general operating revenue from fines and court costs related to traffic violations in its annual financial report, as it was for the previous 2 fiscal years. Thus, the municipal division needs to establish procedures and records to identify applicable traffic violations and the related fines and court costs revenues to assist the city in complying with state law.

Effective August 28, 2013, Section 302.341.2, RSMo, was amended, reducing the threshold for remitting excess revenues to the state, and requiring cities to provide an accounting of the percent of annual general operating revenue from fines and court costs in its annual financial report submitted to the SAO as required by Section 105.145, RSMo. Section 302.341.2, RSMo, further provides that a city that is noncompliant with the



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

law "... shall suffer immediate loss of jurisdiction of the municipal court of said city ... on all traffic-related charges until all requirements of this section are satisfied."

2.5 Ticket accountability

The municipal division and the Police Department do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. As tickets are issued by the Police Department, they are given to the municipal division for processing. However, there are no procedures to account for the numerical sequence of all tickets issued or to ensure all tickets issued have been provided to the municipal division. After we discussed this issue with department personnel, they reviewed tickets issued from October 1, 2012, to December 31, 2014, and indicated they accounted for all tickets issued during the period.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Police Department cannot be assured all tickets issued are properly submitted for processing. A record should be maintained accounting for the ultimate disposition of each ticket issued to decrease the risk of loss, theft, or misuse of funds.

Recommendations

The City of Dixon Municipal Division:

- 2.1 Establish procedures to ensure the accuracy of monthly Municipal Division Summary Reporting Forms.
- 2.2 Ensure court costs are assessed as allowed by Supreme Court Operating Rules, state laws, and city ordinances.
- 2.3 Work with the city and legal counsel to reevaluate the warrant fee and the authority to assess the fee.
- 2.4 Develop procedures and records to identify applicable traffic violations and the associated fines and court costs revenues and provide this information to the city.
- 2.5 Work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

Auditee's Response

The City of Dixon Municipal Division provided the following written responses:

- 2.1 *We have worked with the software representative to ensure the correct allocation of surcharges for current and future cases. We will be working with the software representative to get the correct*



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

allocation on older cases. Monthly reports are now being generated to include the entire month's activity. Warrant fees are no longer assessed effective December 23, 2014.

- 2.2 *The court cost was corrected and is in accordance with Supreme Court Operating Rules, state law, and city ordinances.*
- 2.3 *Warrant fees were discontinued effective December 23, 2014, and the court is in the process of consulting with legal counsel and city managers to have the ordinances updated.*
- 2.4 *We will ensure this is performed on a monthly basis.*
- 2.5 *We will work with the Police Department to ensure all citations are accounted for in a timely manner.*

3. Computer Controls

Controls over municipal division computers need improvement. As a result, municipal division records are not adequately protected and are susceptible to unauthorized access or damage.

3.1 Data backup

The municipal division does not periodically back up the data in the computer system. Preparation of backup data, preferably on a daily or at least weekly basis, periodic testing to ensure the backup process is adequate, and off-site storage would provide reasonable assurance data could be recovered if necessary.

3.2 User identifications and passwords

The current Court Clerk uses the same user identification and password to log onto the computer system as used by the former Court Clerk who resigned in December 2013.

User identifications and passwords are required to authenticate access to computers. The security of user identifications and passwords are dependent upon keeping them confidential. However, since the current Court Clerk is using the former Court Clerk's user identification and password, there is less assurance the user identification and password is effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should also be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

Recommendations

The City of Dixon Municipal Division:

- 3.1 Regularly back up computer data and ensure it is stored in a secure off-site location and its recovery is tested on a regular, predefined basis.



Twenty-Fifth Judicial Circuit
City of Dixon Municipal Division
Management Advisory Report - State Auditor's Findings

- 3.2 Require unique user identifications and passwords for each employee and passwords that are confidential and periodically changed to prevent unauthorized access to the municipal division's computers and data.

Auditee's Response

The City of Dixon Municipal Division provided the following written responses:

- 3.1 *The city is in the process of establishing backup procedures for all city and court computers, to be implemented in the near future.*
- 3.2 *The Court Clerk is now using a unique user identification and will work with the software representative to determine how to change her password. The password will be kept confidential and changed periodically.*

Twenty-Fifth Judicial Circuit

City of Dixon Municipal Division

Organization and Statistical Information

The City of Dixon Municipal Division is in the Twenty-Fifth Judicial Circuit, which consists of Maries, Phelps, Pulaski, and Texas Counties. The Honorable William E. Hickie serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At September 30, 2014, the municipal division employees were as follows:

Title	Name
Municipal Judge	John Ward
Court Clerk	Kathy Smith

Financial and Caseload Information

	Year Ended September 30, 2014
Receipts	\$41,403
Number of cases filed	214



JOHN WATSON

Missouri State Auditor

April 15, 2015

Nia Ray, Director
Department of Revenue
and
Dr. Margie Vandeven, Commissioner
Department of Elementary and Secondary Education
Jefferson City, Missouri

To avoid a conflict of interest, the State Auditor recused himself from participation in this review and directed me to oversee procedures performed by the professional audit staff. This letter relates to our review of the Department of Revenue's (DOR) and the Department of Elementary and Secondary Education's (DESE) handling of excess revenues from traffic violations, and the distribution of excess revenues to school districts. The objectives of our review were to:

1. Obtain an understanding of the distribution of excess revenues from municipal traffic violations.
2. Determine the extent of the funds collected to date.
3. Determine if the funds are being distributed in accordance with Sections 302.341 and 166.131, RSMo.

Our review determined the DOR and DESE are not distributing the excess revenues from traffic violations in accordance with state law. As a result, school districts of the county where the excess revenues originated received less revenue than provided for in state law.

Methodology

Our methodology included reviewing agency provided financial reports and interviewing various personnel of the DOR and the DESE. We also met with DESE personnel regarding School Foundation Formula distributions.

Background

Pursuant to Section 302.341, RSMo, any city, town, village, or county that receives more than 30 percent of its annual general operating revenue from fines and courts costs for traffic violations, shall send the director of the department of revenue all revenue in excess of the 30 percent of the annual general operating revenue and the revenue shall be distributed annually to the schools of the county in the same

manner that proceeds of all penalties, forfeitures and fines collected for any breach of the penal laws of the state are distributed. In addition, Section 166.131, RSMo, requires the clear proceeds of all penalties and fines collected for any breach of the penal laws of the state shall be collected and distributed to the school districts of the county by the county clerk in the same proportion of the September membership of the school district.

Until August 2012, only one city had remitted excess revenues from traffic violations to the DOR. However, from December 2014 through March 20, 2015, the DOR received \$295,466 in excess revenues from five cities within Crawford, Newton, St. Francois, and St. Louis Counties.

Results and Conclusions

State distributions of excess revenues are not in compliance with Sections 302.341 and 166.131, RSMo, because excess revenues were not distributed only to the schools districts of the county where the excess revenues originated. The DOR deposited the excess revenues in the School Building Revolving Fund (SBRF) and the Office of Administration, Division of Accounting then transferred these amounts to the State School Monies Fund (SSMF) each month in accordance with approved appropriations. The DESE then distributed SSMF proceeds to Missouri school districts through various appropriations for the School Foundation Formula and other programs as authorized by the General Assembly.

DOR personnel indicated the DOR continues to follow procedures established when the excess revenues program was originally created but could not provide documentation to support the decision to deposit the excess revenues in the SBRF. DESE personnel indicated distributions are made in accordance with state appropriations and a distribution method analysis had not been performed because excess revenues had not been collected and transmitted to the DESE in recent years. In addition, DOR and DESE personnel were uncertain if an appropriation exists that would allow the DOR to disburse the excess revenues to school districts of the county where the excess revenues originated.

Our analysis of amounts distributed in February 2015, utilizing the School Foundation Formula, indicated school districts in Crawford, St. Francois, and St. Louis Counties did not receive \$235,450 due to this improper distribution method.

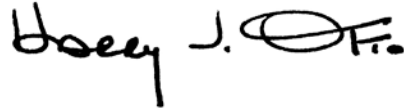
County (Number of School Districts)	Amount to be Distributed to County	Amount Received Using Formula	Net Loss
Crawford County (9)	5,000.00	\$ 3,487.93	1,512.07
St. Francois County (9)	44,038.00	6,956.28	37,081.72
St. Louis County (25)	231,716.00	34,858.92	196,857.08
Total	280,754.00(1)	\$ 45,303.13	235,450.87

(1) Does not include \$14,712 received from a city within Newton County but not distributed as of our review.

Recommendations

We recommend the DOR work with the DESE and, if necessary, the legislature to (1) ensure future excess revenues are distributed in accordance with state law, and (2) initiate action to correct previous excess revenues distributions.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large "H" and a circular flourish at the end.

Harry J. Otto, CPA
Deputy State Auditor

CC: Honorable Jeremiah W. (Jay) Nixon, Governor
Members of the Missouri State Board of Education



John Watson
Missouri State Auditor

HIGHWAY PATROL

Criminal Justice Information Security Management



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CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety, Missouri State Highway Patrol, Criminal Justice Information Security Management

Recusal	To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff.
Background	The Missouri Department of Public Safety - Missouri State Highway Patrol (MSHP) is responsible for administering the systems and infrastructure for maintaining and disseminating criminal justice information (CJI) used by agencies for criminal justice and certain noncriminal justice purposes. The MSHP has been designated as Missouri's Criminal Justice Information Services (CJIS) Systems Agency by the United States Department of Justice Federal Bureau of Investigation (FBI) and is responsible for establishing and administering an information technology security program for users, including local agencies. The Missouri Uniform Law Enforcement System (MULES) is a statewide computerized communications system managed by the MSHP designed to provide services, information, and capabilities to the law enforcement and criminal justice community in Missouri. The MULES is used by the state to meet FBI requirements and serves as the central system for providing criminal justice agencies and certain noncriminal justice agencies with access to federal, state, and local CJI through the CJIS network.
Agency Compliance Controls	MSHP management has taken significant steps to protect information systems from threats. However, opportunities exist to strengthen the MSHP's security posture. The MSHP has not fully established policies and procedures to proactively monitor the activity or events performed by MULES users, and does not have adequate procedures for reporting, tracking, and monitoring incidents of inappropriate use. The MSHP has not performed security audits since July 2012, and does not have adequate policies or procedures for performing policy compliance review (PCR) audits to ensure agency compliance with the National Crime Information Center and MULES policies. The MSHP also does not centrally track the results of PCR audits performed. In addition, the MSHP does not require regular background checks of MSHP users with access to the MULES. The MSHP has not entered into user agreements with some agencies that have access to CJI, and has not ensured that all agreements meet federal and state requirements. Further, the MSHP has not ensured all users with access to CJI are sufficiently trained and aware of their security responsibilities.
User Account Management	The MSHP has not fully established policies and procedures for requesting, granting, and removing access to the CJIS network, the MULES, or other supporting systems. The MSHP has not fully established procedures for administering and reviewing user access to data and other information resources to ensure access rights relate with job duties. Reviews are not regularly performed to identify terminated or transferred users with access to the CJIS network or the MULES, or to determine whether disabled accounts can be permanently removed. As of November 2014, twenty former MSHP employees still had access to the MULES, and MSHP officials maintained 13,200 disabled MULES user accounts. MSHP officials also did not provide supervisory oversight or establish other mitigating controls to ensure users with extensive access rights did not perform unauthorized tasks. In addition, users that

remotely access the MULES (56 percent of users) are not required to follow certain security controls required of users accessing the MULES directly. Also, MSHP management has not fully documented access profiles that may be assigned to MULES users.

Information Security Program	MSHP management has made several significant improvements to the information security program since 2012. However, the MSHP has not established a comprehensive risk assessment and management program to identify potential threats and vulnerabilities. In addition, an incident response plan has not been fully established to ensure computer security incidents are correctly logged, analyzed, and appropriate action is taken. The MSHP has not defined the security events to be logged and reviewed and the MULES does not have the capability to track user additions, changes, or deletions. MSHP management has not consistently ensured all users are uniquely identified or that passwords are not shared and are changed every 90 days. The MULES does not have controls to limit the number of consecutive unsuccessful access attempts and management has not established formal written policies to periodically review and evaluate the effectiveness of security settings for the MULES or the CJIS network. The MSHP does not have sufficient physical security policies and procedures to ensure computer resources are properly controlled, monitored, and restricted to authorized individuals. Further, the MSHP has not fully established or documented policies and procedures for the sanitization and destruction of electronic media containing CJI, has not fully documented the roles and responsibilities for several employees responsible for information security, and has not fully established procedures for reviewing and re-approving key standards, directives, policies, or procedures related to information technology and security.
Disaster Recovery Plan	The MSHP's Disaster Recovery Plan does not include certain needed information should a disaster occur. Although the MSHP has implemented and tested some recovery procedures, the plan is not complete and has not been updated to reflect changes in the operating environment. In addition, a comprehensive test to ensure critical systems can be fully restored has not been performed.
National Data Exchange	The MSHP has not performed audits of agencies with direct access to the National Data Exchange System (N-DEx) to ensure compliance with applicable statutes, regulations, and policies. In addition, management has not established procedures to ensure that N-DEx users receive biennial security awareness training.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Criminal Justice Information Security Management

Table of Contents

State Auditor's Report	2
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Introduction	
Background	4
Missouri Uniform Law Enforcement System (MULES)	5
Scope and Methodology	7

Management Advisory Report - State Auditor's Findings	
1. Agency Compliance Controls	9
2. User Account Management	21
3. Information Security Program	29
4. Disaster Recovery Plan	38
5. National Data Exchange	39



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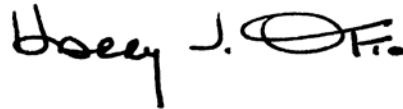
Honorable Jeremiah W. (Jay) Nixon, Governor
and
Peter Lyskowski, Acting Director
Department of Public Safety
and
Colonel Ronald K. Replogle, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited the Department of Public Safety-Missouri State Highway Patrol management of security controls related to criminal justice information in fulfillment of our duties under Chapter 29, RSMo. This audit was conducted to evaluate the effectiveness of security controls and other related internal controls designed to secure confidential criminal justice information and as a result of increasing concerns regarding security of information maintained in state databases. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions.
2. Evaluate compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and information system control activities.
4. Evaluate the effectiveness of information security controls for protecting the confidentiality, integrity, and availability of significant systems and information.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, (3) the need for improvement in management policies and procedures, and (4) the need to fully implement an information security program and related security controls. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Public Safety - Missouri State Highway Patrol.

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large, looped "H" and a distinct "O".

Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

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Criminal Justice Information Security Management

Introduction

Background

The Missouri Department of Public Safety - Missouri State Highway Patrol (MSHP) is responsible for administering the systems and infrastructure for maintaining and disseminating criminal justice information (CJI) used by agencies for criminal justice and certain noncriminal justice purposes. The MSHP relies extensively on information systems to support mission-related operations and on information security controls to protect the confidentiality, integrity, and availability of sensitive CJI maintained in those systems.

Information security is a critical consideration for any organization dependent on information systems and networks to meet its mission or business objectives. Information security is especially important for state agencies, where public trust is essential for the efficient delivery of services. Security can be a significant investment, which adds to an already long list of administrative duties. Managing secure networks, developing and implementing new system functionality, maintaining system users, and other day-to-day security tasks can strain limited administrative resources. However, agency management must understand proper protection of citizen information is a requirement and not a luxury in the current interconnected cyber environment. Without proper safeguards and controls, computer systems and confidential data are vulnerable to individuals with malicious intentions who can use access to obtain sensitive data or disrupt operations.

The MSHP mission is to serve and protect all people by enforcing laws and providing services to ensure a safe and secure environment. The MSHP has been designated as Missouri's Criminal Justice Information Services (CJIS) Systems Agency (CSA) by the United States Department of Justice Federal Bureau of Investigation (FBI) and is responsible for establishing and administering an information technology security program for users, including local agencies. The MSHP is organized into five bureaus, which are comprised of several divisions and troops. The CJIS Division and the Information and Communications Technology Division (ICTD) are within the Technical Services Bureau.

The CJIS Division has been designated as the Central Repository for Missouri, which according to Section 43.500, RSMo, is responsible for compiling and disseminating complete and accurate criminal history records. In addition, the CJIS Division is responsible for ensuring agencies that utilize CJI are in compliance with federal and state laws, regulations, and policies. The ICTD is responsible for developing and maintaining computer systems for criminal justice agencies at both the state and local levels of government.

CJIS Division and ICTD management have primary responsibility for administration and oversight of the policies and procedures for security and control of department information systems and technology resources. MSHP



Criminal Justice Information Security Management Introduction

staff and personnel at other agencies are responsible for performing duties required by applicable requirements.

Missouri Uniform Law Enforcement System

The Missouri Uniform Law Enforcement System (MULES) is managed by the MSHP. Section 43.010, RSMo, states MULES is a statewide-computerized communications system designed to provide services, information, and capabilities to the law enforcement and criminal justice community in Missouri. The MULES is the state's single point of entry into the National Crime Information Center (NCIC), the criminal justice information system operated by the FBI. The MULES is used by the state to meet FBI requirements and serves as the central system for providing criminal justice agencies and certain noncriminal justice agencies with access to federal, state, and local CJI through the CJIS network.

According to the CJIS Security Policy,¹ CJI is the term used to refer to all of the federal CJIS data necessary for law enforcement and civil agencies to perform their missions including, but not limited to, biometric, identity history, biographic, property, and case/incident history data. Some of the CJI collected, maintained and accessible to users of the MULES includes:

- Missouri hot file data, such as wanted persons, missing persons, orders of protection, stolen license plates, towed vehicles, and stolen property.
- Federal data from the NCIC, including hot file data, gang file data, suspected terrorists, violent persons, and national sexual offender registry files.
- Missouri criminal history record information (CHRI), such as arrests, prosecutor and court actions, dispositions, and incarceration records.
- Federal and other state CHRI, or data available from the Interstate Identification Index, such as names and personal identification information of arrested persons.
- Missouri sexual offender registry information, such as listings of persons found guilty of sexual and certain other offenses.
- Missouri Department of Revenue (DOR) driver's license data, such as demographic information, photographs, and driving records of cardholders.
- Missouri DOR motor vehicle data, such as license plate numbers, owners, and registration statuses of vehicles.
- Data from the National Law Enforcement Telecommunications System (NLETS), such as hot file data, CHRI, warrant, driver license data, and motor vehicle data from other state, federal, and Canadian agencies.

¹ U.S. Department of Justice Federal Bureau of Investigation Criminal Justice Information Services Division, Criminal Justice Information Services (CJIS) Security Policy Version 5.2.



Criminal Justice Information Security Management Introduction

- Missouri Department of Corrections (DOC) data, such as information on prisoners confined at a Missouri DOC facility or individuals under the supervision of a Missouri Probation and Parole office.

Some of the major functionality available in the MULES includes the ability for users to enter, maintain, and inquire on records of interest. In addition, the system allows users to search various sources of information simultaneously. For example, users could enter a single set of search criteria, such as a last name and date of birth, and search multiple Missouri and federal data sources simultaneously, such as the hot files, CHRI, driver's licenses, motor vehicles, and sexual offender registries.

CJI is used for both criminal justice and noncriminal justice purposes. Federal and/or state laws and regulations indicate agencies such as Police Departments, Sheriff's offices, Departments of Corrections, Prosecuting Attorney's offices, municipal or state courts, and contractors with a criminal justice purpose may have access to CJI. In Missouri, the MSHP allows authorized personnel at these agencies to have direct access to the MULES. In addition, noncriminal justice agencies such as certain state agencies, school districts, and nursing homes are authorized by federal or state law to receive civil fingerprint-based background checks for employment, licensing determinations, immigration and naturalization matters, and national security clearances. For example, since state law requires school districts to ensure applicants for most school district positions have a criminal history background check performed prior to having contact with a student, certain personnel at the school districts are authorized access to CJI. In Missouri, these agencies do not have direct access to the MULES, but upon requesting the fingerprint-based background check from the MSHP, are provided access to the results of the request using data generated from the MULES.

Security and access controls

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information.

MSHP management is responsible for ensuring the confidentiality and privacy of the CJI collected, maintained, used, or transmitted from the MULES and other connected systems by establishing effective security and access controls. Security of CJI is especially important when such information can be directly linked to an individual. Confidentiality is



Criminal Justice Information Security Management Introduction

threatened not only by the risk of improper access to electronically stored information, but also by the risk of interception during electronic transmission of the information.

The MULES is a private network information system that can be accessed by authorized users. Access to MULES is controlled using various resources, including the networks, security system, and/or remote access mechanisms. The MULES security system controls the level of access a user is granted, including the actions a user can perform. The CJIS Division and the ICTD also use internal databases or systems to store user account information and to track user access to the MULES and other resources, agency information, and training records for MULES users.

Requirements

The CJI accessible through the MULES and other systems contains personally identifiable information (PII), such as social security numbers (SSN), and other legal information. Federal² and state³ policies require criminal justice agencies to ensure appropriate safeguards are in place to protect the confidentiality, integrity, and availability of CJI.

Federal and state law, regulations, and policies govern the access, use, and dissemination of CJI. Improper access, use or dissemination of information is serious and may result in sanctions including, but not limited to, termination of services, and state and/or federal criminal and civil penalties. Inappropriate use of CJI could include an individual accessing the MULES under access privileges associated with an agency for which he or she no longer works; an individual using the information for personal use or private gain, in exchange for monetary or other compensation; and disseminating information to an individual outside of the criminal justice system.

Scope and Methodology

The scope of our audit included information security and other relevant internal controls, policies and procedures, and other management functions and compliance issues in place during the year ended June 30, 2014.

Our methodology included conducting interviews with appropriate officials and staff, as well as certain external parties; identifying, obtaining, and reviewing available written policies and procedures, federal and state laws, and other applicable information; and performing testing.

² U.S. Department of Justice Federal Bureau of Investigation National Crime Information Center (NCIC) Division, NCIC 2000 Operating Manual. The NCIC is a nationwide, computerized information system containing CJI available to all criminal justice agencies. NCIC policy establishes a number of security measures to ensure the privacy and integrity of the data. In addition, NCIC policy requires data to be complete, accurate, and entered timely.

³ The Missouri Uniform Law Enforcement System Policy and Standards Manual (MULES Policy) is the MSHP supplement to the CJIS Security Policy and the NCIC Policy.



Criminal Justice Information Security Management Introduction

We obtained a data file from MSHP officials of user accounts having access to the MULES as of November 2014. To ensure completeness of the data, we grouped the accounts by agency and reviewed for reasonableness. Although we used computer-processed data from the MULES for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review and testing of the issues specific to the audit objectives.

We obtained employment records of all MSHP employees from the statewide accounting system for human resources. We matched these records to MULES user accounts to determine if any terminated employees had active user accounts. We gave MSHP officials a list of all terminated employees we found who had active access to the MULES. Although we used computer-processed data from the statewide accounting system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review and testing of the issues specific to the audit objectives.

To assess the reliability of other data and information we analyzed, such as system control settings, compliance audits, authorization documents, and security policies and procedures, we corroborated the information with MSHP officials and security administrators to determine whether the data obtained were consistent with system configurations and controls in place at the time of our review. Based on this assessment, we determined the data and information were reliable for the purposes of this report.

We based our evaluation on accepted state, federal, and international standards, policies and procedures, and best practices related to information technology security controls from the following sources:

- CJIS Security Policy Version 5.2
- NCIC 2000 Operating Manual
- MULES policy
- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- ISACA (previously known as the Information Systems Audit and Control Association)

Criminal Justice Information Security Management

Management Advisory Report

State Auditor's Findings

1. Agency Compliance Controls

While Missouri State Highway Patrol (MSHP) management has taken significant steps to protect information systems from threats, opportunities exist to strengthen the agency's security posture and reduce security risk by enhancing agency compliance controls.

According to MSHP officials, the following steps have been taken to improve the overall security of the MSHP's information systems:

- The creation of an Information Security Unit dedicated solely to information security operations and ensuring compliance by federal, state, and local user agencies.
- The appointment of a Chief Information Security Officer, responsible to direct oversight of cybersecurity operations and overall day-to-day information security governance.
- The development of a comprehensive information security strategy linking security policies and protections to agency operational needs.
- A significant investment in a security architecture designed to provide protection to critical data and other assets from known and emerging threats.
- Training and auditing programs aimed at ensuring compliance with various statutory and regulatory requirements.
- Outreach programs providing expertise and security related training to law enforcement agencies of all sizes.

MSHP management needs to improve controls and procedures to ensure agencies are in compliance with information security standards, applicable laws, regulations, and requirements for protecting the generation, transmission, and storage of criminal justice information (CJI). MSHP management has generally developed many of the controls needed to assess agency compliance with requirements, but these control requirements have not been fully implemented.

The Federal Bureau of Investigation (FBI) Criminal Justice Information Services (CJIS) Security Policy states the CJIS Systems Agency⁴ (CSA) is responsible for establishing and administering an information technology security program throughout the CSA's user community, to include the local

⁴ The FBI has designated the Missouri State Highway Patrol as the CJIS Systems Agency (CSA) for Missouri.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

levels.⁵ Each agency is responsible for ensuring the protection of CJI and complying with federal and state requirements. For example, the CJIS Security Policy states controls shall be established to protect information from unauthorized disclosure, alteration or misuse. The CSA is ultimately responsible for ensuring each agency is in compliance with federal and state requirements.

As the CSA, the MSHP has a demanding responsibility for administering and monitoring the information security program and compliance components to ensure federal and state requirements are complied with by both MSHP and local agency personnel. A MSHP official indicated 792 agencies had direct access to the MULES as of October 2014, and our review identified 21,169 active MULES user accounts as of November 2014. The MSHP is also responsible for monitoring approximately 800 noncriminal justice agencies authorized to access CJI. As a result, significant resources are necessary for the MSHP to meet CSA objectives and compliance requirements.

However, without adequate monitoring and control procedures, management faces an increased risk that appropriate controls for protecting the full lifecycle of CJI have not been effectively implemented, which jeopardizes the reliability, confidentiality, completeness, and accuracy of information maintained by the CJIS system, including the MULES.

1.1 Monitoring and handling incidents of inappropriate use of CJI

MSHP management needs to improve controls and procedures to fully ensure (1) CJI is used in accordance with federal and state requirements and (2) incidents of potential inappropriate use of CJI are tracked and handled. The CJIS Security Policy requires the CJIS Systems Officer (CSO) at the CSA to ensure appropriate use, enforce system discipline, and ensure CJIS Division operating procedures are followed by all users of the respective services and information.

Audit trail monitoring

MSHP management has not fully established policies and procedures to proactively monitor the activity or events performed by Missouri Uniform Law Enforcement System (MULES) users. The MULES logs all criminal history inquiries by maintaining a record of every transaction made. However, a MSHP official said due to the large number of transactions generated by MULES users and insufficient resources, the MSHP has not been able to do much proactive monitoring for unusual or inappropriate activity on a regular basis. Instead, the MSHP relies upon a shared compliance enforcement approach with local agencies and reviews of audit

⁵ The local levels (agencies) in Missouri refer to local criminal justice agencies (such as Police Departments, Sheriff's offices, courts, etc.) or noncriminal justice agencies designated to perform criminal justice functions (such as a city information technology department).



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

trail records performed during triennial policy compliance reviews (PCR) to determine if inappropriate activity occurred. According to a MSHP official, other monitoring reviews are performed but are more reactive, or based upon inquiries from employers and other individuals about potential instances of inappropriate use of CJI. In addition, the MSHP now requires agencies to report inappropriate use of CJI within 24 hours of becoming aware of the misuse.

Audit and monitoring involves the regular collection, review, and analysis of auditable events for indications of inappropriate or unusual activity, and the appropriate investigation and reporting of such activity, according to the Government Accountability Office (GAO). Monitoring of activity and usage of CJI is necessary to identify improper access, use, or dissemination of CJI, including noncompliance with federal and state requirements. The loss or unauthorized disclosure or alteration of the information residing on systems, which can include personally identifiable information (PII), can lead to serious consequences and substantial harm to individuals and the nation, according to the GAO. Further, the lack of frequent reviews of audit trail information may result in significant instances of misuse not being detected.

Incident response

MSHP management has not fully established or standardized procedures for reporting, tracking, and monitoring incidents of inappropriate use⁶ of CJI. MSHP personnel learn of potential inappropriate use of CJI through various sources, such as notifications from federal agency personnel, CJIS audit staff, local agency personnel, or private citizens. For example, a local agency may request audit trail records from the MSHP to determine if a user improperly accessed CJI.

A MSHP official said a centralized method to document reports of potential misuse, or to track the status and results of those incidents had not been established. The MSHP documented the number of audit trail record requests received from local agencies for investigating potential misuse of CJI. However, the status of those requests, including whether actual misuse was identified, was not tracked. As a result, MSHP management was unable to statistically assess the extent and nature of misuse of CJI. A MSHP official said recent improvements have been made to enhance the overall response to incidents of inappropriate use. In the fall of 2013 the MSHP issued a new state policy requiring that agencies report any security incident, including inappropriate use within 24 hours of discovery. In addition, in the fall of 2014, a security incident reporting system was implemented allowing agencies to electronically report security incidents.

⁶ Inappropriate use includes accessing CJI for private or personal use, for a purpose other than in connection with official duties and job-related performance, or with invalid access privileges.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

Submissions to this system result in immediate notification to MSHP staff and creates a database entry for incident tracking. A MSHP official said this system was in development before the start of the audit.

Without an adequate method to report, track, and monitor potential incidents of inappropriate use of CJI, there is an increased risk that incidents may not be subject to management oversight and be appropriately investigated.

1.2 Security audits

MSHP management has not performed security audits of agencies with direct access to the MULES since July 2012, and not all agencies with direct access to the MULES received audits prior to that time. In addition, MSHP management has not documented the policies or fully established the procedures necessary to perform security audits.

A MSHP official said security audits have not been performed because the unit responsible for the audits was not established until 2010 and lacked sufficient staffing. This official said the MSHP submitted a risk assessment survey to agencies during 2014, and based on the assessment results, plans to begin performing security audits starting with the higher risk rated agencies. However, this official believes submitting risk assessment questionnaires to local agencies meets the minimum CJIS Security Policy audit requirements.

The CJIS Security Policy requires performing audits at least every 3 years of all agencies with direct access to the state system. Without conducting security audits, management is unable to effectively ensure agencies are in compliance with applicable statutes, regulations, and policies. In addition, MSHP management faces an increased risk that security weaknesses or control deficiencies are not detected that could compromise the confidentiality, integrity, and availability of CJI maintained by the MULES.

Federal auditors also reported issues regarding physical security inspections of local agencies.

1.3 Policy compliance reviews

MSHP management has not fully documented policies or established procedures for performing PCR audits of criminal justice agencies with direct access to the MULES or of agencies with access to CJI for noncriminal justice purposes.

Criminal justice agencies

According to the MSHP PCR manual, the objective of PCR audits are to assess agency compliance with the National Crime Information Center (NCIC) and MULES policies so agencies may continue to participate in the criminal justice information system. NCIC policy establishes a number of security measures to ensure the privacy, integrity, and quality of data. Both the NCIC and MULES policies require performing PCR audits every 3 years of agencies with direct access to the MULES, or that operate



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

workstations, access devices, mobile data terminals, or personal/laptop computers to access the MULES, to ensure compliance with state and CJIS Security Policy and regulations.

The NCIC requires PCRs to include procedures for ensuring (1) the accuracy, completeness, and timeliness of data entered into MULES (such as criminal history records); (2) an organization protects information against unauthorized access and ensures confidentiality of the information; and (3) information is released in accordance with applicable laws and regulations with a record of CJI dissemination maintained. During the PCRs, MSHP personnel also review compliance with other federal and state requirements, including whether appropriate agreements are in-place and compliance with background check and training requirements.

We tested 44 criminal justice agency PCRs performed by MSHP personnel during the period 2010 to 2014 and found:

- PCRs were not always performed timely. A PCR was not performed or not scheduled to be performed at least once every 3 years for 11 agencies. A MSHP official said this problem occurred due to the number of agencies the MSHP is required to audit and because the MSHP tries to reduce costs by scheduling audits of agencies in similar regions together. In addition, the MSHP became responsible for auditing an additional 265 agencies in 2011, requiring the 3 year audit cycle to be reset for 2013.
- Procedures performed during the PCRs were not always sufficiently documented. For example, MSHP personnel did not always document which agency users were selected for verifying compliance with background check and/or training requirements or why they did not review the minimum number of users, as dictated by MSHP policy. In addition, MSHP personnel did not sufficiently document why they did not perform additional reviews when agency users had limited or no criminal history record inquiries from the MULES during the time period selected.
- PCR documentation did not always contain evidence of appropriate review and approval. One of the 44 PCRs did not have documentation to support MSHP personnel reviewed and approved the PCR, but contained documentation supporting the peer review of the initial PCR and management review of the associated follow-up audit. In addition, seven PCRs did not have documentation to support an agency official reviewed and approved the PCR. A MSHP official said a programming error caused the electronic signature of the agency official to be unintentionally removed in certain instances. This official said this issue has now been corrected.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

In addition, although MSHP management has developed a formal policy and procedure manual for performing the criminal justice agency PCRs, the manual has not been updated since 2012 and does not fully reflect current procedures.

Noncriminal justice agencies The CJIS Security Policy requires performing periodic audits of noncriminal justice agencies with access to CJI, and MSHP policy requires performing these PCR audits every 3 years. During these reviews, MSHP personnel verify compliance with applicable federal and state requirements, regulations and policies, such as ensuring appropriate agreements are in-place and proper dissemination of criminal history record information.

We selected 37 noncriminal justice agencies for testing the PCRs performed by MSHP personnel during the period of 2010 to 2013 and found:

- A PCR had not been performed for 21 agencies. A MSHP official said 11 of the 21 agencies had received CJI during the 3 year audit period so a PCR was necessary. This official said a PCR was subsequently performed for 7 of the 11 agencies after our audit inquiries. A MSHP official said a PCR was not performed for 10 of the 21 agencies because the MSHP had not submitted any CJI to these agencies during the 3 year audit period. However, sufficient documentation was not maintained on the audit tracking schedule to determine why the audits were not performed.
- PCR documentation did not always contain evidence of appropriate review and approval. For example, 13 PCRs did not have documentation to support MSHP personnel reviewed and approved the PCRs.
- The tracking system used for scheduling PCRs was not complete or effectively used. For example, the tracking system did not include all potential agencies required to be audited or a PCR audit was not always scheduled to be performed within 3 years of the prior audit or within a year of the agency being established. In addition, a MSHP official said periodic reconciliations have not been performed between the tracking system and the master list of noncriminal justice agencies to ensure the audit schedule includes all agencies that may require an audit. As a result, there is the risk a PCR audit may not be performed of an agency in accordance with policies or procedures.

Without effective monitoring and auditing procedures, MSHP management has less assurance agencies are in compliance with requirements and without adequate documentation to support the work performed and/or supervisory reviews of PCRs, there is an increased risk the PCRs will not be properly performed.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

Noncompliance and subsequent action

MSHP management needs to improve controls and procedures for tracking and monitoring agencies that are not compliant with the minimum federal and state requirements.

MSHP management has not implemented a tracking system for documenting whether (1) the PCRs identified audit findings and noncompliance issues, (2) additional agency monitoring is planned or has been completed, and (3) disciplinary action has been taken. A MSHP official said the criminal justice audit results are not centrally tracked due to the significant number of PCR audits performed. However, without adequate tracking of PCR results and audit findings, there is an increased risk adequate follow-up may not occur. In addition, MSHP management does not have the information necessary for performing trend analyses of noncompliance issues and for identifying lessons learned that could be incorporated into security policies and practices.

MSHP management has not established adequate written guidelines regarding when follow-up monitoring reviews should be performed. MSHP policy states staff judgment is primarily relied upon to determine whether additional monitoring should occur when noncompliance with applicable statutes, regulations and policies is identified. Although decisions are made on a case-by-case basis, written guidelines would provide suggestions to help ensure subsequent actions are handled consistently. In addition, if follow-up monitoring is performed and the agency is still not in compliance, MSHP policy indicates the CSO may require the agency to provide a specific plan of action to address the deficiencies.

Of the 44 criminal justice agency PCRs reviewed, MSHP personnel identified a total of 150 noncompliant issues occurring in 34 agencies. Examples of noncompliance included agency users not meeting background check and training requirements, and potential inappropriate use of CJI. MSHP personnel performed follow-up reviews for 9 of the 34 criminal justice agencies, but did not document why follow-up reviews were not performed for the remaining 25 agencies. MSHP personnel found 5 of the 9 agencies still had 20 noncompliant issues outstanding.

MSHP personnel identified 16 noncompliant issues at 7 of the 16 noncriminal justice agencies that had a PCR performed. Examples of noncompliance included not destroying CJI records when no longer needed and not logging the dissemination of all CJI records. MSHP policy states a follow-up PCR will be performed when noncompliance with applicable statutes, regulations and policies is identified. However, MSHP personnel did not perform any additional follow-up monitoring to ensure these deficiencies were subsequently corrected.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

Without effective procedures for tracking and monitoring agencies that are not compliant with minimum requirements, there is an increased risk these agencies will continue to be noncompliant with federal and state requirements. As a result, management is at risk of not being able to ensure the confidentiality, integrity, and availability of CJI.

1.4 Periodic background checks

MSHP management has not established procedures to ensure background reinvestigations of MSHP users with access to the MULES are performed. A MSHP official said background reinvestigations of MSHP personnel with direct access to CJI have not been performed. MSHP officials were not aware these reinvestigations had not been occurring until our audit inquiries.

MULES policy requires biennial background reinvestigations of MULES users. Without ensuring appropriate background reinvestigations are performed, there is an increased risk of exposing sensitive CJI or other information to an employee or user with an adverse background.

1.5 Agreements

MSHP management needs to improve controls and procedures to ensure agreements with agencies are properly executed and comply with federal and state requirements.

Agency user agreements

MSHP management has not entered into user agreements with some agencies that have access to CJI. The agreements include agency responsibilities, the forms and methods of acceptable use, penalties for violation, and disclaimers.

We tested 40 criminal justice agencies and 40 noncriminal justice agencies required to have agency user agreements with the MSHP. An agreement was not available for 5 of the criminal justice agencies and 7 of the noncriminal justice agencies. In addition, a MSHP official said 27 other criminal justice agencies did not have agency user agreements with the MSHP as of May 2014. A MSHP official said 1 of the criminal justice agencies was no longer an active agency and officials have requested the other 31 agencies to submit user agency agreements. While the MSHP does have authority to discontinue agency access for not submitting an agreement, an official said agency access remains in place due to safety issues and other concerns.

The CJIS Security Policy requires the CSA to establish written agency user agreements before agencies receive access to CJI or before CJI is exchanged. Without appropriate agreements in place, MSHP management does not have assurance all agencies are aware of and acknowledge program responsibilities.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

Management control agreements

MSHP management has not ensured certain agencies have entered into management control agreements or adequately ensured agreements meet federal recommendations.

MSHP management entered into a management control agreement with a noncriminal justice agency performing certain information technology services for the MSHP; however the agreement was established in 2003 and did not include many provisions recommended by the CJIS Security Policy. MSHP management also entered into a memorandum of understanding with another noncriminal justice agency performing certain information technology services for the MSHP; however, the agreement did not include many provisions recommended by the CJIS Security Policy. Finally, the Regional Justice Information Services (REJIS),⁷ a noncriminal justice agency, has not entered into management control agreements with the criminal justice agencies it services. In March 2014, the MSHP and the REJIS finalized a management control agreement template for the REJIS agencies and the MSHP has been working to ensure compliance.

The CJIS Security Policy requires a noncriminal justice agency receiving access to CJIS to enter into a management control agreement with the criminal justice agency providing the access. The CJIS Security Policy requires management control agreements to stipulate management control of the criminal justice function remains solely with the criminal justice agency. Without appropriate agreements in place, MSHP management does not have assurance all agencies are aware of and acknowledge program responsibilities.

1.6 Training

MSHP management has not fully ensured users with access to CJIS receive adequate security awareness training or are sufficiently aware of security responsibilities. Security awareness includes notifying users of the importance of the information they handle, distributing documentation describing security policies and expected behavior, and requiring users to periodically sign a statement acknowledging their awareness and acceptance of responsibility of security, according to the GAO.

Criminal justice agencies

The CJIS Security, NCIC, and MULES policies all require personnel with physical and logical access to CJIS to attend security awareness training within 6 months of initial assignment and biennially thereafter. In addition, the MULES policy requires all MULES users to attend a certification course

⁷ REJIS is a quasi-government entity created to provide information technology products and services to criminal justice and government agencies. REJIS has about 265 criminal justice and government customers. REJIS was previously considered a Regional Criminal Justice Agency, but during calendar year 2011, the FBI removed this authorization and required the REJIS to report to the MSHP. At this time, the MSHP became responsible for ensuring compliance by REJIS and the criminal justice agencies it services.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

within 6 months of initial assignment and biennially thereafter. This certification includes several modules, such as how to correctly and accurately enter CJI into the MULES. The NCIC policy also requires appropriate training on effective use of the system. We identified the following risks and noncompliance with applicable training policies:

- ICTD and MSHP contractor personnel are not required to attend certification training prior to being granted access to the MULES or biennially thereafter. A MSHP official said these users were not required to attend training because they were not responsible for modifying any data in the system. However, MSHP officials said the MSHP is working to correct this issue.
- MSHP management has not required and/or ensured personnel at certain state agencies attend security awareness training prior to being granted access to CJI or biennially thereafter. A similar condition was previously reported by federal auditors.

Dissemination and enforcement of policies are critical as employees cannot be expected to follow policies for which they are not informed, according to accepted standards. Without adequate training, users may not understand system security risks and their role in implementing related policies and controls to mitigate those risks, according to the GAO.

Noncriminal justice agencies

In August 2013, the MSHP developed a security awareness training course for personnel at noncriminal justice agencies to attend; however, a MSHP official said most agencies had not been notified of this course. As a result, this official said most agency personnel have not participated in the security awareness training provided by the MSHP. The CJIS Security Policy requires all personnel at agencies with access to CJI for a noncriminal justice purpose to attend security awareness training. A MSHP official also said monitoring or follow-up has not been performed to ensure personnel at these agencies received security awareness training. In addition, personnel at noncriminal justice agencies are not required to sign a statement acknowledging awareness and acceptance of responsibility of security nor are these personnel provided rules of behavior notifications prior to being granted access to the CJI.

Effective security-related personnel policies are critical to effective security, according to the GAO. Ineffective personnel policies can result in personnel or contractors inadvertently or intentionally compromising security.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

Recommendations

The MSHP:

- 1.1 Establish criteria for unusual and inappropriate activity then monitor and review the audit trail logs to identify improper access, use, or dissemination of CJI. In addition, ensure procedures for reporting, tracking, and handling potential cases of misuse of CJI are fully established and documented.
- 1.2 Document the policies and procedures for performing security audits, and ensure such audits are performed within timeframes required by federal policy.
- 1.3 Update the PCR manual, and review and perform PCRs in compliance with federal and state requirements. In addition, the MSHP should establish adequate controls and procedures for tracking and monitoring noncompliant agencies.
- 1.4 Ensure periodic background checks are performed.
- 1.5 Establish procedures to ensure appropriate agreements are in-place, current, and meet recommendations for agencies receiving access to CJI.
- 1.6 Ensure users with access to CJI are sufficiently trained and aware of their security responsibilities in accordance with federal and state requirements.

Auditee's Response

- 1.1 *Continuous efforts are currently made to detect, prevent and deter instance of misuse of CJI. The regulation over the use, and protection of CJI is managed through a shared management philosophy as outlined in CJIS Security Policy Version 5.3 in section 3.2. Through this shared management approach, it is incumbent that local jurisdictions bear some responsibility for monitoring system activity and detecting misuse. The MSHP continues to improve internal procedures to ensure that as the state CSA we are constantly working to deter, detect and respond to instance of misuse of official information. Recently, this work has included developing enhanced reporting capabilities to better track reported instances of misuse as well as requiring local jurisdictions report instances of misuse or improper access to the MSHP within 24 hours of discovery.*
- 1.2 *A security audit program has been developed and security audits of local agencies are currently underway. This program falls under the direction of the MSHP Information Security Unit (ISU), which continues to develop since its creation in 2010.*



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

- 1.3 *As the designated CJIS CSA for Missouri, the MSHP has conducted 2,518 CJIS PCRs of criminal and noncriminal justice agencies since the beginning of 2011. With more than 250 REJIS agencies now fully incorporated into the MSHP's 2013-2015 and 2016-2018 CJIS audit cycles, all 792 Missouri criminal justice agencies accessing the NCIC/MULES systems will be audited once every 3 years. Additionally, the MSHP has already begun updating the 120 page MULES PCR manual to reflect 2015 policy. Finally, by allocating funds to purchase new software specifically designed to manage NCIC, National Data Exchange (N-DEx), Civil, and Uniform Crime Reporting audits, the MSHP CJIS Division will be able to create a more mobile web-based audit document, track all operators and noncompliant agencies in greater detail, and instantly analyze the data retrieved from over 600 audits conducted by MSHP personnel each year.*
- 1.4 *As a part of the implementation of the MSHP's information security strategic plan, the responsibility for performing biennial re-investigations of MSHP personnel has been shifted to the ISU. All MSHP personnel undergo a complete pre-employment background investigation and are mandated by internal policy to report any arrests or citations to their commanding officer. The process for performing biennial investigations is being developed and formally documented. Upon its completion, the re-investigation process will begin on all employees having served with the MSHP for more than 2 years.*
- 1.5 *The MSHP maintains thousands of various agreements with agencies accessing systems that contain CJI. A process had already been implemented prior to this audit that requires any new agency requesting access to protected systems or data to execute an agreement before any access is granted. As policy requirements frequently change, the process of obtaining new agreements for each existing agency is continuous. While the MSHP has the regulatory authority to discontinue access to systems and data in the event an agency fails to sign an agreement, exercising such authority could have a very detrimental effect on public safety. The impact of such a decision may result in a school district not being able to appropriately perform background checks on prospective school teachers or local law enforcement not being able to inquire on the status of a possible stolen vehicle or wanted person. With these serious considerations in the balance, the MSHP has historically elected to err on the side of public safety and continuously work with agencies to execute agreements in lieu of punitive actions.*



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

1.6 *The MSHP will continue its extensive efforts in the area of MULES training. These efforts will include ensuring the 63 users requiring additional training, (representing less than one percent of the 21,169 MULES users statewide) receive the required training as cited in this audit.*

2. User Account Management

MSHP management has not fully established and documented user account management policies and procedures. In addition, policies and procedures for the management of privileged user accounts or users with significant access⁸ has not been fully established. User account management includes requesting, establishing, issuing, suspending, modifying, closing, and periodically reviewing user accounts and related user privileges, according to accepted standards. User account management policies and procedures should be established for all user accounts, including system administrators.

2.1 Account access policies

MSHP management has not fully established policies and procedures for requesting, granting, and removing access to the network, the MULES, or supporting systems.

The access authorization process for privileged user access to the network, MULES, or other supporting systems has not been standardized and source documentation to support access approval was not always retained. A MSHP official said in some cases the individuals with privileged access have been employed for so long there probably would not be any documentation maintained to support access. In addition, the process for requesting, authorizing, and removing terminal accounts or license keys has not been formally established. A terminal account and license key are used, in conjunction with a user account, to control and secure access to the MULES. A MSHP official said terminal account and license key requests are generally received in an email from local agencies.

MSHP management has not fully established procedures to ensure access request documents are maintained; properly approved; or completely and accurately entered into the system responsible for maintaining and tracking user access requests. We identified the following risks:

- Manual access requests forms required to support user access were not always maintained, properly approved, or did not contain some required information. We tested 22 user accounts and identified manual access request forms (1) were not on-file for 2 accounts; (2) were not formally approved for 2 accounts; and (3) did not contain necessary information,

⁸ Privileged users are individuals who have access to system control, monitoring, or administration functions (such as system administrator). Users with significant access have the ability to perform most functions within the network or MULES or other supporting systems.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

such as a user signature or that training was verified, for 8 accounts. The accounts for 7 of the 12 problems identified were established prior to 2012, which was before the MSHP implemented new request form processing procedures.

- Access requests for certain users are not entered into the system responsible for maintaining and tracking access requests. As a result, MSHP management does not have a complete audit trail to document who processed the access or removal request. A separate process has been established for these users; however, a MSHP official agreed there is no audit trail documenting who processed these requests.
- The access request system does not have controls requiring entry of certain data fields, such as who approved the access request. As a result, there is an increased risk a user could be granted access to the MULES without appropriate approval. A MSHP official said the information is typically entered in the system; however, there is no system edit requiring completion of this information.

CJIS Security Policy states agencies shall manage information system accounts, including establishing, activating, modifying, reviewing, disabling, and removing accounts. A formal process for transmitting access authorizations, including the use of standardized access request forms, should be established to reduce the risk of mishandling, alterations, and misunderstandings, according to the GAO. Without appropriate account access policies, users may be granted inappropriate or unauthorized access, which can provide opportunities for inappropriate disclosures.

2.2 Periodic review of user accounts

MSHP management has not fully established procedures for administering and reviewing user access to data and other information resources on the network, MULES, or supporting systems to ensure access rights are commensurate with job responsibilities and remain appropriate.

The CJIS Security Policy requires the MSHP to validate information system accounts at least annually and to document the validation process. The validation and documentation of accounts can be delegated by the MSHP to local agencies. In addition, MSHP policy requires an annual validation of access authorizations for MSHP personnel. Accepted standards also support regular review of all accounts and related privileges. At a minimum this review should include levels of authorized access for each user, whether all accounts are still active, and whether management authorizations are up-to-date, according to accepted standards. Without a review of user access rights, there is an increased risk that unauthorized alterations of these rights would go undetected or that access rights would not be aligned with current job duties.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

Review of accounts to determine inappropriate access

MSHP management has not fully established procedures for periodic reviews of accounts and related privileges.

MSHP management has not periodically provided a list of user accounts for information technology support personnel with access to the network or certain other systems supporting the MULES to appropriate agency personnel for review. In addition, procedures have not been established to periodically provide a list of MULES terminal accounts to appropriate agency personnel for review. Without a complete list of all accounts, management cannot review or confirm user access rights are appropriate.

MSHP management conducted an annual review of MULES users in August 2013. However, sufficient documentation was not maintained to support the review. For example, MSHP personnel did not (1) maintain a complete list of agencies required to perform user validations, (2) fully track whether validations were returned, (3) maintain documentation to support validations of certain privileged users were performed, or (4) ensure validations were received timely. A MSHP official said procedures for tracking and documenting the agency user reviews were improved for the August 2014 annual validation. If procedures are fully established, MSHP management will have the capability to more effectively manage information system accounts and to reduce the risk of inappropriate access to CJI.

Both the CJIS Security and the MSHP policies require the MSHP to validate information system accounts at least annually. Requiring a review of all accounts ensures the right type and level of access has been provided. Otherwise, user accounts and accesses can be granted to or maintained for users who should not have access, according to accepted standards.

Inactive user accounts

MSHP management has not performed timely, periodic reviews to identify user and terminal accounts that have not been accessed or used for a specified period of time for either the network or the MULES.

This weakness occurred, in part, because the MULES does not have the functionality to fully record the last date a user or terminal account was accessed. For example, the MULES does not record the last date a user account accessed the MULES remotely rather than directly (see MAR finding number 2.6). A MSHP official said the last use date may also not accurately record the last time a user performed a transaction, such as an inquiry, but instead records the last time a security function was performed on a user account. In addition, MSHP management allows certain accounts to have the last login date set to not expire, in which case the MULES does not record the last date a user account accessed the MULES.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

As noted in the following table, 13,587 (64 percent) of the 21,169 user accounts had a non-expiring last use date or had not been accessed since 2013 or before, according to MULES user account records.

Age of Last Login to the MULES by Active MULES User Accounts¹

Year of Last Login	Number of Accounts	Cumulative Number of Accounts	Cumulative Percent of Total
Non-expiring ²	1,764	1,764	.08
2012	9,012	10,776	50.90
2013	2,811	13,587	64.18
2014	7,582	21,169	100.00
Total	21,169		

¹ The current MULES security system was established in 2012. Last login data is as of November 2014.

² A MSHP official said some accounts set to not expire were not appropriate.

A MSHP official said periodic reviews to identify inactive accounts are not performed because (1) agencies are responsible for notifying the MSHP if a user no longer needs access, (2) the user account will not be able to access the MULES if the user has not attended training within a period of time, (3) the password controls help prevent inappropriate users from accessing the MULES, and (4) the annual review of MULES users assists in reducing unauthorized access. A MSHP official said the MSHP has requested the contractor responsible for the MULES to establish functionality to fully record the last date a user or terminal account was accessed.

Without appropriate security control functionality, MSHP management is unable to identify user accounts that had not been accessed or used for a specified period of time. Inactive accounts indicate users no longer need the access privileges provided by the accounts and may be attractive targets for individuals attempting to gain unauthorized access since the account owners may not notice illicit activity on the accounts, according to the GAO.

Tracking user account information

MSHP management has not ensured internal databases that maintain user account information are periodically reconciled to network or MULES user accounts. Internal databases are used to store and track information about user accounts, including access requests and are an important component for maintaining security. These databases do not interface with the network or the MULES and must be updated by MSHP personnel to reflect information from several data sources, including access request forms. However, a MSHP official said reconciliations between these internal databases and the network or the MULES are not performed. Without performing periodic reconciliations, there is an increased risk of data integrity issues between information sources and an increased risk of inappropriate access to system resources.



2.3 Termination of user accounts

As of November 2014, twenty former MSHP employees still had access to the MULES, potentially including access to CJIS. One former employee left MSHP employment in May 2013, while the remaining 19 left employment between January and October 2014. This problem occurred, in part, because MSHP management has not fully established policies and procedures to perform periodic reviews to identify terminated or transferred users with access to the network or the MULES. The CJIS Security Policy requires an agency, upon termination of employment, to immediately remove an individual's access to CJIS. In addition, MSHP policies and procedures require supervisors or human resource staff to notify MSHP staff of employees that have left employment. MSHP staff are then responsible for disabling the user account. However, MSHP staff do not perform periodic reconciliations to the state human resource system to identify terminated or transferred employees with active access to the MULES or network, according to a MSHP official.

Without effective procedures to remove access upon termination or an acrimonious circumstance, terminated employees could continue to have access to critical or sensitive resources or opportunities to sabotage or otherwise impair entity operations or assets, according to the GAO.

2.4 Removal of accounts

MSHP management has not established procedures to review user and terminal accounts that have been disabled for extended periods of time to determine whether these accounts can be permanently removed. As of November 2014, MSHP officials maintained 13,020 disabled MULES user accounts. The majority of these accounts still had associated access rights to perform functions within the MULES should the account be re-enabled.

One of the most effective ways to prevent unauthorized access to a system is to eliminate unnecessary accounts. While disabling accounts that are no longer needed is a good practice and may be necessary to maintain audit trails to comply with regulations, without periodically reviewing and removing disabled accounts there is an increased risk of an account being accidentally or deliberately re-enabled resulting in inappropriate access.

2.5 Privileged user supervision

MSHP management did not require supervisory reviews of system logged actions performed by privileged users or other users with significant access to the network, MULES, or other supporting systems.

Although MSHP management has generally properly segregated computer and system functions, we identified instances where duties were not properly segregated and additional supervisory reviews were not performed. For example, certain computer operations personnel with privileged access to the MULES have the ability to perform system administration and security administration functions. To illustrate, the individuals responsible



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

for performing system support were also responsible for adding and deleting system users, and software change management functions.

Privileged users have extensive access rights necessary to keep systems running efficiently. Sometimes these job duties are difficult to segregate due to staffing or other issues. Even when proper segregation has been established, the actions of privileged users warrant supervision due to the extensive rights these users are provided. However, MSHP management did not provide supervisory oversight or establish other mitigating controls to ensure these privileged users performed only authorized functions. Changes made by privileged users or users with significant access to the MULES are logged, but a MSHP official said the logs are not reviewed regularly.

Routinely monitoring security administrator actions can help identify significant problems and deter employees from inappropriate activities. Without effective monitoring, an increased risk exists that these individuals could perform unauthorized system activities without being detected.

2.6 System functionality

The MULES does not have the functionality to maintain a complete and accurate audit trail of security events for users accessing the MULES using remote access devices. Maintaining an audit trail of security events is necessary to perform user account administration and ensure compliance with the CJIS Security Policy.

At least 56 percent of the active MULES user accounts have the ability to access the MULES using remote access devices. Due to limitations in MULES functionality, these users are not required to follow certain centralized security controls required of users accessing the MULES directly. Instead, the MSHP relies on the local agencies to ensure access security controls are proper, secure, and in compliance with requirements. We identified the following risks:

- Users accessing the MULES using remote access devices are not required to comply with centralized MULES password controls. According to MULES user account information, 14,236 of the 21,169 (67 percent) active user accounts had an expired password as of October 31, 2014. Password controls for remote access users are generally established at the local agency level.
- MSHP management is unable to identify the last date a remote user accessed MULES.
- Users accessing the MULES using remote access devices are not required to comply with the MULES concurrent session setting controls.

Without system functionality to maintain a complete and accurate audit trail of security events for users accessing the MULES using remote access



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

devices, management may not be able to ensure the confidentiality, integrity, and availability of data and the system. This risk could be minimized by performing security audits to identify if local agencies have established effective procedures to ensure security controls are proper, effective, and in compliance with requirements. However, the MSHP has not been performing security audits of agencies with access to the MULES (see MAR finding number 1.2).

2.7 Access rights and privileges

MSHP management has not fully documented access profiles⁹ that may be assigned to MULES users. Access rights and privileges are used to determine what a user can do after being allowed into the system (such as read or write to a certain file or directory), according to the GAO. A MSHP official said access profiles are routinely added and modified and documentation is currently being revised.

Without adequate documentation, user access profiles may not be effectively communicated to both administrators and supervisors responsible for granting access and management cannot ensure access has been appropriately granted to only authorized individuals.

Recommendations

The MSHP:

- 2.1 Establish and document policies and procedures for requesting, granting, and approving access to the network, MULES, and other supporting systems.
- 2.2 Periodically review user access to data and other information resources to (1) ensure access rights are commensurate with job duties and responsibilities, (2) identify and evaluate inactive accounts, and (3) periodically reconcile user account information maintained in internal databases to account information from the network or the MULES.
- 2.3 Implement procedures to ensure user accounts and related access privileges are removed timely upon employee termination.
- 2.4 Implement procedures to periodically review and remove disabled user accounts.
- 2.5 Perform periodic supervisory reviews of defined actions performed by privileged users or users with significant access.

⁹ Profiles are the various privileges or roles available within each application, such as access to CJI or driver's license records and their respective rights, such as read-only, update, administrator, etc.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

- 2.6 Evaluate establishing functionality in the MULES to ensure a complete and accurate audit trail of security events is maintained and recorded for users accessing the MULES using remote access devices. If enhanced functionality is prohibitive, establish effective compensating controls to help ensure MULES security.
- 2.7 Complete the process of documenting user access profiles.

Auditee's Response

- 2.1 *While there is always room for improvement, policies and procedures currently exist controlling access to various MSHP managed systems. Through the implementation of the MSHP's information security strategic plan, existing policies and procedures are being reviewed and revised as appropriate. Additionally, all access control functions have recently been reassigned to the MSHP ISU under the direct supervision of the MSHP Chief Information Security Officer (CISO). This change ensures proper separation of duties between system administration and security administration functions.*
- 2.2 *The MSHP currently validates all MULES user accounts annually. The internal account review process is currently being reviewed and adjusted to accommodate the move to a more comprehensive identity and access management control model.*
- 2.3 *Timely user account access termination is now being addressed through better coordination between the human resources division and the information security unit.*
- 2.4 *The MSHP currently maintains all inactive accounts in disabled status to ensure accurate audit logs and to comply with regulatory and legal requirements. Direct oversight by the MSHP ISU ensures these accounts are maintained in a secure state and any risk associated with storage is properly mitigated.*
- 2.5 *Through the implementation of the MSHP's information security strategic plan, the ISU is currently enhancing its capabilities to monitor privileged user actions, reporting anomalies and suspicious behavior to the CISO.*
- 2.6 *The MSHP will continue to ensure that users/devices of REJIS and other third-party remote systems authenticate against the state's central user/device directory to facilitate enhanced security controls and logging.*
- 2.7 *The MSHP currently maintains a comprehensive user access profile definition document. This document did not contain the level of*



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

detail desired by the State Auditor's office (SAO) at the beginning of the audit process. This document has since been updated to meet all of the SAO's requirements.

3. Information Security Program

While MSHP management has made several significant improvements to the information security program since 2012, opportunities exist to strengthen the program and to improve the protection of information system resources.

MSHP management has not fully implemented certain elements of an information security program on which security plans, policies, procedures, and controls can be formulated, implemented, and monitored. Although management is committed to and has taken significant steps to develop an information security program, weaknesses exist that threaten the confidentiality, integrity, and availability of MSHP information and systems.

An information security program provides a framework for managing risks, developing security policies, assigning responsibilities, and monitoring the adequacy of an agency's security controls. An information security program is the foundation of an agency's security control structure and a reflection of management's commitment to addressing security risks. Implementing a security program is essential to ensuring controls over information and information systems work effectively on a continuing basis, according to the GAO.

MSHP management has not fully established and/or documented policies and procedures for the following elements of an information security program:

- Risk assessment
- Incident response plan
- Security activity logging and review
- Password policies
- Unsuccessful login attempts
- Review of security settings
- Physical security
- Protection of electronic media in transport
- Media sanitization and destruction
- Responsibilities of those accountable for security
- Review of key standards and policies

According to accepted standards, policies are necessary to set organizational strategic directions for security and assign resources for implementation of security. A key element of an effective information security program is to develop, document, and implement risk-based policies and procedures that



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

govern the security over an agency's computing environment, according to the GAO.

3.1 Risk assessment

MSHP management has not established a comprehensive risk assessment and management program.

Accepted standards state organizations should develop, document, and implement an information security program that includes periodic assessments of the risk and magnitude of harm that could result from the unauthorized access, use, disclosure, disruption, modification, or destruction of information or information systems. A risk assessment is necessary to identify potential threats, identify vulnerabilities in systems, determine the likelihood that a particular threat may exploit vulnerabilities, and assessing the resulting impact on the organization's mission, including the effect on sensitive and critical systems and data, according to accepted standards. Risk assessments should include essential elements such as discussion of threats, vulnerabilities, impact, risk model, and likelihood of occurrence, and be updated using the results from ongoing monitoring of risk factors. MSHP officials acknowledge that, while portions of a risk assessment are in place, the assessment is not complete or comprehensive, and a revised risk assessment is being prepared.

Without an established risk management and assessment framework in place, unidentified risks or threats may expose an unknown system vulnerability; resulting in lost information, lost privacy, loss of availability, or loss of system integrity. In addition, MSHP management has less assurance that established security controls are cost-effectively addressing programmatic risks.

3.2 Incident response plan

MSHP management has not fully established an incident response plan. Incident handling and response is the process and actions an organization takes in detecting, reporting, and responding to a computer security incident, according to accepted standards. Once an incident has been identified, an agency's incident response procedures should provide the capability to correctly log the incident, properly analyze it, and take appropriate action, according to the GAO.

Examples of procedures required by the CJIS Security policy or recommended by accepted standards that have not been effectively established or documented include:

- Roles and responsibilities of those responsible for incident handling.
- Prioritization of incidents, including timeframes for resolving incidents.
- Collection of incident evidence.
- Containment, eradication, and recovery strategies.
- Lessons learned, including metrics to measure the incident response capability and its effectiveness.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

The CJIS Security Policy requires agencies to document and track information system security incidents on an ongoing basis and to maintain completed security incident reporting forms. However, a MSHP official said prior to our audit inquiries, the MSHP did not have a centralized mechanism to record and track security incidents, but the MSHP was currently implementing a new incident reporting system.

Without effective incident handling policies and procedures, an agency may be hampered in its ability to detect incidents, report incidents to the appropriate authorities, minimize the resultant loss and destruction, mitigate the exploited weaknesses, and restore services, according to the GAO.

3.3 Security activity logging and review

MSHP management has not fully ensured audit trail records for defined security and audit related events are produced or reviewed. Determining what, when, and by whom specific actions were taken on a system is crucial to establishing individual accountability, monitoring compliance with security policies, and investigating security violations, according to the GAO.

MSHP management has not defined the security events to be logged and reviewed. The CJIS Security Policy requires agencies to maintain and periodically review and update the list of agency-defined auditable events. A MSHP official said since all activity is logged, the MSHP is technically in compliance with CJIS requirements. However, policies and procedures should establish the criteria for significant system events that should be logged and independently reviewed by management, according to accepted standards.

In addition, the MULES does not have the capability to log user account additions, changes, or deletions, according to a MSHP official. As a result, MSHP management is unable to effectively determine when a user account was added, disabled, or removed from the system. The CJIS Security Policy requires the agency's information system to produce audit records for defined security events, and contain sufficient information to establish what events occurred, the sources of the events, and the outcomes of the events. For example, the CJIS Security Policy requires that certain significant events be logged including successful and unsuccessful attempts to create, change, or delete user accounts; change passwords; or modify the audit log file.

How agencies configure the system or security software determines the nature and extent of audit trail information that is provided, according to the GAO. To be effective, agencies should (1) configure the system to collect and maintain sufficient audit trails for security-related events; (2) generate reports that selectively identify unauthorized, unusual, and sensitive access activity; and (3) regularly monitor and take action on these reports. Without



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

sufficient auditing and monitoring, organizations increase the risk that they may not detect unauthorized activities or policy violations.

3.4 Password policies

MSHP management has not consistently ensured all users are uniquely identified, that passwords are not shared and are changed every 90 days, or reported timely if the password is lost or compromised. We identified the following risks and noncompliance with applicable policies:

- The account and password for a MULES service level account is shared among several users and the password has not been periodically changed.
- The user identifications for certain accounts, such as network service accounts, are shared and/or the passwords are not set to expire. We identified that passwords are set not to expire for 1,956 of the 21,169 (9 percent) active MULES user accounts.
- New user accounts and passwords may be known by more than one individual. A MSHP official said when a new MULES user account is established, an agency official is notified of the new account through the terminal message notification system. The agency official then provides the account and password to the user. The user is not directly notified of the establishment of his/her user account and password. As a result, the password is at least initially known by more than one individual.

Both the CJIS Security and MULES policies contain provisions for protecting user identifications and passwords. For example, users are required to be uniquely identified before performing actions on the system and users are responsible for protecting login information, including passwords, from use by others. In addition, the CJIS Security Policy requires passwords to be changed at least every 90 days and for users to immediately report lost or compromised passwords. Without strong password controls, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased, according to the GAO. By allowing users to share accounts and passwords, individual accountability for system activity could be lost and unauthorized system activity could occur.

3.5 Unsuccessful login attempts

The MULES does not have controls to limit the number of consecutive unsuccessful access attempts. Both the CJIS Security and MULES policies require user accounts to be locked for a period of time after a certain number of consecutive invalid access attempts. According to a MSHP official, the controls to lock a user account after a certain number of invalid access attempts was inadvertently omitted when the MULES was upgraded in the fall of 2012.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

Without effective controls to limit the number of consecutive unsuccessful access attempts, there is less assurance CJI is effectively protected from unauthorized access.

3.6 Review of security settings

MSHP management has not established formal written policies to periodically review and evaluate the effectiveness of security settings for the MULES or the network. Although policies have not been established to require periodically reviewing security settings, a MSHP official said security settings are reviewed and tested before changes to the MULES or network are implemented. According to the GAO, a key element of a security management program is ongoing testing and evaluation to ensure systems are in compliance with policies, and that policies and controls are both appropriate and effective.

3.7 Physical security

MSHP management has not fully established or documented the physical security policies and procedures necessary to ensure MSHP computer resources are properly controlled, monitored, and restricted to only authorized individuals. Physical security controls should be designed to prevent vandalism and sabotage, theft, accidental or deliberate alteration or destruction of information or property, attacks on personnel, and unauthorized access to computing resources, according to the GAO. Inadequate physical security could lead to the loss of property, the disruption of service and functions, and the unauthorized disclosure of documents and information.

User access policies and procedures

MSHP management has not established policies and procedures for requesting, granting, and removing physical access to areas housing information technology resources. MSHP officials said a method to request and approve access authorizations or terminations has not been standardized and access request and approval source documentation has not been retained.

The CJIS Security Policy requires that physical protection policies and procedures be documented and implemented to ensure CJI are physically protected through access control measures. Management should define and implement procedures to grant, limit and revoke access to premises, buildings, and areas according to business needs, including emergencies, according to accepted standards. Without appropriate procedures to grant and remove access to sensitive areas, individuals may be granted inappropriate or unauthorized access.

Review of user access

MSHP management has not fully established procedures for reviewing access to the server room to ensure access rights are commensurate with job responsibilities.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

We found management had not maintained adequate documentation to support when the last user access review was performed or the results of the review. We reviewed both a report of users with access to the server room created by MSHP management and a system-generated report and found differences between the reports. According to a MSHP official, five MSHP employees had inappropriate access based on current job responsibilities and were removed from the MSHP created report prior to providing the information to us.

Agencies should periodically review the physical access granted to computer facilities and resources to ensure the access continues to be appropriate, according to the GAO. Without a formal documented review, physical access may be granted to or maintained for individuals who should not have access.

Review of access logs

MSHP management has not fully established procedures to identify unusual or inappropriate activity by performing periodic reviews of the server room door access logs.

A MSHP official said procedures have not been established to monitor the server room door activity logs. We reviewed the server room access activity logs for a 6-month period and found:

- Eight instances where server room access was denied, but the alarm notification records were not reviewed timely.
- Two instances where the door to the server room was open too long and the alarm notification records were not reviewed timely.
- One instance where the alarm notification record was not reviewed by an independent individual.

The CJIS Security Policy requires agencies to monitor physical access to the information system to detect and respond to physical security incidents. Reviewing security logs is necessary to identify apparent security violations or suspicious physical access activities, such as access outside of normal work hours or access for unusual lengths of time, according to accepted standards. Without a periodic review of the server room activity logs, management may not detect unusual or inappropriate activity.

3.8 Protection of electronic media in transport

MSHP management has not fully established controls to protect electronic media containing CJIS while in transport (data is physically moved from one location to another) to help ensure the confidentiality and integrity of the data. Encryption is a control used to ensure the confidentiality, integrity, and availability of sensitive data during storage and transmission and reduces the risk that unauthorized users could access the data, according to the GAO.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

According to the CJIS Security Policy, encryption is the best control during data transport. However, if encryption is not possible then an agency should implement other controls to ensure the security of the data. A MSHP official said the data on certain electronic devices are protected and the MSHP is exploring options to ensure all electronic media containing CJIs are adequately protected during transport. Without encryption controls, sensitive data or resources may not be adequately protected from unauthorized access and improper disclosure.

A similar condition has been previously reported by federal auditors.

3.9 Media sanitization and destruction

MSHP management has not fully established or documented policies and procedures for the sanitization and destruction of electronic media containing CJIs.

Although MSHP management has established a sanitization and destruction policy, the policy is not a formally approved agency-wide order. As a result, there is the risk not all MSHP personnel are aware of the policy. We also found the policy does not include some information recommended by accepted standards, such as (1) how media should be sanitized, (2) the sanitization method that should be used, (3) when media should be sanitized versus destroyed, and (4) the verification procedures that should be performed to ensure the media was properly sanitized or destroyed. In addition, MSHP management does not require or maintain adequate documentation to support an independent or supervisory review was performed to ensure media was properly sanitized or destroyed.

The CJIS Security Policy requires electronic media be properly sanitized prior to disposal or release for reuse by individuals not authorized to access CJIs; written documentation be maintained to support the steps taken to sanitize or destroy electronic media; and authorized personnel to ensure the electronic media are properly sanitized or destroyed. Effective sanitation and destruction policies and procedures are needed to ensure sensitive or confidential data is appropriately safeguarded and removed before the surplus, sale, transfer, or disposal of computer equipment. Without effective policies and procedures, sensitive data, may not be effectively protected from unauthorized disclosure.

3.10 Responsibilities of those accountable for security

MSHP management has not fully documented the roles and responsibilities and/or updated job descriptions for:

- Senior management or officials charged with establishing the department information security policy.
- Data and system resource owners responsible for making decisions regarding data classification and access rights to the MULES.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

- Information security management responsible for providing and implementing information security controls, including physical security.
- System users with access to view, input, update, or modify the data stored within the MULES.

Without fully developing and documenting responsibilities, management may not have assurance that personnel with significant security roles are fully aware of their roles and responsibilities to protect the confidentiality, integrity, and availability of information and information systems to which they are assigned.

3.11 Review of key standards and policies

MSHP management has not fully established procedures for periodically reviewing and re-approving key standards, directives, policies, or procedures related to information technology and security. MSHP policy requires management personnel perform periodic reviews of policies to ensure continued compliance, necessity, and/or applicability of each directive. However, we found some policies have not been documented or are not in accordance with or reflective of current procedures. Without adequate reviews of key standards and policies, management cannot be assured system, technological, or organizational environments are adequately addressed.

Recommendations

The MSHP:

- 3.1 Establish a comprehensive risk assessment and management framework.
- 3.2 Establish and document an incident response plan that includes centrally tracking all security incidents.
- 3.3 Determine security events that should be logged and reviewed and fully ensure audit trail records for defined security and audit related events are produced and reviewed.
- 3.4 Strengthen password controls to reduce the risk of password compromise and to help prevent unauthorized access to CJI.
- 3.5 Establish controls to ensure user accounts are locked after multiple unsuccessful access attempts.
- 3.6 Develop formal policies to periodically review and test security settings.
- 3.7 Establish and document physical access policies and procedures for (1) requesting, granting, and removing access to the server room, (2) conducting and documenting periodic reviews of physical access



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

to ensure access rights are commensurate with job responsibilities, and (3) monitoring and reviewing server room door access logs on a periodic basis to identify unusual or inappropriate activity.

- 3.8 Require encryption of CJI in transport or implement other controls to ensure data security if encryption is not possible.
- 3.9 Fully establish and document policies and procedures for the sanitization and destruction of electronic media containing CJI.
- 3.10 Document the roles and responsibilities and update job descriptions of those responsible for information security.
- 3.11 Periodically review and re-approve key standards, directives, and policies and procedures.

Auditee's Response

- 3.1 *The MSHP implemented an official information security strategic plan in the fall of 2014 and was updated once again in January of 2015. This document was in development prior to the start of this audit and includes the formal establishment of an information security management framework as well as a call for a comprehensive risk assessment. An initial risk assessment has been completed by the ISU and a more in-depth review is currently underway.*
- 3.2 *The MSHP's incident response plan is currently under revision by the ISU. Prior to the start of this audit, development was already underway on a central security incident reporting and tracking system. This system, accessible by all MSHP employees and MULES users, was placed into production during the course of this audit.*
- 3.3 *As indicated in the SAO's findings, the MSHP currently logs all system events occurring across the enterprise environment. The information security unit is working to improve monitoring capabilities and response to audit log incidents.*
- 3.4 *Currently, the MSHP utilizes multiple controls to ensure password strength and complexity as well as several advanced authentication controls. Of the three issues identified in this audit, one has already been corrected and the remaining two are currently under review. The 9 percent of users erroneously provided with non-expiring passwords has been resolved.*
- 3.5 *The MSHP is currently working with a third-party vendor to address this recommendation.*



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

- 3.6 *All MULES security settings are tested when system changes are made. While this was not previously formally documented, policies and procedures are in development.*
- 3.7 *Policies and procedures for requesting physical access to the data center and other MSHP facilities are being updated and modified by the MSHP ISU.*
- 3.8 *A number of administrative and technical controls have either been implemented or are actively being researched by the MSHP to further protect electronic media in transport.*
- 3.9 *Extensive and compliant processes to both sanitize and destroy electronic and physical media are currently employed by the MSHP. The MSHP is working to improve formal documentation of these procedures.*
- 3.10 *The roles and responsibilities for information security have been formally documented and implemented in the information security strategic plan. Job descriptions and classification for ISU personnel are currently being reviewed.*
- 3.11 *Periodic review and re-approval of information security standards, directives and policies are being processed through the information security governance structure. This governance was implemented upon approval of the MSHP's information security strategic plan.*

4. Disaster Recovery Plan

MSHP management has not fully established a disaster recovery plan to ensure the availability of technology resources.

MSHP management has developed certain contingency plans and implemented basic controls for recovery planning. However, the disaster recovery plan has not been (1) fully established, (2) updated to reflect the current processing environment, and (3) fully tested to ascertain the effectiveness of recovery procedures. For example, the plan does not include information that would be necessary should a disaster occur, such as locations of backup data or replacement equipment, responsibilities of key personnel, and procedures to re-establish communications. In addition, since the plan has not been fully developed, a comprehensive test to ensure critical systems can be fully restored has not been performed. A MSHP official said some documented recovery procedures have been implemented but acknowledged the plan is not complete and has not been updated to reflect changes in the operating environment. Certain recovery procedures have also been tested such as recovering data from backups. A MSHP official has been assigned responsibility for creating a new comprehensive disaster recovery plan and staff are currently working on updating the plan.



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

Losing the capability to process and retrieve information can significantly affect an agency's ability to accomplish its mission, according to the GAO. If recovery plans are inadequate, interruptions can result in lost or incorrectly processed data and expensive recovery efforts. Given the implications of mission critical systems not being available for use, it is essential an agency maintains a tested plan to recover critical operations should interruptions occur. According to accepted standards, a disaster recovery plan is a written plan for recovering one or more information systems at an alternate facility in response to a major hardware or software failure or destruction of facilities. Recovery plans and procedures are essential steps in ensuring that agencies are adequately prepared to cope with the loss of operational capabilities due to a service disruption such as an act of nature, fire, accident, or sabotage. According to accepted standards, recovery plans should cover all key functions, including assessing an agency's information technology and identifying resources, minimizing potential damage and interruption, developing and documenting the plan, training personnel in their contingency roles and responsibilities and providing refresher training, and testing them and making necessary adjustments.

Without an operational disaster recovery plan, management does not have assurance that technology resources could be restored in the event of a significant disruption to normal system operations and management has limited assurance that data and systems could be recovered and made available to meet requirements in the event of failure at the primary processing location.

Recommendation

The MSHP establish, maintain, and test a comprehensive disaster recovery plan that reflects the current processing environment.

Auditee's Response

The MSHP agrees the existing disaster recovery plan requires updating. The ISU is currently working with the MSHP ICTD to update all aspects of the plan to ensure it is comprehensive and provides adequate protection to all assets. The update, periodic review and testing will be coordinated through the information security governance structure established through the information security strategic plan.

5. National Data Exchange

MSHP management needs to improve controls and procedures to ensure agencies utilizing the National Data Exchange (N-DEx) are in compliance with information security standards, laws, regulations, and requirements for protecting the generation, transmission, use, and storage of CJI.

The Missouri Department of Public Safety established the Missouri Data Exchange System (MoDEX) system, a statewide data warehouse, to provide services to Missouri law enforcement agencies. In 2010, the MoDEX system began interfacing with the N-DEx system, a nationwide data sharing



Criminal Justice Information Security Management Management Advisory Report - State Auditor's Finding

investigative tool administered by the FBI that provides law enforcement agencies with the ability to search, link, analyze and share CJI. According to a MSHP official, during 2013 the MoDEX governing board voted to end support of the MoDEX front end application, which prompted the MSHP to begin utilizing the N-DEx system to allow end user access to this information.

5.1 Audits

MSHP management has not performed audits of agencies with direct access to the N-DEx system. A MSHP official said while these audits are planned to begin in calendar year 2015, agency audits have not been performed since federal auditors will not be auditing the MSHP administration of N-DEx until calendar year 2018.

The CJIS Security Policy requires performing audits at least every 3 years of all agencies with direct access to the system, or that operates workstations, access devices, mobile data terminals, or personal/laptop computers, to ensure compliance with applicable statutes, regulations, and policies. Without conducting audits of agencies, management is unable to effectively ensure agencies are in compliance with applicable statutes, regulations, and policies. In addition, MSHP management faces an increased risk that security weaknesses or control deficiencies are not detected that could compromise the confidentiality, integrity, and availability of CJI maintained by the N-DEx.

5.2 Security awareness training

MSHP management has not established procedures to ensure N-DEx users receive biennial security awareness training. A MSHP official said recertification training is planned to be provided to N-DEx users at some point.

Security awareness includes notifying users of the importance of the information they handle, distributing documentation describing security policies and expected behavior, and requiring users to periodically sign a statement acknowledging their awareness and acceptance of responsibility of security, according to the GAO. Providing training to agency personnel is critical to securing information and information systems since people are one of the weakest links in attempts to secure systems and networks. The CJIS Security and NCIC policies require personnel with physical and logical access to CJI to attend security awareness training within 6 months of initial assignment and biennially thereafter. Dissemination and enforcement of policies are critical as employees cannot be expected to follow policies for which they are not informed, according to accepted standards. Without adequate training, users may not understand system security risks and their role in implementing related policies and controls to mitigate those risks, according to the GAO.



Criminal Justice Information Security Management
Management Advisory Report - State Auditor's Finding

Recommendations

The MSHP:

- 5.1 Perform audits of agencies with access to the N-DEx.
- 5.2 Establish procedures to ensure users with access to the N-DEx are trained and made aware of security responsibilities.

Auditee's Response

- 5.1 *As of April 1, 2015, the MSHP has conducted compliance audits of all Missouri law enforcement agencies accessing N-DEx. These audits cover all areas listed in Section 2.3.2 of the FBI CJIS N-DEx Policy & Operating Manual. The N-DEx component will now be integrated into the MSHP's existing triennial on-site CJIS Systems Audit of all criminal justice agencies. This integration will result in all N-DEx accessing agencies being audited up to two times prior to the FBI's first official N-DEx audit of Missouri in 2018.*
- 5.2 *The ISU is currently working with the CJIS training unit to improve security awareness training delivery to NDEx users.*



John Watson
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Pevely



April 2015
Report No. 2015-020

<http://auditor.mo.gov>

City of Pevely

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Financial Issues.....	3
2.	Budgets and Financial Statements	5
3.	Bidding and Professional Services	5
4.	Mayor's Cellular Phone.....	6
5.1	Accounting Controls and Procedures - Bank reconciliations	7
5.2	Accounting Controls and Procedures - Outstanding checks.....	7
5.3	Accounting Controls and Procedures - Utility adjustments.....	7
5.4	Accounting Controls and Procedures - Utility deposits.....	8
5.5	Accounting Controls and Procedures - Capital assets	9
7.	Sunshine Law Violations.....	9

*Includes selected findings



JOHN WATSON

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Pevely, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-100, *City of Pevely*, issued in October 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the written status of selected findings and recommendations and supporting documentation submitted by city officials, and met with city personnel. This report is a summary of the results of this follow-up work, which was substantially completed during February 2015.

John Watson
State Auditor

City of Pevely

Follow-Up Report on Audit Findings

Status of Findings

1. Financial Issues The city inappropriately transferred \$200,000 from the Water and Sewer Fund to finance general city operations and the Board of Aldermen (Board) did not receive and review financial information that would have assisted in monitoring the city's finances. In addition, the city improperly used money from a bond reserve account and did not properly enforce several taxes.

1.1 Inter-fund obligations The city inappropriately used \$200,000 in restricted Water and Sewer Fund monies to finance general city operations. In April 2013, the city transferred the monies from the Water and Sewer Fund to the General Fund. The city did not appropriate the funds to repay the loan in the 2014 budget document or have a formal plan in place to reimburse the Water and Sewer Fund. However, the entire loan was repaid, without interest, to the Water and Sewer Fund in April 2014. No budget amendments were made to reflect the loan payment.

Recommendation The Board of Aldermen avoid improper interfund transfers.

Status **Implemented**

The city has stopped making improper interfund transfers. We reviewed the financial statements presented to the Board in January 2015 and noted the only transfer made was for \$9,878 from the General Fund to the Neighborhood Improvement District (NID) Debt Service Fund. This transfer is properly made each month for the same amount and is the only transfer that is budgeted. No other transfers have been made.

1.2 Financial information and monitoring The Board did not receive and review detailed financial information, which would have assisted in effectively monitoring cash balances and the financial condition of city funds.

Recommendation The Board of Aldermen require preparation of timely, detailed, and complete financial reports and closely monitor the city's financial condition.

Status **Partially Implemented**

Currently at its meetings, the Board receives financial statements from the city's accountant showing the status and performance of the city's finances including year to date budget to actual information by department. The statements also include operating and debt service account balances as well as a statement of revenues and expenditures organized by department. However, the information is for periods dated approximately 2 months before the Board meeting date. For example, the Board was presented with financial statements for November 2014 at its January 28, 2015, meeting.



City of Pevely
Follow-up Report on Audit Findings
Status of Findings

1.3 Bonds and sales taxes

We identified the following concerns related to bond issues and tax collections:

- The city became responsible in 2013 for covering a portion of the general obligation bond payments related to a NID when the revenue collected from special assessments was not enough to cover the bond payments. According to the city, the developer was given approximately \$7.1 million in bond proceeds and construction advances at the beginning of the project. The remaining principal outstanding on the bonds at December 31, 2013, was \$4.4 million. Interest remaining to be paid over the life of the bond issue totaled \$1.4 million. The remaining amount due to the city on the construction advances at December 31, 2013, was \$656,854.
- The city improperly used monies from the NID bond reserve account to make bond payments, resulting in the reserve account having a \$161,000 shortage at December 31, 2012. City officials indicated the bond reserve account shortage had been addressed and was \$20,000 short as of July 2014.
- The city did not properly enforce several taxes, resulting in lost revenues. The city corrected these tax collection issues in June 2013 after city officials noticed tax collections were well below projected amounts.

Recommendation

The Board of Aldermen ensure all financial obligations can be met and all potential sources of revenue are being properly collected.

Status

In Progress

The city has been collecting amounts due from letters of credit associated with the NID general obligation bonds. However, the city does not anticipate being able to collect any additional funds using these letters of credit. The letters of credit will be rescinded when 51 percent of the lots in the NID are developed and current construction is anticipated to put the NID over that threshold.

The city has been transferring money from the General Fund to the NID Debt Service Fund in order to build up the NID bond reserve account. The city is currently paying \$9,800 per month to help replenish this fund. City officials said they are also considering using some monies from the Water and Sewer Fund and Streets Fund to pay for some of the costs of the NID bonds because the bond proceeds paid for streets, sewer, and water infrastructure in that subdivision. The city has now budgeted transfers from the General Fund to cover the bond payments.



City of Pevely
Follow-up Report on Audit Findings
Status of Findings

The city has been collecting all types of taxes the city is authorized to collect since June 2013.

2. Budgets and Financial Statements

The city did not prepare complete budgets, or prepare and submit annual financial reports as required by state law.

2.1 Budgets

Annual budgets did not contain all elements required by state law. Budgets did not include a budget message, budget summary, information on city indebtedness, or the beginning fund balances.

Recommendation

The Board of Aldermen prepare budgets in compliance with state law.

Status

Implemented

We reviewed the city's 2015 budget and noted it included a budget message, budget summary, information on the city's indebtedness, and beginning fund balances.

2.2 Financial reporting

The city did not submit an annual financial report to the State Auditor's office as required by law for the year ended December 31, 2012, and, as of July 8, 2014, had not submitted an annual financial report for the year ended December 31, 2013.

Recommendation

The Board of Aldermen submit annual financial reports to the State Auditor's office as required by state law.

Status

Implemented

The city filed the 2013 and 2012 audited annual financial reports with the State Auditor's office on February 2, 2015. The deadline for filing the 2014 financial report has not passed.

3. Bidding and Professional Services

Bidding decisions were not well documented. City procedures for selecting and contracting for goods and services were not sufficient and proposals were not periodically solicited for some professional services.

3.1 Bidding

City officials and employees did not always comply with the city's purchasing policy. City policies 135.120 and 135.190 require obtaining written bids for purchases over \$3,000.

Also, the city was only able to provide documentation of the winning bid for street paving and construction even though the city received multiple bids. The contract for this project was approximately \$205,000; however, the city did not maintain invoices related to the \$225,000 paid to the vendor for the project.



City of Pevely
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Board of Aldermen ensure bids are solicited for all applicable purchases in accordance with city policy and maintain all bid and disbursement supporting documentation.

Status

Implemented

City officials indicated they are now obtaining written bids for any purchases over \$3,000 and obtaining telephone bids on items costing from \$1,500 to \$3,000. City officials provided us with bid documentation for certain significant purchases the city made since release of our audit. We reviewed bid documentation for equipment and vehicle maintenance, water tower improvements, and salt purchases.

3.2 Professional services

According to city officials, the city had used the same city attorney and CPA for approximately 20 years without periodically soliciting proposals for services, as required by city policy. In addition, the city did not have a contract with the city attorney.

Recommendation

The Board of Aldermen periodically solicit proposals for professional services as required by city policy.

Status

Implemented

The city issued a Request for Qualifications (RFQ) for legal services and signed a contract with its new attorney. The City Administrator provided us with a copy of this RFQ. An RFQ was also issued for auditing services, but the city did not receive any responses. However, the city's contracted accountant assisted the city in obtaining auditing services.

4. Mayor's Cellular Phone

For more than 10 years, the city did not require former Mayor Knobloch to submit detailed supporting documentation with his requests for the city to pay a portion of his monthly personal cellular phone bill. The city spent \$12,753 on cellular phone bills submitted by the Mayor since 2003.

The bills submitted by the Mayor provided no assurance the Mayor actually incurred cellular phone expenses for the period for which reimbursement was requested, or that amounts paid were proper and related solely to the Mayor's phone and did not include costs related to other lines, if any, included on the Mayor's cellular phone plan. The Board approved payment of these bills without requiring appropriately detailed documentation to support the payments. In addition, the city did not have a cellular phone policy.

Recommendation

The Board of Aldermen should require adequate supporting documentation for cellular phone payments made to or on behalf of officials and employees. Also, the Board of Aldermen should develop a comprehensive written policy regarding the use of cellular phones.



City of Pevely
Follow-up Report on Audit Findings
Status of Findings

Status	In Progress The city no longer reimburses employees for cellular phone expenses. The city has a cellular phone account and provides cellular phones for several city employees. The City Administrator reviews and initials bills for this account monthly. The city currently has a committee of 4 employees that meet weekly and are in the process of reworking the employee manual. The city anticipates the new employee manual will be in place by May 2015 and will include a cellular phone policy.
5.1 Accounting Controls and Procedures - Bank reconciliations	The city did not perform timely reconciliations of bank accounts.
Recommendation	The Board of Aldermen ensure bank reconciliations are completed timely.
Status	Not Implemented As of March 25, 2015, the most recent bank reconciliations completed were for December 2014.
5.2 Accounting Controls and Procedures - Outstanding checks	The city had not established procedures to routinely follow up on outstanding checks. As of December 2013, the city had 35 checks totaling \$4,475 that had been outstanding for more than one year. Some checks were more than 2 years old.
Recommendation	The Board of Aldermen establish procedures to routinely follow up and reissue old outstanding checks and dispose of unclaimed monies in accordance with state law.
Status	Implemented The city's accountant has implemented procedures to routinely follow up on outstanding checks. The accountant indicated that he investigated the 35 old checks and determined that they were incorrectly shown as outstanding. These checks had cleared the bank but not been marked as cleared in the accounting system. These checks are no longer included on the outstanding check list.
5.3 Accounting Controls and Procedures - Utility adjustments	The city did not require obtaining independent approval for adjustments posted to the utility system. Adjustments were not reviewed by anyone at the city to ensure the adjustments were proper.



City of Pevely
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Board of Aldermen require an independent review and approval of all utility system adjustments.

Status

Implemented

Adjustments are now reviewed and approved by the City Administrator. We reviewed 4 utility adjustments. The adjustments were stamped by the City Administrator. The stamp requires the City Administrator's initials to indicate his approval, the date, and the appropriate account code.

**5.4 Accounting Controls
and Procedures - Utility
deposits**

The city was not reconciling customer utility deposits held in the utility deposit bank account to the amounts reported in the city's accounting records. Also, procedures for closing inactive customer accounts needed improvement. As of June 30, 2013, the city held deposits totaling approximately \$142,000. However, the city's accounting system indicated approximately \$120,000 was being held. City personnel stated the \$22,000 difference was due to monies from closed customer accounts that had not been refunded, which were not included in the reports generated by the accounting system due to a system error.

Recommendation

The Board of Aldermen ensure reconciliations of utility deposits are performed between the utility deposit bank account and the deposits held per the city's accounting records. Any discrepancies should be promptly investigated. In addition, the Board of Aldermen should ensure applicable utility deposits are refunded or applied to balances due.

Status

In Progress

The city's accountant indicated he is currently tracking this liability and is conducting periodic reviews. The accountant indicated the excess balance in the utility deposit account occurred because the city issued deposit refunds from the city's general account instead of the utility deposit account and had not transferred money between the accounts to reimburse the general account.

The city will be transferring the excess money in the utility deposit account to the general account. Starting in mid-2015 the city will begin reconciling the cash accounts and deposit listing on a monthly basis. The city's accountant indicated that during his review of the utility deposits he did not note any deposits that needed to be refunded or applied to customer accounts. At the end of each billing cycle the city now generates a report showing accounts with remaining deposit balances. Deposit balances are first applied to final bills and then checks are issued to refund any remaining deposit balances.



City of Pevely
Follow-up Report on Audit Findings
Status of Findings

5.5 Accounting Controls
and Procedures - Capital
assets

The city did not have a centralized list of all city property and assets were not tagged for specific identification. Lists of property were updated periodically and were kept on a departmental basis, but the lists were not always turned in to the City Clerk's office. A 2013 inventory was not conducted for the city administration offices, parks department, planning and zoning department, and police department.

Recommendation

The Board of Aldermen ensure adequate property records are maintained in a centralized location. The Board of Aldermen should also properly tag, number, or otherwise identify all applicable city property and ensure an annual inventory of all property is conducted.

Status

In Progress

The City Administrator indicated city staff are in the process of tagging and recording applicable city assets. The inventory list has been updated for assets in City Hall and the city is currently adding the public works department assets to the list. After the inventory list is updated, it will be used to conduct an annual inventory.

7. Sunshine Law
Violations

The Board did not always comply with the Sunshine Law. Roll call votes to go into closed session were not recorded for 11 of 21 closed sessions reviewed during the audit. In addition, based on closed meeting minutes, some issues discussed in these meetings were not allowable under the Sunshine Law.

Recommendation

The Board of Aldermen ensure roll call votes to close a session are documented in the open minutes. In addition, the Board of Aldermen should only discuss issues in closed session allowable by state law.

Status

Implemented

The minutes now document the roll call votes for going into closed session. We reviewed the closed meeting minutes from October 2014 through February 2015 and noted that the topics discussed were allowable under the Sunshine Law.



John Watson
Missouri State Auditor

Hickory County



April 2015
Report No. 2015-021

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of Hickory County

Sheriff's Controls and Procedures	The Sheriff's department does not follow established procedures regarding inmate monies, and procedures to track inmate balances are not adequate. The Sheriff housed 268 inmates in 2014, but there is no record of how much inmate money was handled. In addition, the department logs all civil service papers to be served but does not require payment before service is performed, no reconciliation of papers served to monies received is performed, and no follow up on unpaid amounts is performed. Further, the Sheriff does not calculate mileage reimbursement based on actual mileage traveled as required by state law. Monies receipted are not reconciled to monies deposited, the Sheriff does not deposit monies collected timely, and the Sheriff's master listing of seized property does not contain all property maintained.
County Credit Purchases	The county does not always obtain sales slip receipts to ensure fuel purchases are made by county employees. In addition, the Sheriff's department does not reconcile amounts billed to its fuel logs to ensure all charges are appropriate.
Vehicle Usage	The Sheriff and some of his deputies have used county patrol vehicles for personal use but do not document personal mileage. The county does not have a comprehensive written vehicle use policy. Personal use can result in significant potential liability for the county and unnecessary fuel costs.
Computer Controls	Employees in several county offices are not required to periodically change their passwords.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Hickory County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Sheriff's Controls and Procedures	4
2. County Credit Purchases	6
3. Vehicle Usage.....	7
4. Computer Controls	8

Organization and Statistical	9
Information	



JOHN WATSON

Missouri State Auditor

To the County Commission
and
Officeholders of Hickory County

We have audited certain operations of Hickory County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, Certified Public Accountants, was engaged to audit the financial statements of Hickory County for the 2 years ended December 31, 2013. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

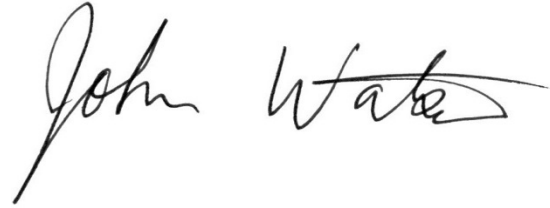
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Hickory County.

A handwritten signature in black ink, appearing to read "John Watson", with a stylized flourish at the end.

John Watson
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Randall Gordon, CPA, CGAP
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Nancy McDowell
	Ruben Lara

Hickory County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Weaknesses exist in controls and procedures over inmate monies, seized property, and deposits. Charges for civil service paper fees are not in compliance with state law. The Sheriff collected approximately \$65,000 in bonds, civil fees, and other miscellaneous receipts, as well as approximately \$10,000 in concealed carry weapon permit fees during the year ended December 31, 2014.

1.1 Inmate monies

The Sheriff's department does not follow established procedures regarding inmate monies, and procedures to track inmate balances are not adequate. Current procedures require placement of inmate monies in a personal property envelope upon booking. Monies received by the Sheriff's department for commissary purposes for the inmates are also added to the envelope and used to make commissary purchases for the inmate. Upon release, inmates are to sign the personal property envelope indicating all personal property has been returned.

Our review of 8 inmate files indicated only one inmate file contained a signed personal property envelope. Our review of receipt slips also identified 3 payments received by the department for our test inmate's commissary accounts, however, no record of those payments is contained in the inmate file. In addition, there was no indication of how these monies were disbursed or if they were returned to the inmate. Any documentation maintained of inmate monies spent is returned to the inmate upon release. The Sheriff housed 268 inmates during the year ended December 31, 2014, however, there is no record of how much inmate money was handled.

Developing and following procedures to adequately track and maintain documentation of inmate balances would reduce the risk of loss, theft, and misuse of funds.

1.2 Civil paper service fees

The Sheriff's department does not have proper controls to ensure all civil paper service fees are collected. In addition, the Sheriff charges a flat fee for mileage when serving civil service papers, which is not in accordance with state law. During the year ended December 31, 2014, the Sheriff collected approximately \$12,500 for civil service paper fees.

The Sheriff's department logs all civil service papers to be served, however, no payment is required before service is performed, and no reconciliation is performed of papers served to monies received. Our review of the civil paper service log for the month of September 2014 indicated \$1,150 in service fees should have been collected, however, only \$650 could be traced to a receipt. The Sheriff's department had not followed up on the unpaid amounts. As a result, the Sheriff has no assurance all fees due have been received and an accurate accounts receivable balance cannot be determined. In addition, the Sheriff charges a flat fee for mileage of \$20. However, Section 57.280, RSMo, requires the Sheriff be reimbursed for each mile



Hickory County Management Advisory Report - State Auditor's Findings

actually traveled to serve any summons, writ, subpoena, or other order of the court.

Establishing procedures to reconcile the civil papers served to fees collected helps ensure the Sheriff is collecting all fees due, and reduces the risk of loss, theft, or misuse of funds. Changing the fee structure to require a per-mile reimbursement for service will bring the Sheriff into compliance with state law.

1.3 Deposits

Procedures for depositing monies collected are not sufficient. Monies receipted are not reconciled to monies deposited, and monies collected are not deposited timely. Our review of deposits indicated that although the Sheriff's department lists individual checks on deposit slips, there is no indication of which cash receipts are included in the deposit. As a result, the Sheriff cannot demonstrate all monies receipted were deposited. In addition, our review of receipts for a one month test period indicated a \$1,500 cash bond was not deposited for 5 days after being receipted, and also indicated other monies collected were not deposited for several weeks.

Establishing procedures to ensure all receipts are deposited intact and timely helps to reduce the risk of loss, theft, or misuse of monies received going undetected.

1.4 Seized property

The Sheriff's master listing of seized property does not contain all property maintained. Current procedures are to complete a chain of custody evidence card, and enter the evidence into the computer system. However, not all evidence prior to 2014 has been entered in the computer system. In addition, the Sheriff's department does not conduct periodic inventories of seized property.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the stored items. Inventory control records should be maintained and periodic physical inventories performed and the results compared to the inventory records to ensure seized property and evidence are accounted for properly.

Recommendations

The Sheriff:

- 1.1 Ensure adequate procedures for inmate monies are established and followed, and retain supporting documentation for inmate disbursements.
- 1.2 Develop procedures to track, monitor, and pursue collection of civil paper service fees, and ensure fees are charged in compliance with Section 57.280, RSMo.



Hickory County
Management Advisory Report - State Auditor's Findings

- 1.3 Reconcile receipts to deposits to ensure receipts are deposited intact and timely.
- 1.4 Maintain a complete master listing of all seized property, perform periodic physical inventories, and compare the results to the master listing.

Auditee's Response

The Sheriff provided the following responses:

- 1.1 *Procedures have been put in place to track each inmate's balance, and ensure documentation of disbursements is maintained.*
- 1.2 *Procedures have been implemented to track any unbilled civil fees and actual mileage is now being charged for service of civil papers.*
- 1.3 *Procedures have been put in place to implement this recommendation.*
- 1.4 *The Sheriff's department is in the process of updating property records. Procedures will be developed to perform periodic physical inventories, and we will work with the Judge to dispose of any old property and update all records.*

2. County Credit Purchases

The county did not obtain adequate documentation to support some fuel purchases made on credit. We tested 3 lines of credit and 5 credit card transactions and noted the following:

- Our review of invoices for one of the Sheriff's lines of credit determined the county did not always obtain supporting documentation for fuel purchased. Instead, a vendor was allowed to submit a ledger indicating the Sheriff's employee name, date, and amount of purchase. The county did not obtain sales slip receipts to ensure fuel was purchased by a county employee, and the Sheriff's department does not reconcile the amounts billed to its fuel logs to ensure all charges are appropriate. Our reconciliation of a fuel billing statement from one vendor to the Sheriff's fuel log for July 2014 identified two transactions billed to the county were not included in the Sheriff's fuel log. As a result of our questions, the county started requiring sales slip receipts for fuel purchases from this vendor starting in December 2014. During the year ended December 31, 2014, the county spent \$14,237, on fuel purchases for the Sheriff's department.
- Our review of fuel credit card invoices noted two instances where the county paid invoices despite not having signed sales slip receipts to support all of the fuel purchases billed. For one invoice, 2 of the 6 purchases did not have a supporting sales slip receipt. At our request,



Hickory County Management Advisory Report - State Auditor's Findings

the county obtained the missing sales slip receipts, which had been signed by a county employee and appeared appropriate.

Our review of a second invoice from another fuel credit card used by the Sheriff's department and the road and bridge department determined no sales slip receipts were being provided to the county. The monthly invoice documented the quantity, price per gallon, and total purchase amount. However, the county did not obtain a sales slip receipt to ensure a county employee made the fuel purchase and did not receive approval from the Sheriff's department or the road and bridge department to ensure the appropriateness of the purchases.

To ensure all charges actually incurred and amounts paid are proper, all disbursements should be supported by signed sales slip receipts and approved by the applicable department incurring the charges before payment of the invoice.

Recommendation

The County Commission obtain adequate supporting documentation for all credit purchases and ensure all charges are approved by the applicable department incurring the charges prior to payment.

Auditee's Response

The County Commission provided the following response:

The County Commission agrees improvement is needed, and has already begun to obtain supporting documentation for credit purchases and departmental approval before payment.

3. Vehicle Usage

Based on discussions with the Sheriff and several citizens of Hickory County, the Sheriff and some of his deputies have used county patrol vehicles for personal use. As reported in our prior audit report, the county does not have a comprehensive written vehicle use policy and no record of personal mileage is documented. The Sheriff stated any personal use is covered under the department's informal ride along policy that allows citizens to ride in Sheriff vehicles; however, the department does not have a formal written policy indicating what is considered allowable use under the ride along policy. Such use results in both a significant potential liability for the county and unnecessary fuel costs. Individuals not employed by the county, such as spouses or children, should not be passengers in county vehicles, unless they are involved in the conduct of county business. The county owns 12 passenger vehicles with 10 vehicles for the Sheriff's department, 1 for the County Commission, and 1 for the County Assessor.

A vehicle use policy should address allowable and unallowable use of county vehicles and the records required to account for such use, justification for assigning vehicles to individuals, and the justification for commuting.



Hickory County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Commission adopt a comprehensive written vehicle use policy.

Auditee's Response

The County Commission provided the following response:

The County Commission will strongly recommend that each elected official within his/her department that operates passenger vehicles adopt a formal written policy for acceptable and/or allowable use of the county vehicles.

4. Computer Controls

The County Commission has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the offices of the County Clerk, County Treasurer, County Collector, County Assessor, and Recorder of Deeds are not required to periodically change their password.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords are not periodically changed by employees in these offices, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission require employees change passwords periodically to prevent unauthorized access to the county's computers and data.

Auditee's Response

The County Commission provided the following response:

The County Commission understands the importance of password protection of the county computers and will recommend each elected official with a department require computer passwords to be changed every ninety days.

Hickory County

Organization and Statistical Information

Hickory County is a county-organized, third-class county. The county seat is Hermitage.

Hickory County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 39 full-time employees and 9 part-time employees on December 31, 2014.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Robert Sawyer, Presiding Commissioner	\$	27,080
Robert Breshears, Associate Commissioner		25,080
Rick Pearson, Associate Commissioner		25,080
Pamela Hutton, Recorder of Deeds		38,000
Jeanne Lindsey, County Clerk		38,000
James Brown, Prosecuting Attorney		45,000
Raymond S. Tipton, Sheriff		43,000
Kenny Ratliff, County Treasurer		38,000
Connie Boller, County Coroner		11,000
Cindy Gates, Public Administrator (1)		16,667
Karen Stokes, County Collector, year ended February 28,	38,000	
Clint D. Baker, County Assessor, year ended August 31,		38,000

- (1) Compensation paid from March 1, 2014, through December 31, 2014. Rhonda Hargriss served as the Public Administrator from January 1, 2014, through February 28, 2014, and was paid \$3,333.



John Watson
Missouri State Auditor

ADMINISTRATION

Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2014



April 2015
Report No. 2015-022

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the review of Article X, Sections 16 through 24, Constitution of Missouri

Background

The Constitution of Missouri was amended in 1980 to add Article X, Sections 16 through 24, commonly referred to as the Hancock Amendment. This tax limitation amendment imposes restrictions on the amount of personal income used to fund state government and the amount by which fees and taxes can be increased. Mathematical formulas are used to determine the relevant threshold amounts each year.

The Hancock Amendment limits the amount of Missourians' personal income that may be used to fund state government to no greater than the portion used to do so in 1981. In other words, since 5.6 percent of Missourians' personal income went to fund state government in 1981, then no more than 5.6 percent can be used to do so in future years, unless revenues are specifically excluded by a vote of the people.

The Hancock Amendment also requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the Office of Administration, Division of Budget and Planning, the relevant annual revenue limit for fiscal year 2014 was \$87.6 million.

Fiscal Year 2014 Findings

For the fiscal year ended June 30, 2014, our review determined no Hancock refunds were due. In fact, total state revenue was approximately \$4.0 billion under the refund threshold. In addition, the Office of Administration, Division of Budget and Planning determined that net taxes and fees decreased by a total of at least \$619.5 million. As a result, our review concluded the state complied with these provisions of the Hancock Amendment.

The revenue limit has not been exceeded since the year ended June 30, 1999.

Because of the limited objective of this review, no overall rating is provided.

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	4
-------------------	---

Exhibits

Exhibit

A	Summary of Total State Revenue and Refund Calculations, 5 Years Ended June 30, 2014.....	6
B	Schedule of Total State Revenues, 5 Years Ended June 30, 2014.....	7
C	Schedule of Expenditure Refunds, 5 Years Ended June 30, 2014.....	14

Background, Methodology, and Conclusions	15
---------------------------------------------	----

Appendix

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996).....	25
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JOHN WATSON

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Douglas E. Nelson, Commissioner
Office of Administration
Jefferson City, Missouri

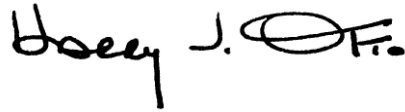
To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this review and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2014, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We had previously reported on revenues of the state for the years ended June 30, 1982 through 2013. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formula to calculate the state's revenue limit.
2. Determine the specific items included in total state revenues.
3. Verify the accuracy of the revenue limit computation and compare that limit to total state revenues.
4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing data and reports from the statewide accounting system.

The Executive Summary and the Background, Methodology, and Conclusions present our comments, findings, and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large "H" and a circular flourish at the end.

Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Jeffrey Thelen, CPA, CISA
Audit Manager:	Robyn Vogt, M.Acct., CPA

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Executive Summary

Executive Summary

The amendment, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

The results of our review determined that for the year ended June 30, 2014, total state revenue (TSR) was approximately \$4.0 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2014.

The amendment also imposes an additional revenue limit, which states the general assembly shall not increase taxes or fees in any fiscal year without voter approval that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less.

For the year ended June 30, 2014, the Office of Administration, Division of Budget and Planning has determined that as a result of legislative actions net taxes and fees decreased by a total of at least \$619.5 million. As a result, the state also complied with this provision of the amendment.

The revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years the amount of TSR under the refund threshold has ranged from \$3.6 billion to \$4.4 billion.

A bar graph of TSR compared to the refund threshold follows:

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
CHART OF TOTAL STATE REVENUE VERSUS REFUND THRESHOLD

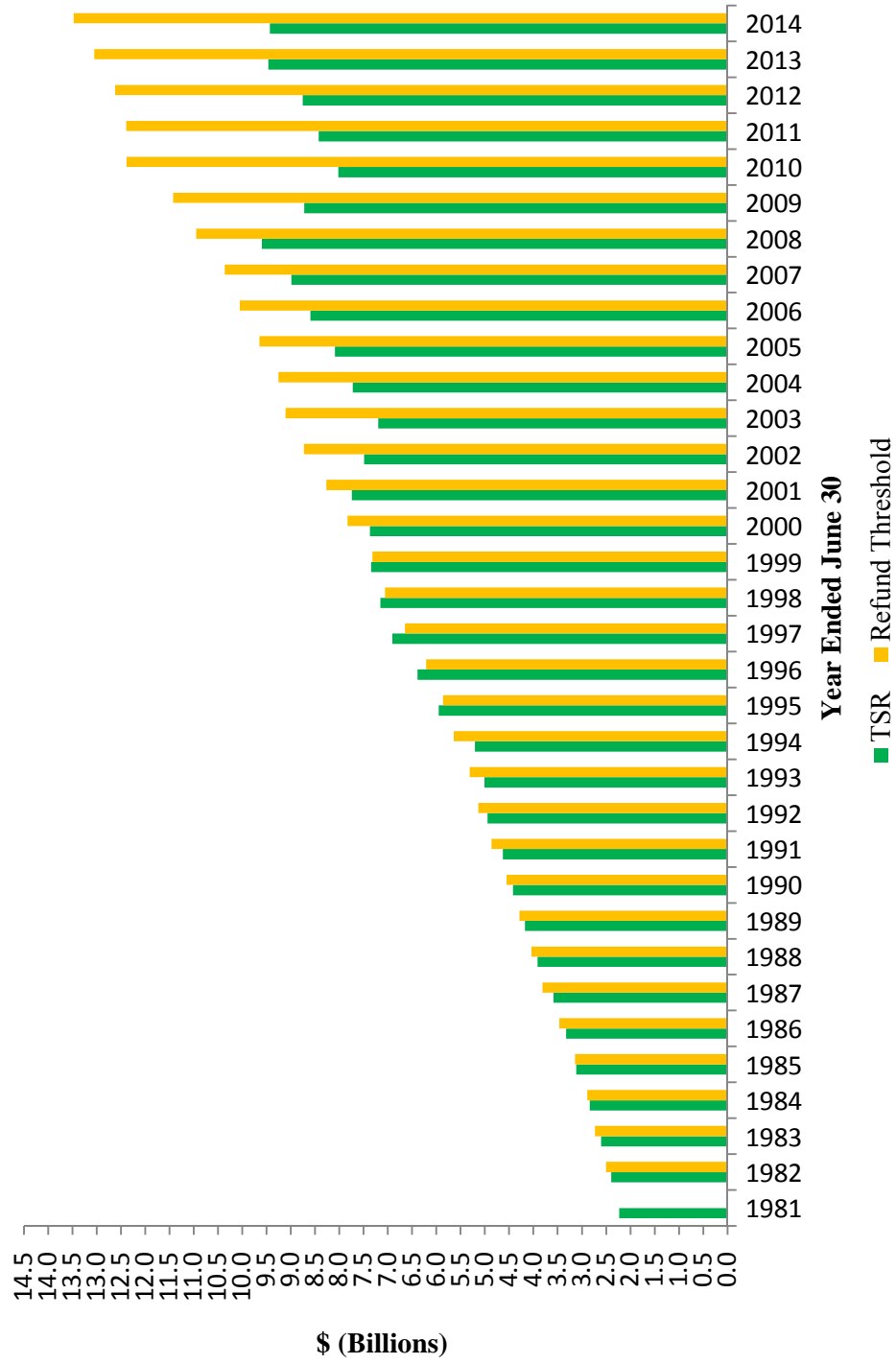


Exhibit A

Review of Article X, Sections 16 Through 24, Constitution of Missouri
Summary of Total State Revenue and Refund Calculations
(In Millions)

		Year Ended June 30,				
		2010	2011	2012	2013	2014
TOTAL STATE REVENUE (TSR)						
Total state receipts	\$	25,392.29	25,114.40	24,304.54	24,736.17	24,616.14
Less excluded revenue		(15,836.59)	(15,298.29)	(14,220.97)	(14,050.75)	(13,878.69)
Less expenditure refunds		(1,543.13)	(1,414.46)	(1,342.75)	(1,240.31)	(1,328.25)
Add refundable tax credits		9.95	22.77	14.85	17.21	19.19
TSR	\$	8,022.52	8,424.42	8,755.67	9,462.32	9,428.39
REVENUE LIMIT AND REFUND THRESHOLD						
Missouri personal income	\$	216,547.00	216,637.00	220,635.00	228,218.00	235,661.00
Base year ratio	x	0.056395	0.056395	0.056395	0.056395	0.056395
Base limit		12,212.17	12,217.24	12,442.71	12,870.35	13,290.10
Judicial article amendment		50.53	50.53	50.53	51.50	51.86
Revenue limit		12,262.70	12,267.77	12,493.24	12,921.85	13,341.96
1 percent adjustment		122.63	122.68	124.93	129.22	133.42
Refund threshold	\$	12,385.33	12,390.45	12,618.17	13,051.07	13,475.38
REFUND CALCULATION						
TSR	\$	8,022.52	8,424.42	8,755.67	9,462.32	9,428.39
Less refund threshold		12,385.33	12,390.45	12,618.17	13,051.07	13,475.38
Over (Under) Threshold		(4,362.81)	(3,966.03)	(3,862.50)	(3,588.75)	(4,046.99)
1 percent adjustment		0.00	0.00	0.00	0.00	0.00
Refund	\$	0.00	0.00	0.00	0.00	0.00

Exhibit B

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenues

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2010	2011	2012	2013	2014
	1001	Sales and use tax	\$ 1,839,221,316	1,860,913,153	1,928,981,152	1,956,108,763	1,977,037,033
	1003	(l) Parks sales and use tax	37,541,193	38,326,978	40,226,069	41,011,615	42,830,073
	1005	(k) Soil and water sales and use tax	37,541,196	38,326,982	40,226,073	41,011,618	42,830,077
	1007	General revenue reimbursements - local sales and use tax	1,194,248	2,009,254	1,749,610	1,710,168	1,650,259
	1009	Motor vehicle sales tax	2,870,175	2,470,456	2,503,662	3,013,954	4,090,999
	1009	(bb) Motor vehicle sales tax - Amendment 3	166,257,149	178,836,881	188,378,783	200,691,181	264,542,465
	1011	(t) Conservation sales and use tax	93,854,189	95,818,337	100,566,000	102,532,262	107,076,440
	1013	(f) Proposition C sales and use tax	737,027,830	751,790,411	789,216,003	803,929,533	841,225,588
	1015	Sales and use taxes paid under protest	485,684	1,073,324	118,018	138,240	217,330
	1022	Individual income tax	5,495,243,112	5,641,731,318	5,851,240,169	6,374,054,124	6,421,715,624
	1024	Individual income taxes paid under protest	98,582	80,953	31,430	2,322	7,174
	1026	Corporate income tax	408,935,647	455,662,447	432,582,659	469,446,717	479,242,902
	1028	Corporate income taxes paid under protest	150	-	-	38,061	16,571
	1033	County foreign insurance tax	194,396,970	211,060,727	191,997,525	191,390,872	202,752,455
	1037	Worker's compensation insurance tax	9,386,753	12,452,781	13,245,133	14,058,446	15,700,482
	1039	Worker's compensation insurance tax - second injury	43,216,506	37,800,696	41,671,672	42,328,061	54,987,065
	1041	Excess lines of insurance tax	23,053,334	22,300,553	23,254,218	26,311,783	28,719,999
	1049	Heavy beer tax	8,270,996	8,222,901	8,151,881	8,044,713	7,887,262
	1051	Light beer tax	15,330	-	-	-	-
	1053	Liquor tax	19,476,179	19,560,786	20,621,338	21,047,333	21,925,239
	1055	Wine tax	5,023,673	5,175,458	5,568,215	5,598,899	5,947,749
	1057	Cigarette tax	91,151,815	89,965,910	88,609,043	86,837,985	82,301,596
	1059	Tobacco product tax	15,011,542	15,551,490	16,308,821	16,895,556	17,225,212
	1060	Motor vehicle fuel tax	401,519,109	399,527,478	393,010,333	400,533,646	395,257,448
	1060	(g) Motor vehicle fuel tax	169,008,528	169,467,566	166,913,857	163,022,120	164,058,506
	1060	(bb) Motor vehicle fuel tax - Amendment 3	149,998,750	150,406,156	148,139,684	144,685,683	145,605,497
	1062	Special fuel non-gas tax	782,210	370,352	270,729	262,158	258,291
	1062	(bb) Special fuel non-gas tax - Amendment 3	114,205	133,520	148,356	138,610	128,033
	1064	Aviation fuel tax	251,472	254,394	295,198	274,827	264,010
	1070	Corporation franchise tax	93,155,521	81,733,747	70,171,529	56,194,216	61,314,630
	1073	Estate tax	263,642	2,117,782	170,966	174,751	129,700
	1074	(p) Bingo tax	2,198,919	2,157,214	2,113,377	2,000,965	1,810,599
	1076	(q) Gaming commission gross receipts tax	334,287,278	341,376,377	337,316,302	329,024,116	314,364,443
	1079	County private car tax	-	-	2	218	83
	1080	Real and personal property tax	26,051,387	26,547,565	26,395,744	26,662,885	26,731,442
	1082	Delinquent real and personal property tax	3,486,501	3,170,652	3,013,387	3,232,208	2,994,380
	1084	Hazardous waste fees	1,466,805	1,417,393	1,426,033	2,671,827	2,365,426
	1088	Nursing facility reimbursement allowance	14,020,417	14,661,394	17,009,046	18,111,951	18,329,061
	1089	Pharmacy reimbursement allowance	66,335,897	92,850,277	95,230,655	95,070,564	91,412,290
	1090	Federal reimbursement allowance	6,292,537	7,693,473	42,381,428	19,305,322	15,956,994
	1093	Athletic events tax	104,843	136,650	159,800	165,508	112,214
	1094	Ambulance service reimbursement allowance	-	-	5,252,545	8,135,233	7,956,001
	1095	Surcharges	317,448	288,301	236,155	189,214	154,948
	1096	Special taxes and assessments	31,637	-	-	-	-
	1097	Agency collected sales taxes	345,639	312,488	205,722	225,236	230,578
	1099	Other taxes	12,411,499	12,013,430	285,249	83,390	79,512
	1100	Professional licenses or permits	24,637,691	24,641,882	25,311,321	29,001,314	27,594,721
	1102	Recreational licenses or permits	5,153,559	5,684,827	5,525,790	4,965,053	5,559,494
	1104	All-terrain vehicle licenses or permits	2	-	-	-	-
	1106	Motor vehicle licenses or permits	128,852,046	122,777,623	121,364,737	122,181,185	124,206,058
	1106	(bb) Motor vehicle licenses or permits - Amendment 3	54,833,952	54,761,828	53,890,370	54,681,388	54,180,250
	1108	Interstate transportation licenses or permits	44,535,890	47,312,197	50,488,456	48,344,030	50,908,751
	1108	(bb) Interstate transportation licenses or permits - Amendment 3	20,092,995	21,406,443	22,855,732	21,809,372	23,011,734
	1110	Driver's licenses or permits	7,374,159	5,891,775	7,187,607	6,832,517	6,331,641
	1110	(bb) Driver's licenses or permits - Amendment 3	9,101,225	7,631,863	8,580,448	8,248,271	7,677,449
	1112	Land reclamation commission permits	593,636	563,010	570,035	566,245	601,738
	1114	Salesman licenses or permits	328,500	629,900	618,310	740,050	802,435
	1116	Vehicle and boat manufacturer and dealer licenses	892,228	891,432	877,445	866,356	869,682
	1118	Liquor licenses or permits	4,889,334	4,963,343	4,964,474	5,035,454	5,308,776
	1120	Gaming commission licenses	1,617,970	1,732,484	1,601,155	1,555,913	1,829,568

Exhibit B

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenues

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2010	2011	2012	2013	2014
	1122	Beer licenses or permits	350	-	-	-	-
	1124	Motor carrier licenses	1,604,642	3,813,345	2,553,651	2,692,836	2,791,638
	1126	Hunting and fishing licenses and commission permits	31,059,506	30,206,611	31,361,102	30,653,188	31,725,219
	1127	Hunting and fishing special tags	1,188,356	1,068,541	1,127,630	961,550	1,015,201
	1128	Hazardous waste transporter licenses	310,352	288,314	316,891	281,665	322,289
	1130	Water pollution control permits	4,154,272	2,755,242	4,487,263	4,226,907	4,065,386
	1132	(bb) Overdimension/overweight permits - Amendment 3	7,304,243	7,716,060	8,752,113	8,452,114	9,545,940
	1134	Merchant licenses	1,312,555	1,379,239	1,466,297	1,448,958	1,551,865
	1136	Tobacco licenses	28,600	26,100	27,300	27,100	27,000
	1138	Temporary licenses	600	225	1,100	575	375
	1140	Duplicate plates	614,506	1,573,920	1,574,829	1,548,829	1,468,228
	1142	Duplicate driver license	739,435	1,943,207	1,917,506	1,962,246	1,819,152
	1149	Other licenses and permits	3,880,320	3,858,723	3,949,879	3,885,485	3,593,531
	1149	(bb) Other licenses and permits - Amendment 3	1,220,854	969,641	1,497,535	1,259,068	1,493,436
	1150	Lobbyist registration fees	10,630	11,400	11,020	11,130	10,920
	1152	Motorboat fees	8,752,777	9,779,948	11,848,667	11,829,678	12,145,169
	1154	Narcotics and dangerous drugs fees	811,160	811,020	562,899	504,880	750,873
	1156	Occupational boards exam fees - individual exam fees	699,961	714,469	751,999	811,132	788,310
	1160	(bb) Non-motor fuel decal fees - Amendment 3	75,514	67,474	109,476	185,168	234,285
	1162	Filing fees	17,575,031	17,653,490	24,409,792	17,882,469	18,691,254
	1163	Certifying/authenticating fees	29,439	141,542	37,876	45,411	130,938
	1164	Transfer fees	22,584	26,420	31,088	28,608	31,108
	1165	Service contract registration fee	82,600	86,950	95,200	105,100	119,000
	1169	Other registration fees	8,249,204	10,573,548	4,477,531	10,664,905	11,090,142
	1174	Asbestos fees	253,980	275,160	290,136	215,940	241,620
	1176	Egg license fees	-	-	-	-	27,083
	1178	Milk control fees	2,737	224,549	124,514	114,907	79,082
	1180	Home health care license fees	114,600	123,300	116,050	121,800	113,825
	1182	Nursing home license fees	144,875	144,174	129,945	122,011	127,806
	1184	Title V emissions fees	8,418,337	8,294,850	7,913,341	7,300,494	7,492,099
	1185	Emission fees/non Title V facilities	354,252	376,707	354,144	348,521	348,043
	1186	Boarding home license fees	700,607	719,900	707,457	712,735	710,206
	1188	Public utilities fees	20,969,774	19,424,369	19,494,211	19,996,899	20,118,625
	1190	Hospital license fees	88,588	81,151	83,123	84,559	85,884
	1192	Grain warehouse license fees	35,307	34,920	36,604	38,162	32,184
	1194	Missouri primacy fees	4,733,195	4,581,461	4,723,917	4,771,139	4,520,406
	1198	Transport load fees	11,451,506	11,474,813	11,302,684	11,227,662	11,239,640
	1200	Storage tank registration fees	211,800	223,930	52,215	42,980	192,916
	1202	Tourist cabin permit fees	190,096	181,740	181,022	183,095	181,910
	1206	Solid waste disposal fees	10,801,800	11,062,761	11,307,064	10,462,793	10,576,521
	1208	New tire fees	2,126,713	2,139,197	2,084,386	1,988,327	2,060,844
	1209	Battery fee	659,823	688,745	683,152	678,421	738,351
	1210	Ground water protection fees	703,057	723,147	710,064	920,000	667,969
	1211	Radioactive waste transport fee	62,375	168,825	286,075	318,600	248,625
	1214	Insurance regulatory fees, renewals and purchasing groups	2,068,293	2,720,667	2,451,999	2,105,145	2,804,144
	1216	Air conservation commission permit fees	262,253	270,803	253,489	298,638	212,155
	1218	Bingo license fees	42,505	46,815	41,730	39,580	38,010
	1220	Lab fees	5,559,077	4,707,017	5,256,158	5,572,347	5,725,578
	1222	Program administration fees	1,084,579	1,059,357	1,055,518	1,091,830	1,056,753
	1223	Confined animal feed operation indemnity fees	3,882	1,993	2,143	2,143	4,392
	1224	Railroad assessments	251,242	665,300	820,331	784,786	756,623
	1227	Enhanced vehicle emission inspection fees	1,801,168	1,885,301	1,934,155	1,970,590	2,000,573
	1233	Grain warehouse inspection fees	2,061,344	2,158,349	2,178,611	1,749,142	2,563,861
	1235	Milk inspection fees	1,297,735	1,242,699	1,215,032	1,158,584	1,032,307
	1237	Ice cream products inspection fees	34,400	32,260	36,430	32,806	35,125
	1239	Mine inspection fees	54,881	63,038	80,344	64,606	67,789
	1241	Mobile home and recreational vehicle inspection fees	408,598	361,545	364,287	357,436	401,934
	1243	Oil inspection fees	2,405,616	2,424,084	2,384,809	2,360,750	2,362,714
	1249	Other inspection fees	1,877,287	2,020,607	2,513,585	2,461,158	2,526,682
	1250	Collection fees	22,382,813	24,645,324	26,285,623	26,739,487	28,363,897
	1251	Bankruptcy collections	-	-	6,398	-	-

Exhibit B

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenues

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2010	2011	2012	2013	2014
	1252	Admission fees	1,206,370	1,221,915	1,250,114	1,320,732	1,351,851
	1252 (q)	Admission fees - riverboat gambling	54,445,159	54,296,354	51,348,977	48,803,064	44,870,917
	1254	State auditor fees	190,808	254,001	182,644	185,072	171,721
	1260	Grade crossing safety fees	1,269,468	1,285,657	1,273,362	1,305,614	1,310,711
	1262	Loan administration fees	6,297,549	6,240,808	6,372,132	6,516,695	6,923,903
	1262 (c)	Loan administration fees - Fund 881	94,643	2,781	-	-	-
	1264	Court fees	39,216,151	44,203,725	41,058,636	40,544,604	39,013,101
	1266	Financial institutions examination fees	10,226,204	8,962,723	10,104,394	10,176,788	11,112,130
	1268	Consumer finance license fees	1,064,775	1,087,800	1,044,175	999,525	956,625
	1270	Transcript fees	108,464	95,754	102,947	92,683	102,687
	1274	Marketing development fees	32,667	41,602	38,258	36,502	42,194
	1276	Miscellaneous insurance fees	93,180	91,920	89,220	90,660	93,380
	1278	Gaming commission administrative income	389	53	314	-	145
	1279 (a)	Lottery commission fees	268,130	273,771	277,070	301,162	298,707
	1280	Motor vehicle inspection sticker fees	4,165,029	3,701,374	3,767,945	3,778,928	3,840,955
	1282	Logo sign advertising fees	6,177,218	2,049,123	4,602,664	3,167,882	4,434,405
	1284	Public defender fees	1,656,372	1,598,188	1,424,603	1,176,797	1,335,978
	1286	Witness fees	10,188	14,068	9,141	5,758	5,561
	1288	County recorders fees	6,794,853	6,718,174	6,750,687	7,472,773	6,460,207
	1290	Training or conference fees	151,682	140,844	127,634	183,421	169,658
	1294	Electronic monitoring fee	212,126	140,469	115,177	78,278	76,488
	1295	Intervention fees	-	-	9,137,637	9,851,227	9,006,410
	1298	Substance abuse offender program fees	4,512,493	6,288,725	6,737,998	6,291,593	5,831,337
	1302	Criminal records check fees	9,298,093	9,531,901	10,333,134	10,798,720	10,027,568
	1303	Other fees	23,499,863	22,636,060	12,788,351	10,700,540	10,278,791
	1305 (h)	Bond sales proceeds	1,107,698,801	74,305,145	1,867,300	-	-
	1306	Proceeds from capital leases	120	-	1,486,676	-	2,592,318
	1310	Land sales	4,651,641	5,051,065	4,403,124	8,422,605	5,938,834
	1312	Sales of natural resources products	3,366,092	4,601,621	3,667,239	2,849,276	3,892,772
	1314	Sales of agriculture products	2,023,963	2,168,597	2,391,119	2,874,050	3,239,003
	1316	Manufactured product sales	11,014,608	9,873,622	8,505,830	8,827,769	7,779,143
	1318	Information sales	2,409,400	2,474,349	2,500,392	2,351,654	2,537,175
	1320	Souvenir sales	476,837	543,123	452,030	474,186	582,266
	1322	Surplus property sales - state	2,028,011	2,423,525	3,082,652	3,704,451	2,761,141
	1322 (z)	Surplus property sales - state - Fund 710	1,220,352	1,523,162	1,331,787	1,414,547	1,725,866
	1324	Surplus property sales - federal	1,959,831	2,150,411	2,950,034	2,989,213	2,295,451
	1326	Unclaimed property sales	-	-	876	1,205	-
	1328	Sales of fixed assets - control	7,797,363	7,876,231	10,762,095	10,727,324	7,931,754
	1330	Vital records sales	1,327,953	1,205,929	1,047,539	1,149,125	1,082,840
	1332	Lottery ticket sales	-	-	-	-	64
	1332 (a)	Lottery ticket sales - Fund 657	416,039,046	434,022,539	464,048,652	490,432,070	492,825,818
	1334	Cafeteria sales	699,433	586,874	546,748	661,975	800,225
	1338	Other sales	243,013	382,372	371,843	259,540	258,697
	1342	Supply sales	450	445	143	-	31
	1401	Land rentals/leases	5,406	5,405	17,090	31,690	64,383
	1403	State facilities rentals/leases	834,070	911,961	985,555	1,486,747	1,413,722
	1404	Parking rentals/leases	61,885	63,930	60,356	63,176	63,552
	1405	Concessions and recreational rentals/leases	2,552,306	2,542,114	2,471,197	2,567,237	2,495,952
	1407	Housing/building rentals/leases	1,092,018	393,486	237,191	255,524	218,818
	1409	Other leases and rentals	913,786	1,399,403	1,385,089	736,716	1,079,948
	1414 (e)	Medicare	10,975,222	8,768,553	7,544,088	5,359,704	6,781,464
	1418 (e)	Medicaid	85,028,450	92,207,991	96,595,375	90,326,464	81,573,482
	1419 (e)	Medicaid - case managers	-	-	-	100	6,462
	1420 (e)	Medicaid - community based	145,309,030	168,504,569	193,452,249	205,718,504	214,026,223
	1422	Private payments	5,934,601	5,613,049	2,067,010	1,813,703	1,862,213
	1424	Insurance payments	1,291,657	808,332	714,174	327,885	445,098
	1426	Other payments	120,433	5,416	11,555	28,989	9,474
	1434	Institutional support fees	-	66,796	248,416	-	-
	1436	Room and care	27,033,482	26,450,131	26,341,112	26,953,266	28,363,819
	1442	Mail/freight services	-	16	-	-	8
	1444	Telephone billing	-	1,010	1,330	-	-

Exhibit B

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenues

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2010	2011	2012	2013	2014
	1446	Printing service	186,357	155,295	197,214	195,571	197,944
	1448	Computer services	1,980	1,040	846	847	79,095
	1450	Administration services	10	-	-	12,658	36,613
	1501	Private donations	5,523,556	3,796,587	4,836,387	5,297,073	5,600,103
	1502	Other governmental entity donations	50,000	30,000,000	30,103,121	5,000,000	4,050,000
	1507	(e) NASAO (airport inspections)	33,000	17,400	20,150	26,000	30,550
	1510	(e) US Department of Agriculture	457,571,495	447,130,718	487,260,888	490,290,851	485,385,631
	1512	(e) US Department of Defense	23,767,533	31,454,764	29,677,895	32,995,530	30,693,698
	1513	(e) US Department of Homeland Security	39,057,825	9,471,900	4,625,937	2,909,266	2,786,890
	1514	(e) US Department of Housing and Urban Development	49,360,455	70,778,353	61,464,304	48,483,173	45,313,039
	1516	(e) US Department of Interior	22,699,052	26,612,937	26,594,330	27,550,163	29,116,162
	1518	(e) US Department of Justice	3,816,756	2,269,245	2,730,436	2,575,272	3,808,162
	1520	(e) US Department of Labor	152,277,061	144,779,543	155,545,244	156,406,546	125,567,984
	1522	(e) US Department of Education	619,202,729	637,105,051	660,448,985	657,586,937	651,573,896
	1522	(c) US Department of Education - Fund 880	9,889,521	6,182,000	4,972,235	4,968,022	6,631,940
	1522	(c) US Department of Education - Fund 881	87,353,849	103,667,608	87,420,487	93,334,531	89,823,025
	1524	(e) US Department of Transportation	929,620,189	1,402,202,201	934,758,552	983,599,456	913,853,780
	1526	(e) National Foundation for the Arts and Humanities	4,030,270	4,436,977	4,002,915	3,666,292	3,402,815
	1528	(e) US Veterans Administration	54,492,264	50,961,946	53,316,924	61,159,036	63,243,170
	1529	(e) US General Services Administration	-	-	-	43,391	50,091
	1530	(e) US Environmental Protection Agency	35,838,751	44,310,100	91,435,790	153,021,768	89,482,740
	1532	(e) US Department of Energy	5,594,925	4,450,006	2,982,042	6,005,146	10,598,978
	1534	(e) Federal Emergency Management Agency	139,707,918	63,343,101	74,016,355	72,661,743	48,677,321
	1536	(e) US Department of Health and Human Services	6,016,121,798	6,034,950,237	6,506,141,900	6,431,112,075	6,699,531,165
	1538	(e) National/community services	-	-	1,732,313	3,677,716	2,752,733
	1540	(e) US Social Security Administration	40,514,268	43,705,857	43,570,139	46,294,342	41,684,705
	1542	(e) National Archives and Records	17,353	93,136	30,882	6,789	80,676
	1544	(e) Elections Assistance Commission	-	5,456,068	-	24,162	-
	1546	(e) US Department of Treasury	19,625	8,886,997	8,886,997	5,244	9,160,236
	1548	(e) Equal Employment Opportunity Commission	-	-	-	-	134
	1549	(e) Miscellaneous federal revenues	68,127,965	62,084,275	35,316,069	34,938,505	46,737,165
	1551	County mental health programs	18,167,071	19,286,288	17,999,724	13,263,536	12,094,852
	1557	(e) American Recovery and Reinvestment Act	2,002,794,267	1,788,700,092	475,424,794	153,213,693	83,364,036
	1558	(e) American Recovery and Reinvestment Act - other	8,023,274	2,440,576	367,067	238,070	98,176
	1560	(e) Federal pass-through grants	25,120,494	70,016,585	78,646,931	61,246,642	47,604,707
	1601	Time deposits interest	6,253,940	2,167,040	3,614,152	3,864,773	1,759,898
	1601	(f) Time deposits interest - Fund 688	163,391	37,851	67,544	94,686	40,548
	1601	(a) Time deposits interest - Fund 657	66,243	13,258	15,067	20,393	8,630
	1601	(k) Time deposits interest - Fund 614	103,734	20,915	33,456	39,420	17,658
	1601	(l) Time deposits interest - Fund 613	14,736	5,753	17,005	29,258	12,552
	1601	(b) Time deposits interest - Fund 905	14,778	3,691	6,853	9,488	4,274
	1601	(p) Time deposits interest - Fund 289	3,395	865	1,359	1,480	452
	1601	(q) Time deposits interest - Fund 285	47,805	10,069	17,176	20,688	9,321
	1601	(d) Time deposits interest - Fund 963	1,952	527	882	1,230	512
	1601	(t) Time deposits interest - Fund 609	75,531	17,373	34,554	56,042	25,879
	1601	(c) Time deposits interest - Fund 880	101,593	19,456	23,809	36,591	22,942
	1601	(c) Time deposits interest - Fund 881	95,229	23,317	40,064	51,270	12,854
	1603	U.S./agency securities interest	38,510,748	31,640,225	25,185,835	20,360,811	21,271,757
	1603	(f) U.S./agency securities interest - Fund 688	503,800	353,267	295,075	307,343	314,250
	1603	(a) U.S./agency securities interest - Fund 657	235,454	128,797	74,052	63,503	67,509
	1603	(k) U.S./agency securities interest - Fund 614	319,530	201,400	146,904	132,540	136,776
	1603	(l) U.S./agency securities interest - Fund 613	42,694	50,430	72,001	91,337	97,185
	1603	(b) U.S./agency securities interest - Fund 905	44,708	34,139	29,935	29,795	33,279
	1603	(p) U.S./agency securities interest - Fund 289	10,444	8,338	6,305	5,809	3,521
	1603	(q) U.S./agency securities interest - Fund 285	136,156	90,728	75,941	67,409	71,221
	1603	(d) U.S./agency securities interest - Fund 963	6,043	6,917	5,879	6,115	6,256
	1603	(t) U.S./agency securities interest - Fund 609	232,165	161,971	147,624	173,935	201,135
	1603	(c) U.S./agency securities interest - Fund 880	294,831	193,399	107,257	109,286	180,476
	1603	(c) U.S./agency securities interest - Fund 881	305,371	221,653	177,753	175,470	96,161
	1605	Other investment interest	102,828	128,207	410,035	182,587	133,832
	1605	(d) Other investment interest - Fund 963	194	-	-	-	-

Exhibit B

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenues

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2010	2011	2012	2013	2014
	1608	Realized gains and losses	19	7,891	-	-	-
	1608	(d) Realized gains and losses - Fund 963	1	273	-	-	-
	1610	Interest on loans	1,453,361	3,031,747	2,545,606	3,844,323	5,963,729
	1612	(cc) Interest - federal	70	-	23,802,563	22,442,061	12,442,473
	1614	Interest on receivables	17,202	10,584	9,082	4,697	5,686
	1616	Interest on settlements	805,015	9,653	2,718	295,109	393,324
	1618	Other interest	194,809	39,240	36,972	24,831	67,098
	1618	(c) Other interest - Fund 880	-	4,796	-	-	-
	1618	(t) Other interest - Fund 609	-	-	-	116	-
	1621	Penalties	10,405,711	6,795,157	8,788,554	16,383,711	15,026,501
	1621	(c) Penalties - Fund 881	250	74	487	88	61
	1622	Penalties - control	-	-	50	-	-
	1624	Settlements	5,845,579	2,085,472	6,183,019	55,120,514	5,310,083
	1626	Court awards	9,368,911	5,803,584	1,801,074	1,266,313	12,167,031
	1628	Insufficient funds charges	6,575	6,420	4,415	3,593	3,711
	1634	Estates	1,256	588	508	218,619	247
	1636	Unclaimed properties	75,944,392	82,406,170	81,360,731	95,900,842	92,346,642
	1636	(a) Unclaimed properties - state - Fund 657	-	-	-	631	-
	1700	(i) Salary refunds - federal	537,615	685,275	557,115	504,436	390,225
	1701	(i) Salary refunds - state	15,712	15,075	15,792	5,477	7,845
	1702	(i) Salary refunds - local/other	24,360	20,491	44,337	31,561	-
	1703	(i) General relief pension refunds	5,291	2,086	3,469	4,646	1,987
	1704	(i) Blind pension refunds	4,777	1,994	7,624	4,699	4,706
	1706	(i) Dependent children pension refunds	326,393	443,858	424,232	262,817	254,651
	1715	(i) Day care refunds	35,345	25,126	34,888	51,663	210,036
	1717	(i) Medicare - Medicaid refunds	340,610,206	482,052,781	507,643,669	639,370,093	546,964,083
	1719	(i) Cost in criminal cases refunds	977,526	859,303	846,638	958,828	1,055,769
	1720	(i) American Recovery and Reinvestment Act refunds	591,913	2,027,020	901,781	988,108	902,499
	1721	(i) Vendor refunds - federal	2,629,247	1,280,623	798,046	869,752	767,526
	1722	(i) Vendor refunds - state	1,268,213	1,018,335	1,373,828	679,317	2,021,933
	1722	(a) Vendor refunds - state - Fund 657	989	1,974	6,121	4,627	35,174
	1722	(c) Vendor refunds - state - Fund 880	524	5	-	-	-
	1723	(i) Vendor refunds - local/other	1,839,205	1,541,924	3,375,783	1,401,379	602,267
	1723	(c) Vendor refunds - local/other - Fund 880	2,279	-	80,441	712	383
	1724	(i) Political subdivision refunds	9,988	6,128	63	-	-
	1725	(i) Excess court payment refunds	1,384,433	3,460,515	227,053	648,913	8,716
	1727	(i) School refunds	12,773,166	10,205,891	9,909,164	9,526,783	6,710,912
	1727	(c) School refunds - Fund 880	-	7,758	-	-	-
	1728	(i) Scholarship refunds	227,907	173,655	102,782	72,950	45,031
	1729	(i) Audit findings - federal	7,880	823	41,960	209	-
	1730	(i) Audit findings - state	-	-	152,887	101	-
	1731	(i) Audit findings - local/other	349,002	84,447	158,129	40,404	103,069
	1732	(i) Utility refunds	26,130	37,472	27,323	3,305	101,704
	1733	(i) Fuel tax refunds	243,111	245,974	219,368	4,205	203,876
	1735	(i) Tax incremental financing (TIF) refund	-	-	2	-	974
	1737	(i) Other refunds	6,804,855	3,968,580	5,253,820	3,264,579	5,434,645
	1737	(c) Other refunds - Fund 880	-	244	1,073	6	-
	1737	(c) Other refunds - Fund 881	35	-	-	-	-
	1806	(v) Recovery costs	157,227,270	151,037,762	150,426,085	150,725,636	82,224,337
	1808	Deposit of surplus property funds	921	4,599	-	-	-
	1811	(y) Local match	87,931,854	91,490,039	127,367,017	98,129,383	50,600,510
	1812	(w) Cost reimbursements - federal	1,046,340	638,071	727,844	437,557	419,025
	1813	(w) Cost reimbursements - state	55,264,763	79,229,099	71,087,608	46,502,004	18,340,057
	1813	Cost reimbursements - state (included)	12,832,252	14,301,943	15,004,668	15,728,569	15,930,219
	1814	(w) Cost reimbursements - local/other	229,800,753	191,294,541	204,205,080	187,364,955	187,174,831
	1814	(b) Cost reimbursements - local/other - Fund 905	-	-	-	-	100,510
	1814	(c) Cost reimbursements - local/other - Fund 880	-	-	2,890	8,615	6,630
	1816	Bond account	7,513,599	7,368,307	8,968,358	9,214,123	8,760,097
	1818	(u) Employee expense reimbursement - federal	2,930	-	6,030	819	1,463
	1819	(u) Employee expense reimbursement - state	1,301	688	-	450	410
	1820	(u) Employee expense reimbursement - local/other	27	3	73,000	754	-

Exhibit B

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenues

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2010	2011	2012	2013	2014
	1821	(u) Employee personal expense reimbursement	46,387	183,172	97,665	24,186	38,726
	1822	(n) Outlawed checks	8,545,958	7,037,537	6,813,442	6,162,199	5,536,200
	1822	(b) Outlawed checks - Fund 905	5,302	7,945	17,028	6,024	10,275
	1824	(x) Canceled checks	4,390,790	2,430,074	2,036,483	2,182,674	1,861,189
	1824	(a) Canceled checks - Fund 657	-	686	-	-	-
	1824	(b) Canceled checks - Fund 905	550	-	875	2,355	6,209
	1824	(c) Canceled checks - Fund 880	-	-	-	950	-
	1826	(m) Redeposit of investments principal	22,021,895	1,216,650	2,837,450	264,945	1,459,102
	1826	(d) Redeposit of investments principal - Fund 963	721,761	-	-	-	-
	1828	(o) Redeposit of loan principal	53,273,825	55,411,431	61,093,018	68,996,096	69,361,487
	1830	Telephone commissions	867,887	893,850	1,171,093	1,447,934	1,490,792
	1832	Commission on sales	15,629	11,653	10,096	11,266	13,523
	1834	Rebates	886,600	923,074	1,040,862	2,503,915	1,539,474
	1834	(a) Rebates - Fund 657	902	2,243	5,979	5,334	5,114
	1834	(c) Rebates - Fund 880	969	3,478	230	738	472
	1834	(aa) Rebates - WIC	44,278,144	44,989,878	54,902,466	52,386,707	57,273,740
	1836	Housing and maintenance receipts	47,394	47,609	28,552	18,924	20,142
	1838	Loan defaults	489,467	903,996	561,905	483,363	674,897
	1840	(s) Loan proceeds	10,458,915	20,704,819	12,938,384	9,056,992	13,212,581
	1842	(o) Loan repayment	120,767	134,928	169,744	218,043	200,599
	1842	(c) Loan repayment - Fund 880	-	(1,600)	2,358	-	-
	1842	(c) Loan repayment - Fund 881	44,714,602	56,958,607	63,747,551	64,238,375	61,363,561
	1843	(o) Loans receivable contra account	3,074,095	3,219,769	3,859,410	4,170,829	5,394,634
	1844	Insurance proceeds	100	26,989	1,886	-	1,516
	1846	Capital credits/dividends	70,718	67,873	60,241	66,172	64,039
	1846	(d) Capital credits/dividends - Fund 963	62	-	-	-	-
	1848	Recycling receipts	203,522	352,568	380,262	317,333	286,314
	1850	Forfeitures	3,012,793	1,572,364	4,888,368	1,703,594	2,274,761
	1852	Overpayments	794,761	250,613	518,149	513,751	801,638
	1852	(c) Overpayments - Fund 880	-	765	-	-	-
	1856	(e) Other miscellaneous receipts - federal	5,080,717	5,920,959	5,030,652	7,536,647	5,213,456
	1858	Other miscellaneous receipts - state	1,504,015	2,317,557	2,883,176	3,954,119	3,907,352
	1858	(a) Other miscellaneous receipts - state - Fund 657	4,131	4,865	10,541	3,438	8,330
	1858	(b) Other miscellaneous receipts - state - Fund 905	11,444,550	12,628,615	13,780,374	13,536,541	14,686,795
	1860	Other miscellaneous receipts - local/other	6,709,058	4,141,399	8,082,121	7,390,306	2,385,011
	1860	(a) Other miscellaneous receipts - local/other - Fund 657	2,644,908	862,178	3,148,119	3,359,445	4,419,428
	1860	(c) Other miscellaneous receipts - local/other - Fund 880	-	2,195	403	-	-
	1862	Fees for copying public records	276,682	249,776	241,633	258,947	257,705
	1862	(a) Fees for copying public records - Fund 657	12	55	97	56	998
	1866	Federal share of grantee sales	367,625	310,955	179,984	234,984	243,547
	1868	Receivable overpayment - federal	-	-	161	-	76
	1870	Receivable overpayment - state	6,036	6,584	2,841	19	790
	1872	Receivable overpayment - local	(61)	1,550	944	1,345	40
	6001	(j) Supply sales	275,708	521,662	408,216	401,968	451,132
	6002	(j) Open records fees	11,171	11,337	8,874	12,065	16,184
	6003	(j) Fleet services operations/maintenance	1,366,715	1,574,218	2,149,619	2,244,601	2,115,565
	6005	(j) Fleet services replacement	730,248	870,185	1,476,091	1,590,541	1,522,658
	6006	(j) Criminal records check fees	414,162	392,457	326,864	373,277	317,652
	6007	(j) Mail/freight services	8,561,257	11,506,019	10,803,757	11,230,955	10,679,698
	6009	(j) Telephone billing	30,585,852	30,773,403	32,302,801	34,581,943	36,473,586
	6011	(j) Printing service	6,440,655	5,682,997	6,042,427	5,457,257	5,243,375
	6013	(j) Reimbursement/recovery cost	28,796,499	28,033,182	33,101,501	59,725,679	27,114,023
	6015	(j) Leased facility	91,329,415	101,160,500	104,557,774	105,027,361	106,994,424
	6017	(j) Sale of material, supplies, and services	659,046	452,218	691,783	564,009	909,355
	6019	(j) Training	588,818	438,684	340,177	537,835	554,521
	6021	(j) Computer services	21,864,293	22,116,269	23,599,449	19,567,908	22,297,639
	6023	(j) Administration services	642,348	548,877	396,676	772,096	850,060
	6025	(j) Flight operations services	382,198	374,033	349,239	399,173	298,650
	6027	(j) Sale of manufactured products	21,134,511	21,070,342	19,842,283	17,974,645	18,969,055
	6029	(j) Interagency receipts	25,746,374	34,778,712	39,991,261	51,636,237	42,755,745
	6029	(c) Interagency receipts - Fund 880	-	-	20,237	-	-

Exhibit B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenues

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2010	2011	2012	2013	2014
	6029	(c) Interagency receipts - Fund 881	474,062	659,991	552,518	588,922	522,508
	6030	(j) Sampling &/or analysis	607,533	797,593	597,162	515,738	841,801
	6031	(r) Redeposit of state funds	2,916,492	68,696	69,352	58,517	19,606
	6032	(j) Deposit of unclaimed property	-	-	-	1,225	-
	6033	(j) Permits	53,758	11,479	40,995	47,185	38,426
	6034	(j) Registration fees	51,715	45,642	59,342	55,048	103,377
	6035	(j) Taxes	6,462,818	7,500,691	7,954,247	7,890,094	8,419,180
	6036	(j) Transcript fees	17,296	15,825	19,309	8,016	8,210
		Total revenues	25,392,293,299	25,114,403,059	24,304,536,535	24,736,168,819	24,616,141,577
Fund Exclusions:							
	(a)	Lottery Enterprise Fund - Fund 657	419,259,815	435,310,366	467,585,698	494,190,659	497,669,708
	(b)	Alternative Care Trust Fund - Fund 905	11,509,888	12,674,390	13,835,065	13,584,203	14,841,342
	(c)	Student Loan Funds - Funds 626, 851, 880, and 881	143,327,758	167,946,527	157,149,793	163,513,576	158,661,013
	(d)	Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	730,013	7,717	6,761	7,345	6,768
Revenue Source Exclusions:							
	(e)	Federal funds	10,944,202,686	11,231,060,137	10,041,620,203	9,738,679,227	9,742,199,727
	(f)	Proposition C sales and use tax/interest	737,695,021	752,181,529	789,578,622	804,331,562	841,580,386
	(g)	Proposition A gas tax and license fee increases	169,008,528	169,467,566	166,913,857	163,022,120	164,058,506
	(h)	Bond sales	1,107,698,801	74,305,145	1,867,300	-	-
	(i)	Refunds	370,692,275	508,157,376	532,119,753	658,694,225	565,792,454
	(j)	Interagency sales and receipts	246,722,390	268,676,325	285,059,847	320,614,856	286,974,316
	(k)	Soil and water sales and use tax/interest	37,964,460	38,549,297	40,406,433	41,183,578	42,984,511
	(l)	Parks sales and use tax/interest	37,598,623	38,383,161	40,315,075	41,132,210	42,939,810
	(m)	Redeposit of investment principal	22,021,895	1,216,650	2,837,450	264,945	1,459,102
	(n)	Outlawed checks	8,545,958	7,037,537	6,813,442	6,162,199	5,536,200
	(o)	Redeposit of loan principal	56,468,687	58,766,128	65,122,172	73,384,968	74,956,720
	(p)	Bingo	2,212,758	2,166,417	2,121,041	2,008,254	1,814,572
	(q)	Riverboat gambling	388,916,398	395,773,528	388,758,396	377,915,277	359,315,902
	(r)	Redeposit of state funds	2,916,492	68,696	69,352	58,517	19,606
	(s)	Loan proceeds	10,458,915	20,704,819	12,938,384	9,056,992	13,212,581
	(t)	Conservation sales and use tax/interest	94,161,885	95,997,681	100,748,178	102,762,355	107,303,454
	(u)	State employee expense reimbursement	50,645	183,863	176,695	26,209	40,599
	(v)	Recovery costs	157,227,270	151,037,762	150,426,085	150,725,636	82,224,337
	(w)	Cost reimbursements	286,111,856	271,161,711	276,020,532	234,304,516	205,933,913
	(x)	Canceled checks	4,390,790	2,430,074	2,036,483	2,182,674	1,861,189
	(y)	Local match	87,931,854	91,490,039	127,367,017	98,129,383	50,600,510
	(z)	Proceeds of surplus property sales - Fund 710	1,220,352	1,523,162	1,331,787	1,414,547	1,725,866
	(aa)	WIC rebates	44,278,144	44,989,878	54,902,466	52,386,707	57,273,740
	(bb)	Amendment 3 revenue derived from highway users	408,998,887	421,929,866	432,352,497	440,150,855	506,419,089
	(cc)	Interest - federal	70	-	23,802,563	22,442,061	12,442,473
Other Exclusions and Limits:							
		CMIA interest payment to the federal government	215,748	24,499	22,013	-	-
		Agency remitted sales tax	380,227	369,085	247,169	260,481	239,471
		Abandoned funds claim payments	33,675,323	34,703,093	36,413,798	38,155,004	38,604,634
		Total exclusions	15,836,594,412	15,298,294,024	14,220,965,927	14,050,745,141	13,878,692,499
		Total revenues after exclusions	9,555,698,887	9,816,109,035	10,083,570,608	10,685,423,678	10,737,449,078
Less expenditure refunds (Exhibit C)							
			(1,543,126,545)	(1,414,459,977)	(1,342,748,745)	(1,240,311,060)	(1,328,253,309)
Add refundable tax credits:							
		Business Facility	35,878	2,907,965	402,578	-	-
		Enterprise Zone	38,836	185,922	280,469	231,246	109,188
		BUILD	4,998,107	7,956,937	2,316,971	5,590,472	4,610,238
		Missouri Quality Jobs	3,116,592	5,322,994	7,360,207	7,355,213	9,774,161
		New Enhanced Enterprise Zone	1,246,148	2,885,117	3,067,886	3,522,698	3,834,717
		Residential Dwelling Accessibility	17,984	23,186	5,266	-	-
		Self-employed Health Insurance	476,471	1,558,354	1,082,658	451,242	793,147
		Public Safety Officer Surviving Spouse	18,149	20,899	28,212	56,949	72,258
		Brownfield Jobs and Investment Credit	-	1,906,660	304,395	-	-
		Total State Revenue	\$ 8,022,520,507	8,424,417,092	8,755,670,505	9,462,320,438	9,428,389,478

Exhibit C

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Expenditure Refunds

Object Code	Description	Year Ended June 30,				
		2010	2011	2012	2013	2014
	SAM II Expenditure Refunds:					
3200	Bond refunds	\$ 3,406,613	3,624,472	3,381,743	3,766,775	4,037,533
3206	Deposit and escrow refunds	53,517	75,167	100,829	75,616	65,501
3212	Federal share grantee sales refunds	386	-	-	-	-
3213	Tax credit debt offset	259,589	159,943	424,562	211,413	99,150
3215	Debt offset refunds	9,616,812	10,724,197	10,184,106	9,312,765	8,811,600
3218	Motor vehicle license fee refunds	458,604	342,352	385,841	451,527	526,385
3221	Driver's license fee refunds	57,742	58,495	48,367	61,656	55,674
3227	License and permit fee refunds	183,361	147,645	163,468	236,183	135,557
3230	Registration fee refunds	9,990	4,341	37,308	29,217	26,604
3233	Regulatory fee refunds	7,714	16,754	59,869	15,030	12,237
3236	Inspection fee refunds	52,865	41,178	52,862	42,713	51,341
3239	Miscellaneous fee refunds	321,503	298,548	442,860	420,978	388,745
3242	Sales refunds	9,829	3,455	10,391	16,664	18,821
3245	Lease and rentals refunds	4,996	4,551	5,702	3,265	4,070
3248	Medical services refunds	6,002,089	6,525,413	6,331,354	6,010,508	7,406,446
3251	Contributions refunds	14,488,536	16,298,595	5,886,037	29,913	-
3254	Federal refunds	3,621,387	355,286	1,514,909	493,420	989,516
3257	Penalty and court award refunds	48,478	14,444	31,479	(856)	10,332
3260	Interagency billing refunds	12,061	-	295	1,884	-
3261	Receivable overpayment refunds	70,421	180,639	328,765	377,953	289,274
3267	Deferred revenue refunds	4,176,768	1,545,606	2,445,006	2,401,657	1,316,303
3268	Liability account refunds	-	-	-	-	3,276
3269	Other refunds	1,425,466	2,411,778	3,313,740	12,383,222	1,331,127
3272	Sales and use tax protested refunds	782	200,205	156,632	8,383	332
3281	County foreign insurance tax refunds	16,943,164	17,921,126	27,158,118	39,317,277	13,616,378
3284	County domestic insurance tax refunds	-	-	2,694,044	-	4,345,959
3287	Worker's compensation insurance tax refunds	725,543	2,212,394	286,762	513,702	96,395
3291	Surplus lines insurance tax refund	-	-	-	16,672	42,391
3293	Cigarette tax refunds	-	146,382	19,851	26,810	50,251
3299	Aviation fuel tax refunds	4,957	6,304	8,902	4,131	20,025
3305	Special fuel (non-gas) tax refunds	23,022,799	25,710,530	22,218,784	20,461,228	19,702,979
3308	Fuel tax refunds	10,599,366	10,237,237	10,042,959	7,838,108	9,112,720
3311	Sales tax refunds	468	36	104	535	-
3314	Food tax exemption refunds	-	-	-	-	179
3317	General sales and use tax refunds	60,007,381	49,875,140	28,009,782	25,564,348	44,356,280
3326	Motor vehicle sales tax refunds	2,889,341	3,110,419	3,395,473	3,658,569	4,561,344
3329	Motor vehicle use tax refunds	837,107	955,515	1,128,147	1,060,387	286,517
3335	Boat tax refunds	4,787	6,390	5,036	4,784	3,760
3338	Individual tax refunds	1,050,281,318	993,083,426	930,792,552	879,453,248	948,964,266
3341	Senior citizens tax refunds	118,595,070	114,887,118	117,603,638	113,962,551	110,643,361
3344	Corporation tax refunds	212,907,168	149,575,393	157,035,524	108,715,703	142,741,406
3347	Franchise tax refunds	1,512,990	2,189,789	5,214,992	1,471,893	1,826,313
3350	Inheritance tax refunds	18,345	172,440	8,628	-	412
3356	Other tax refunds	487,232	1,337,274	1,819,324	1,891,228	2,302,549
	Total SAM II Expenditure Refunds	\$ 1,543,126,545	1,414,459,977	1,342,748,745	1,240,311,060	1,328,253,309

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Background, Methodology, and Conclusions

The following identifies the various components of the amendment and the application of the amendment to state revenues.

Formula

Article X, Section 18(a), Missouri Constitution, establishes the revenue limit formula as follows:

$$\text{Revenue limit for FY 20XX} = \frac{\text{Total state revenue (TSR) in FY 1981}}{\text{CY 1979 Missouri personal income (MPI)}} \times \text{The greater of MPI in the calendar year (CY) prior to the CY in which appropriations are made for FY 20XX or Average MPI for three CYs preceding FY 20XX.}$$

The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) ensures that no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment. The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC).

The Office of Administration, Division of Budget and Planning (OA-BP) does not adjust the BYR for changes already made or for future changes or adjustments to this amount by the DOC. Article X, Section 17(2) refers to "... total income ... as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests that the BYR should be adjusted whenever CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI does provide an unchanging BYR for future years, which provides at least two benefits. First, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a refund where one previously was not due. Therefore, we find this approach reasonable so long as it is followed consistently.

As with the BYR, the OA-BP uses the MPI first officially published by the DOC after the close of the CY to calculate the revenue limit for the applicable fiscal year. For the reasons expressed in the preceding paragraph, we find this approach reasonable so long as it also is followed consistently.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The BYR was calculated by the OA-BP as follows (dollar amounts are in millions):

$$\frac{\$2,232.204096}{\$ 39,581.0} = .05639584891$$

In its calculations of the revenue limit the OA-BP rounded the BYR to .056395.

Article X, Section 18(b) allows the state to exceed the revenue limit by less than 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

Adjustments

Article X, Section 18(d) provides that the revenue limit may be adjusted, ". . . if responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, which was effective on July 1, 1981. In past years, the State Auditor's office (SAO) disagreed with this adjustment because state funding of these salaries was required by statute instead of by consequence of constitutional amendment. In addition, the Judicial Article Amendment was effective on August 3, 1976, which was prior to the time the Hancock Amendment was adopted by the voters on November 4, 1980. However, the Supreme Court ruled in its decision on January 27, 1998, that an adjustment to the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll is appropriate.

Composition of Total State Revenues

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

included in TSR. These funds include university local funds; local sales and use tax fund collections made by the Department of Revenue; various funds held in trust for inmates, patients, etc.; and various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and were not appropriated. Thus, it seems reasonable to conclude that these funds should not be included in TSR.

Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

A. Lottery Enterprise Fund

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded.

B. Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Missouri Veterans Commission hold funds in trust for inmates and patients; however, these funds are not in the state treasury and are not included in TSR. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

C. Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes these funds held in trust.

D. Pansy Johnson-Travis Memorial State Gardens Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

Excluded Revenues

From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

- | | |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| E. Federal Funds | Article X, Section 17, Missouri Constitution, specifically excludes federal funds. |
| F. Proposition C Sales and Use Tax/Interest | In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded. |
| G. Proposition A Gas Tax and License Fee Increases | In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item BB. below. |
| H. Bond Sales | An attorney general opinion concluded that proceeds of the state's general obligation bonds were not to be included in TSR. |
| I. Refunds | Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded. |
| J. Interagency Sales and Receipts | Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded. |
| K. Soil and Water Sales and Use Tax/Interest
and
L. Parks Sales and Use Tax/Interest | In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded. |
| M. Redeposit of Investment Principal | The redeposit of investment principal is excluded. |
| N. Outlawed Checks | Outlawed checks, which are state checks that were not cashed by the payee within the time allowed, are redeposited in the state treasury and are excluded. |
| O. Redeposit of Loan Principal | Redeposits of loan principal are excluded. |



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

P. Bingo

The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.

Q. Riverboat Gambling

In August 1992, the voters approved an amendment to Article III, Section 39(d), Missouri Constitution. This constitutional amendment requires that all state gaming revenues must be appropriated for public education and excludes these revenues from TSR.

In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming, which had been enacted by voters as Proposition A in November 1992.

Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.

On November 24, 1998, the Missouri Court of Appeals, Western District entered its final decision in *Kelly v. Hanson, et. al.*, 984 S.W. 2d 540 (Mo. 1998). The Missouri Court of Appeals, Western District ruled that revenue from the one dollar portion of the state imposed two dollar admission fee payable to the state is not included in TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining one dollar portion of the two dollar admission fee is also excluded from TSR because these funds are distributed



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

by the Department of Revenue without deposit in the state treasury and without appropriation.

- R. Redeposit of State Funds The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.
- S. Loan Proceeds The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.
- T. Conservation Sales and Use Tax/Interest Pursuant to the Supreme Court decision in *Conservation Federation of Missouri, et. al., v. Richard Hanson, et. al.*, 994 S.W. 2d 27 (Mo. Banc. 1999), the revenue derived from the one-eighth of one percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.
- U. State Employee Expense Reimbursement The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.
- V. Recovery Costs Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Also, see item W. below.
- W. Cost Reimbursements Monies received from other governments for reimbursements of costs incurred by the state are excluded.
- Regarding items V. and W., the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.
- X. Canceled Checks Receipts derived from the redeposit of state checks that have been canceled are excluded.
- Y. Local Match Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these local match funds are not state funds, they are excluded.
- Z. Proceeds of Surplus Property Sales The proceeds from some sales of surplus property are initially deposited into the Proceeds of Surplus Property Sales Fund then disbursed from this fund to the state fund that owned the property. To avoid counting the same



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

receipts in TSR twice, the state excludes amounts disbursed from the Proceeds of Surplus Property Sales Fund to other state funds.

AA. WIC Rebates

The Department of Health and Senior Services (DHSS) issues food instruments for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to program participants who use them to obtain formula at participating grocery stores and pharmacies. The participating grocery stores and pharmacies then redeem the food instruments. The food instruments are processed through the Federal Reserve System and the WIC program is charged for the food instruments presented. The DHSS records the redeemed food instruments and sends a monthly invoice to the contracted infant formula manufacturer who then rebates a portion of the sales proceeds to the state.

BB. Amendment 3 Revenue
Derived From Highway
Users

In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.

Section 30(a) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, ". . . The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of "total state revenues". . . ."

Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, ". . . The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of "total state revenues". . . ."

As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.

The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item G. above.)

Sections 29, 30(c), and 30(d) have no apparent Hancock implications.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

CC. Interest - Federal	Interest assessed and received on advances made to the state by the federal government. Since the interest is due to the federal government, it is excluded from TSR.
Other Exclusions and Limits	Other exclusions and limits have been considered to arrive at TSR, as follows:
Cash Management Improvement Act	The state has to enter into an agreement with the federal government that governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.
Agency Remitted Sales Tax	Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.
Abandoned Funds Claim Payments	Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.
Expenditure Refunds	According to Article X, Section 17(1), Missouri Constitution, total state revenue shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. The SAO had consistently used the appropriation basis to measure refunds. As a result, a difference existed. However, in its decision of January 27, 1998, the Supreme Court indicated that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. As a result, the SAO changed its calculation of expenditure refunds to the cash basis.
Tobacco Master Settlement Agreement Proceeds	The OA-BP has excluded \$66,085,418 received from tobacco companies during fiscal year 2014. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorney Generals. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2014 were as follows:

Fiscal Year	Amount
2001	\$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958
2010	140,318,927
2011	132,631,552
2012	135,246,224
2013	135,166,246
2014	66,085,418

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "*all money recovered from others for costs incurred by the state or to be incurred by the state.*" The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. For our fiscal year 2001 report, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs prior to fiscal year 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These three research projects showed that Medicaid costs attributable to smoking were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.

A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies, but they believe continued exclusion is reasonable.

Federal Reimbursement
Allowance and Nursing Facility
Reimbursement Allowance

The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program when collected by an offset against Medicaid claims, is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.

Compliance

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5, which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

Exhibit A presents a summary of the calculations of limited total state revenue (TSR) for the years ended June 30, 2014, 2013, 2012, 2011, and 2010. The results of our review determined that for the year ended June 30, 2014, TSR was approximately \$4.0 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2014.

Article X, Section 18(e), Missouri Constitution, imposes an additional revenue limit, which states the general assembly shall not increase taxes or fees in any fiscal year without voter approval that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. For fiscal year 2014, the OA-BP calculated these limits at \$110.2 million for the Missouri Personal Income amount and \$87.6 million for the 1 percent of total state revenues amount.

For fiscal year 2014, the OA-BP determined that as a result of legislative actions net taxes and fees decreased by a total of at least \$619.5 million. As a result, the state complied with Article X, Section 18(e).

Review of Article X, Sections 16 Through 24, Constitution of Missouri Appendix

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996*)

TAXATION

Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

Section 17. Definitions. As used in sections 16 through 24 of Article X:

- (1) **"Total state revenues"** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.
- (2) **"Personal income of Missouri"** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.
- (3) **"General price level"** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.

- (a). There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the fiscal year for which the calculation is being made, or



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix

the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b). For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c). The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d). If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

(e). Voter approval required for taxes or fees, when, exceptions--compliance procedure.

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix

shall be measured by the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

Section 19. Limits may be exceeded, when, how. The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix

revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.

Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding. The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.

(a). Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b). The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix

additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

Section 24. Voter approval requirements not exclusive--self-enforceability.

(a). The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b). The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

* The 1996 amendment added Section 18(e).



John Watson
Missouri State Auditor

Office of Governor



April 2015
Report No. 2015-023

<http://auditor.mo.gov>



John Watson
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of Governor

Recusal	To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff.
Payment of Operating Costs by Other State Agencies	As noted in the prior audit, the Governor's office continues to supplement office and mansion operations by using appropriations of other state agencies. This is despite appropriation bill provisions, effective since fiscal year 2012, prohibiting most state agencies from paying staffing and travel costs of the Governor's office. From July 2011 to June 2014, fourteen agencies funded all or part of the salaries and travel costs for six employees of the Governor's office and mansion for a total of approximately \$948,000; the Department of Public Safety paid approximately \$85,000 in costs associated with 49 flights for Governor's office personnel; and several state agencies paid other expenses of the Governor's office and mansion totaling approximately \$732,000. In addition, the Governor's office delayed some payments until the subsequent fiscal year.
Personnel Policies and Procedures	In addition to salary increases provided most state employees, the Governor's office also provided salary increases to six employees. These increases totaled approximately \$42,000 annually, and provided annual increases ranging from 5 to 21 percent. As noted in our prior audit, the Governor's office has not developed a written employee manual, and does not require performance appraisals for employees.
Mansion	The Governor's office does not periodically compare the costs of mansion events sponsored by outside entities to the amounts billed, and the duties related to billing and receipting payments for mansion events have not been segregated. The Governor's office did not document information to support the business purpose and costs of food served at events hosted by the Governor, as required by state policy.
National Guard State Emergency Expenditures	Our review of the National Guard's procedures over expenditures from Governor's office state emergency appropriations noted duty rosters are not signed, soldier payroll duties are not adequately segregated, and supervisory reviews are not documented. Further, the National Guard did not maintain adequate documentation to support various expenditures, and made duplicate payments totaling about \$65,000 for flight costs.

Employee Travel	The Governor's office does not consistently evaluate whether commercial flights would be more economical than state planes for out-of-state trips, or procure commercial airfare in accordance with state policy. Governor's office employees often make lodging reservations without performing price comparisons or other procedures to ensure lodging costs are reasonable. We noted several instances where lodging costs appeared excessive, and Governor's office employees did not document why the higher costs were necessary and reasonable. In addition, the Governor's office held a retreat without obtaining price quotes or considering other locations, and paid costs associated with a float trip that did not appear necessary to the operation of the office or reasonable use of state funds.
Use of State Resources for Political and Personal Purposes	State law is unclear regarding the use of state resources by the Governor's office for political and personal purposes.
Capital Assets	Capital asset records for the office and mansion are incomplete and inaccurate, and annual physical inventories of mansion assets have not been performed.
Governor's Withholdings and Estimated Appropriations	In September 2014, the State Auditor issued Report No. 2014-070 that concluded the Governor's actions to restrict fiscal year 2012 General Revenue Fund expenditures violated constitutional provisions because actual revenues exceeded estimated revenues. The report also concluded (1) the use of estimated appropriations violated state law, (2) formal documentation or calculations is not prepared to support the need for restrictions, and (3) the withholding activities were not recorded in the state's accounting system in a fully transparent manner. In November 2014, state voters approved Constitutional Amendment No. 10 amending Article IV, Sections 24 and 27 of the Constitution. The amendment provides the General Assembly the power to override the Governor's restrictions.
Additional Comments	The Office of Governor provided responses to the audit findings, but those responses are generally non-responsive. For the most part, the Governor's office does not commit to implementing the recommendations.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Office of Governor

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Payment of Operating Costs by Other State Agencies4 2. Personnel Policies and Procedures7 3. Mansion8 4. National Guard State Emergency Expenditures12 5. Employee Travel15 6. Use of State Resources for Political and Personal Purposes19 7. Capital Assets20 8. Governor's Withholdings and Estimated Appropriations21
-------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	22
---------------------------------------------	----

Appendixes

A	Comparative Statement of Appropriations and Expenditures 3 Years Ended June 30, 2014.....	23
B	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2014.....	24
C	Comparative Statement of Expenditures (From Appropriations), Department of Public Safety, Missouri State Highway Patrol, Governor's Security Division, 3 Years Ended June 30, 2014.....	25
D	Comparative Statement of Receipts, Disbursements, and Changes in Cash, Mansion Donation Fund, 3 Years Ended June 30, 2014.....	26



John Watson

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
Jefferson City, Missouri

To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited certain operations of the Office of Governor in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014, 2013, and 2012. The objectives of our audit were to:

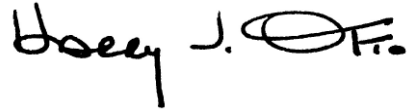
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Summarize issues previously reported in Report No. 2014-070, *Governor's Withholdings and Estimated Appropriations*, issued in September 2014.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; inspection of capital assets; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. We also summarized issues previously reported in the *Governor's Withholdings and Estimated Appropriations Report*. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Governor.

A handwritten signature in black ink, appearing to read "Harry J. Otto". The signature is stylized with a large, looped "H" and a distinct "O" at the end.

Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

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Office of Governor

Management Advisory Report

State Auditor's Findings

1. Payment of Operating Costs by Other State Agencies

As noted in the prior audit, the Governor's office continues to supplement office and mansion operations by using appropriations of other state agencies. The Governor's office has continued this practice despite appropriation bill provisions, effective since fiscal year 2012, prohibiting most state agencies from paying staffing and travel costs of the Governor's office. In addition, the Governor's office delayed some payments until the subsequent fiscal year, also circumventing the appropriation process established by the General Assembly. As a result, the Governor's office has significantly under reported the true costs of operating the office.

If the Governor's office had not allocated expenses to other state agencies or delayed payments until the subsequent fiscal year, both the office and mansion would have exceeded their appropriation authority in each of the 3 years ended June 30, 2014. In total, the operating expenditures of the office and mansion have effectively exceeded appropriated amounts by at least \$1.9 million.

The Governor's office receives appropriations from the state General Revenue Fund annually for the operating costs of the office and mansion. Office operating appropriations totaled approximately \$2.1 million and mansion appropriations totaled \$100,000 each year for fiscal years 2014, 2013, and 2012.

1.1 Staffing and travel costs

State agencies paid personnel and travel costs totaling at least \$948,000 for employees of the Governor's office and mansion.

As of June 30, 2014, the Governor's office had 27 employees, of which 6 were paid from appropriations of other state agencies. During the 3 years ended June 30, 2014, the Governor's office required 14 agencies to fund the salaries of the Directors of the St. Louis and Kansas City regional offices, the Director and Deputy Director of Boards and Commissions, the Assistant to Boards and Commissions, and the Mansion Executive Director. These positions are paid by other state agencies, although the employees in these positions perform duties for the Governor's office, are physically located in offices of the Governor, and are supervised by Governor's office personnel. As noted in the prior audit, the Mansion Executive Director was previously paid from the office operating appropriation.

The salaries of the 6 positions paid by other state agencies are listed in the following table:



Office of Governor
Management Advisory Report - State Auditor's Findings

State Agency	Year Ended June 30,		
	2014	2013	2012
Agriculture	\$ 9,021	8,961	9,179
Corrections	3,007	3,073	3,436
Economic Development	126,638	127,130	121,192
Elementary and Secondary Education	8,792	8,903	0
Health and Senior Services	12,486	11,260	15,761
Higher Education	522	990	0
Insurance, Financial Institution and Professional Registration	36,573	36,556	45,076
Labor and Industrial Relations	5,007	4,994	5,700
Mental Health	4,006	3,957	0
Natural Resources	50,916	17,208	15,375
Public Safety	17,820	17,288	22,627
Revenue	50,207	31,485	33,563
Social Services	10,866	10,545	13,005
Office of Administration	11,082	14,512	12,700
Total	\$ 346,943	296,863	297,614

In addition, the agencies also reimbursed these employees' travel expenses totaling about \$7,000 during the 3 years ended June 30, 2014.

Furthermore, costs associated with additional personnel that provided services to the Governor's office could not be identified because these personnel do not separately account for and report their time spent on work performed for the Governor's office and/or the mansion. Office of Administration (OA) employees perform budget, purchasing/expenditure, payroll, and capital asset processing duties, and Department of Corrections (DOC) employees supervise inmates that work at the mansion. These employees are paid from OA and DOC appropriations.

1.2 Flights on state planes

The Department of Public Safety (DPS) paid costs for Governor's office personnel travel on state planes. In addition, the Governor's office paid flight costs from appropriations of the subsequent year.

Flight costs paid by other agencies

Our review of Governor's office personnel state flight records during the 3 years ended June 30, 2014, noted the DPS paid all or part of the costs of 71 flights, totaling approximately \$120,000. In total, these flights represented approximately 18 percent of flight costs for all state personnel. While some of the flights related to the DPS, flight documentation showed DPS personnel were not present on 49 flights, for which the DPS paid about \$85,000. Most of these flights only included the Governor and members of his staff and family, and some included personnel of other state agencies. These flights related to disaster assessments, emergency preparedness and



Office of Governor
Management Advisory Report - State Auditor's Findings

disaster recovery events, economic development announcements, bill signings, and visits to National Guard troops deployed overseas.

Flight costs paid from
subsequent appropriations

The Governor's office made payments for flights taken on state aircraft with appropriations of the subsequent year. Billings for flights from November 2013 through May 2014 totaling about \$152,000 were paid in July 2014 from fiscal year 2015 appropriations, although the costs were incurred and billings received during fiscal year 2014. The billings were not paid with fiscal year 2014 appropriations because insufficient appropriations remained for that year.

1.3 Other expenses

Several state agencies paid association dues and other expenses, totaling approximately \$732,000, of the Governor's office and mansion.

State agencies paid the following expenses for the Governor's office and mansion:

Operating Expense	Year Ended June 30,		
	2014	2013	2012
Association Dues: ¹			
Economic Development	\$ 14,200	0	32,885
Health and Senior Services	45,000	45,000	0
Social Services	130,200	130,200	130,200
Labor and Industrial Relations	525	0	0
Office of Administration	375	0	0
Telecommunication expense: ²			
Office of Administration	42,512	0	0
Postage, printing, and fleet services: ²			
Office of Administration	10,280	0	0
Mansion expenses:			
Natural Resources ³	62,370	0	0
Office of Administration ⁴	30,032	28,559	29,641
Total	\$ 335,494	203,759	192,726

¹National Governors Association and Southern Governors' Association dues

²Costs incurred by and initially paid by the Governor's office, but later transferred to OA appropriations because Governor's office appropriations had been spent.

³Beginning in January 2014, certain costs of mansion events considered to be historical and/or cultural in nature are charged to Department of Natural Resources (DNR) appropriations.

⁴Wages paid for inmates that worked at the mansion.

Conclusions

Effective in fiscal year 2012, each agency appropriation bill (except the Department of Public Safety, for necessary travel in the event of a statewide emergency) provides: ". . . no funds . . . shall be expended for the purpose of costs associated with travel or staffing for the offices of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, or



Office of Governor
Management Advisory Report - State Auditor's Findings

Attorney General." In addition to violating appropriation provisions, the practice of paying Governor's office and mansion personnel and expenses from the appropriations of other state agencies makes it difficult to establish accountability for the true and accurate costs of operating the Governor's office. This practice limits accountability over certain Governor's office expenditures and distorts the operating costs of both the Governor's office and the state agencies paying the Governor's expenses. Additionally, delaying payments on billings until the subsequent fiscal years distorts the annual operating costs and creates future budgetary problems. The Governor's office needs to take measures to reduce office and mansion expenses to ensure expenditures are within the approved appropriation authority, similar to efforts by other statewide elected officials and state agencies.

Recommendation

The Office of Governor discontinue the practice of using other agency appropriations to pay the operating costs of the Governor's office and delaying payments on billings to the subsequent fiscal year. The Governor's office should request funding levels sufficient to pay all operating costs of the office and mansion from its own appropriations. If other agency personnel perform duties related to the operation of the Governor's office, their time should be recorded and paid from the Governor's office appropriations.

Auditee's Response

The office accounts for its operational costs in a manner that properly reflects the nature of the work it performs.

2. Personnel Policies and Procedures

The Governor's office provided salary increases to some employees that were not provided to other state employees. Also, as noted in the prior audit, the Governor's office has not established comprehensive written policies and procedures for the operation of the office and does not prepare performance appraisals for employees.

2.1 Salary increases

In addition to cost of living adjustments of 2 percent in July 2012 and \$500 in January 2014 (increases provided to most state employees), the Governor provided significant additional salary increases to six employees paid by Governor's office appropriations. Two employees received additional salary increases in fiscal year 2014, three in fiscal year 2013, and one in fiscal year 2012. These increases totaled approximately \$42,000 annually, and provided annual increases ranging from 5 to 21 percent to these six employees. According to payroll records and/or the Deputy Chief of Staff, the Governor's office granted these salary increases due to changes in job responsibilities; however, Governor's office personnel could not provide documentation of these changes.

Although Section 26.020, RSMo, grants the Governor the authority to establish employee compensation, given the recent state budget constraints and that other state employees have generally not received such pay



Office of Governor
Management Advisory Report - State Auditor's Findings

increases, the Governor should re-evaluate the reasonableness and necessity of further additional salary increases.

2.2 Employee Manual

The Governor's office has not developed a written comprehensive employee manual to address issues such as working hours, performance appraisals, lines of authority, code of conduct, use of state resources, and other items of importance to employees. The Deputy Chief of Staff indicated such information is communicated to employees verbally, but was not formalized in a policy manual due to the small number of employees employed by the office.

A comprehensive employee manual that details policies and procedures can benefit both the office and employees by providing an understanding between management and employees regarding rights and responsibilities. An employee manual can also provide guidance and control for the effective and consistent management of the office and to help avoid misunderstandings and ensure management's policies are fairly and consistently applied to all employees.

2.3 Performance appraisals

The Governor's office does not require preparation of performance appraisals for employees. The Deputy Chief of Staff indicated he believes formal appraisals are not necessary to adequately monitor the small number of employees in the office.

Performance appraisals are needed to adequately evaluate employee performance and provide documented feedback to employees. Performance appraisals also assist in personnel decisions.

Recommendation

The Office of Governor:

- 2.1 Discontinue providing pay increases significantly over and above those provided to other state employees.
- 2.2 Develop a comprehensive written employee manual.
- 2.3 Implement procedures to require annual performance appraisals be prepared for employees.

Auditee's Response

The office acknowledges this recommendation.

3. Mansion

The Governor's office does not periodically compare the costs of mansion events sponsored by outside entities to amounts billed those entities; does not document information required by state policy for events hosted by the Governor; and has not segregated the duties related to billing and receipting payments for mansion events.



Office of Governor
Management Advisory Report - State Auditor's Findings

During the 3 years ended June 30, 2014, the Governor's office paid costs of mansion operations and events from multiple funding sources including the mansion and office appropriations, the Mansion Donation Fund, and appropriations of other state agencies. Each year, the Governor's office spends all or most its mansion appropriation totaling approximately \$100,000. In fiscal year 2010, the Mansion Donation Fund was established within the State Facility Maintenance and Operation Fund to accept donations and fees for payment of costs of mansion events and operating costs. In addition, as noted in a previous finding, the Governor's office paid some mansion costs from office, DNR, and OA appropriations, and increased amounts paid from other agency's appropriations in recent years. Also, as noted in a subsequent finding, the Governor does not calculate and reimburse the state for costs related to the personal consumption of food.

Mansion operating costs include the Mansion Executive Director's salary, general upkeep of the mansion, food provided to the Governor and his family, and food and entertainment costs associated with various events held at the mansion. For events sponsored by outside entities, the Governor's office charges fees that are deposited into the Mansion Donation Fund. During the 3 years ended June 30, 2014, the mansion held 107 events with 47 sponsored by the Governor and 60 sponsored by outside entities. During this period, the Governor's office received fees totaling approximately \$96,000 for outside events. Governor's office personnel plan, schedule, and manage mansion events. Mansion event guidelines, which include the fee schedule for facility usage, labor, and miscellaneous fees and menu pricing, are available on the mansion's website.

Costs of the mansion paid by Governor's office (GO) appropriations, other state agency appropriations, and the Mansion Donation Fund are presented in the following table.



Office of Governor
Management Advisory Report - State Auditor's Findings

Year ended June 30,												
2014				2013				2012				
Mansion Donation Fund ¹	GO ²	Other ³	Total	Mansion Donation Fund ¹	GO ²	Other ³	Total	Mansion Donation Fund ¹	GO ²	Other ³	Total	
Expenses												
Salaries	\$	29,856	34,188	64,044		56,416		56,416		53,000		53,000
Food		7,661	50,116	36,567	94,344	37,535	55,829		93,364	47,347	54,521	101,868
Other ⁴		7,090	15,533	55,835	78,458	14,377	18,348	28,559	61,284	22,413	19,994	29,641
Total	\$	14,751	95,505	126,590	236,846	51,912	130,593	28,559	211,064	69,760	127,515	29,641
Less receipts				(19,541)				(34,822)				(41,478)
Total state costs				\$ 217,305				\$ 176,242				\$ 185,438

¹ A Comparative Statement of Receipts, Disbursements, and Changes in Cash for the Mansion Donation Fund is included at Appendix D.

² All expenses paid from the mansion appropriation, except for Mansion Executive Director salaries of \$6,167, \$32,975, and \$30,000 paid from the office appropriation during the years ended June 30, 2014, 2013, and 2012, respectively.

³ DNR and OA appropriations (see MAR finding number 1).

⁴ Includes inmate wages

3.1 Records and monitoring procedures

The Governor's office did not identify the costs of outside entity-sponsored events, and compare those costs to amounts billed to determine if costs were fully recovered. Furthermore, the Governor's office could not locate documentation supporting the basis for the mansion fee schedule. The Deputy Chief of Staff indicated the current fee schedule was developed in 2010, and has not been updated since then.

To ensure the costs of mansion events sponsored by outside entities are fully recovered, the Governor's office should analyze the costs associated with outside events and revise the fee schedule if necessary. Such analysis and revisions should be periodically performed and documented.

3.2 Segregation of Duties

The Governor's office has not segregated the duties of billing and receipting payments from outside entities for mansion events, and independent or supervisory reviews of related records are not performed. The Mansion Executive Director prepares event billings, receives and processes payments, and monitors unpaid amounts. There is no independent review of event accounting records or comparison of event billings to receipts and accounts receivable records.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of billing, receiving and recording monies, and monitoring accounts receivable records. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of event billing and receipt records should be performed.



Office of Governor
Management Advisory Report - State Auditor's Findings

3.3 Governor-hosted events

Governor's office personnel did not prepare documentation to support the business purpose and costs of food served at events hosted by the Governor, as required by state policy.

During the 3 years ended June 30, 2014, the Governor hosted 31 dinners, 12 receptions, 3 barbeques, and 1 luncheon at the mansion. Several events were held annually, including a dinner attended by statewide officeholders and directors/leadership personnel from various state agencies and several dinners and a barbeque attended by members of the general assembly. According to the Mansion Executive Director, the Governor hosts these events to help maintain positive working relationships with state legislators and department officials. However, such information was not documented in any of the records supporting the 7 dinners and 1 barbeque reviewed. Each of these 8 events primarily consisted of a meal and brief remarks from the Governor. While records of these events included a general description (such as luncheon, dinner, or reception), date and time, menu, a schedule of events, and a guest listing; a detailed business purpose and the food costs were not documented.

State agency provided food policy, SP-5, requires that dinners and luncheons have a business purpose, and documentation be maintained of the state business conducted and the costs of the food. To demonstrate that Governor-hosted events are reasonable, necessary, and prudent uses of public funds and facilities, the Governor's office should ensure event documentation includes a clearly-detailed purpose and the cost of food provided.

Recommendations

The Office of Governor:

- 3.1 Establish procedures to adequately track mansion costs and monitor and analyze these costs on a periodic basis. The Governor's office should analyze the costs associated with outside events and revise the fee schedule if necessary. Such analysis and revisions should be periodically performed and documented.
- 3.2 Segregate accounting duties to the extent possible or ensure adequate independent or supervisory review of event billing and receipt records are performed and documented.
- 3.3 Ensure documentation supporting Governor-hosted events includes a clearly-detailed purpose and the cost of food provided.

Auditee's Response

The Governor's Mansion is a unique facility serving multiple and varied purposes. There is no other state facility like it, nor is there other state government staff performing the same functions as those of the Mansion staff.



4. National Guard State Emergency Expenditures

The National Guard lacked adequate procedures and documentation over expenditures from state emergency appropriations and overcharged a state emergency appropriation for flight costs.

In times of emergency, when conditions threatening the public health, safety, or welfare are beyond the ability of local governments to respond, the Governor may call the National Guard into active service. The Governor's office receives an annual appropriation from the General Revenue Fund for costs of the National Guard when called into service, and the National Guard State Resources Unit (SRU) makes expenditures from the appropriations. During the 3 years ended June 30, 2014, the Governor deployed National Guard personnel on 6 missions related to floods and tornadoes. Expenditures from state emergency appropriations for those missions totaled about \$6.6 million, and included about \$3.8 million for salaries and allowances, \$600,000 for meals, \$200,000 for fuel, and \$1.5 million for aircraft rentals.

4.1 Soldier payroll procedures

Duty rosters lacked signatures, soldier payroll duties are not adequately segregated, and supervisory reviews are not documented.

The National Guard provides salaries and allowances, at federal daily rates, to soldiers deployed on state emergency missions. For each mission, the National Guard Joint Operations Command (JOC) prepares deployment orders for soldiers deployed. Semi-monthly, personnel of the various deployed units prepare duty rosters listing the days worked by each soldier. The JOC provides copies of the deployment orders and duty rosters to the SRU to process payments to soldiers.

Duty rosters

Duty rosters are not signed by the soldier, the supervisor, the preparer, or the reviewer. The SRU Director indicated the duty rosters are prepared by personnel of the deployed unit, sent to the JOC for approval, then sent to the SRU for processing. However, because the duty rosters are not signed, there is no documentation supporting the preparation or review of the duty rosters. The SRU Director indicated the SRU would implement a procedure to ensure duty rosters are properly signed beginning with the next mission.

To ensure payroll amounts are properly supported, duty rosters submitted to the SRU should be signed by the supervisor, preparer, and the JOC.

Segregation of duties and oversight

The National Guard has not adequately segregated duties or required documented supervisory reviews of payroll procedures and records.

One employee of the SRU is responsible for all aspects of processing payroll for deployed soldiers. The personnel analyst establishes each soldiers' employment record, enters days worked by each soldier, and runs semi-monthly payrolls in the accounting system without any supervisory



Office of Governor
Management Advisory Report - State Auditor's Findings

approval. Additionally, this analyst distributes the payroll checks to the applicable deployed units. The SRU Director indicated the system was not programmed to require approval of payroll entries to allow for the timely processing of soldier payroll. The SRU Director indicated she or another SRU employee compares payroll reports to duty rosters before payroll checks are distributed; however, she indicated this review is on a test basis and is not documented.

Adequate segregation of duties and/or documented supervisory reviews are necessary to reduce the risk of erroneous or fraudulent transactions.

4.2 Expenditure records and procedures

The National Guard did not maintain adequate documentation to support various expenditures from state emergency appropriations. Additionally, the National Guard overpaid approximately \$65,000 from a state emergency appropriation for flight costs.

Group meals

The National Guard did not maintain signed headcount sheets supporting some group meal purchases. Our review of 48 group meals served during two missions noted the National Guard did not maintain headcount sheets supporting 8 group meals totaling \$5,333. National Guard operating procedures require that all group meal purchases be supported by a headcount sheet signed by each meal participant. Additionally, state agency provided food policy, SP-5, requires lists be maintained of individuals receiving meals.

MREs

The National Guard did not maintain adequate documentation supporting payments for meals-ready-to-eat (MREs). The only documentation supporting a payment of \$54,326 for 7,514 MREs consumed by 12 units during a mission in April and May of 2011 was a list of the total number of MREs consumed by each unit prepared by a mission supervisor. The SRU Director indicated mission supervisors and unit supply soldiers maintain inventory records of MREs assigned, consumed, and on hand at the end of each mission; however, these records are not submitted to the SRU and are destroyed at the end of each federal fiscal year. The SRU Director indicated the National Guard does not have policies or procedures regarding documentation of payments for MREs.

Fuel

The National Guard did not maintain required documentation supporting many fuel purchases. Our review of 6 payments for 1,401 fuel purchases totaling \$78,925, identified 380 transactions totaling \$19,815, for which fuel receipts were not retained. For 1 of these payments, which included 322 transactions totaling about \$17,000, the unit employee who approved the payment documented in a memo that the transactions were valid, but the receipts could not be located. In addition, many individual fuel receipts lacked documentation of the National Guard vehicle fueled. National Guard



Office of Governor
Management Advisory Report - State Auditor's Findings

operating procedures require that fuel receipts, containing specific information, including the vehicle number, be retained.

Overpayment

Our review of 3 payments for flights made during a mission in July 2011, totaling about \$541,000, noted helicopter usage charges totaling \$64,332 were billed and paid by the state emergency appropriation twice. The SRU Director indicated the National Guard Aviation section prepares and submits information supporting flight costs incurred during state missions to the SRU, and the SRU reimburses those costs to the federal government; however, neither the Aviation section or the SRU had identified the overpayment. After we brought this situation to their attention, SRU personnel determined the charges were erroneous and recovered the overpayment in March 2015.

Supporting documentation

Maintaining adequate documentation supporting expenditures is necessary to ensure charges to state emergency appropriations are accurate and proper, and to comply with National Guard and state policies and procedures. The National Guard should establish procedures to ensure expenditures from state emergency appropriations are adequately supported prior to making payments. Group meals should be supported by headcount sheets signed by all participants, payments for MREs should be supported by inventory records of MREs consumed, and fuel payments should be supported by individual fuel receipts containing required information.

Recommendations

The National Guard:

- 4.1 Require duty rosters submitted to the SRU be signed by the supervisor and preparer; and adequately segregate soldier payroll duties and/or require documented independent reviews of payroll records.
- 4.2 Establish procedures to ensure adequate supporting documentation is maintained to support expenditures from state emergency appropriations.

Auditee's Response

The National Guard provided the following response.

- 4.1 *Procedures have been revised to require signatures at the unit level (preparer), the signature of the individual validating the duty roster in the JOC, and the signature of the individual receiving the duty roster in the SRU.*

Segregation of duties is not possible because personnel strength is not sufficient at the OA to support the additional personnel included in the regular pay cycle. Also, an additional level of approval would make it nearly impossible to meet the payroll deadlines so the



Office of Governor
Management Advisory Report - State Auditor's Findings

soldiers can be paid quicker. Some soldiers do not get paid for hours worked for as much as 4 weeks because of the lag payroll system.

The payroll report is compared to the duty rosters and the orders, and the reviewer is now required to sign upon completion of review.

- 4.2 *The National Guard, Defense Support to Civil Authorities Standard Operating Procedures provide instruction to ensure accountability of state funds expended during state emergency duty. It is an emergency situation and the focus is preserving the lives of citizens or protecting property. Additional service members will be placed on state emergency duty to aide in satisfying audit recommendations. Requests for federal reimbursement now require the signature of the requesting section and the United States Property and Fiscal Officer. This change has been implemented.*

5. Employee Travel

As similarly noted in the prior audit report, the Governor's office did not take adequate measures to minimize travel costs. In addition, the costs associated with a float trip appear unnecessary.

5.1 Out-of-state flights

The Governor's office did not evaluate the costs of commercial or state flights, or purchase commercial airfare in accordance with state policy. During the 3 years ended June 30, 2014, the Governor's office paid costs for out-of-state flights totaling approximately \$85,000 for 12 flights on state planes and approximately \$14,000 for flights on commercial airlines. Each trip was attended by the Governor, the First Lady, and/or one or more Governor's office staff.

Cost analyses

The Governor's office does not always evaluate whether commercial flights would be more economical than state planes for out-of-state trips. Flights on state planes, especially those associated with trips lasting multiple days, can be more costly than commercial flights because the costs include the wait time and travel expenses of the pilots and the plane. In February 2014, the Governor, the First Lady, and 8 Governor's office staff attended the National Governors Association conference in Washington D.C. Flight costs for this trip totaled \$15,530 (\$13,860 for a state plane and \$1,670 for various commercial flights). Five individuals flew on the state plane round trip, four flew one-way on the state plane and on commercial flights the other way, and one flew round trip on commercial flights. One-way commercial flight costs ranged from \$161 to \$362, while the state plane averaged \$990 per passenger one-way.



Office of Governor
Management Advisory Report - State Auditor's Findings

Advance purchases

Comparing the costs of commercial flights to state planes when traveling out-of-state helps ensure the most economical use of state resources. If the higher cost alternative is chosen, the circumstances and justification for the decision should be documented.

The Governor's office did not always procure commercial airfare in accordance with the state travel policy.

For 10 commercial flights reviewed totaling approximately \$6,200, the Governor's office procured the flights 2 to 15 days prior to the date of the flight. State travel policy (SP-6) requires employees to exercise prudent care in arranging airfare to obtain the lowest feasible fare, and obtain the lowest reasonable, logical airfare at least 21 days in advance. When such advance purchase is not possible, the policy provides that the reason(s) be documented. The Governor's office maintained no documentation to justify the deviation from state policy.

5.2 Lodging

Employees often make lodging reservations without performing price comparisons or other procedures to ensure lodging costs are reasonable. During the 3 years ended June 30, 2014, the Governor's office paid \$16,860 for in-state and \$52,630 for out-of-state lodging costs, from the Governor's office and mansion appropriations.

Most lodging expenses reviewed exceeded Continental United States (CONUS) rates (federal employee per diem maximums, established by the U.S. General Services Administration). We reviewed 9 overnight trips, and noted lodging costs for 7 of the 9 trips exceeded CONUS rates. The Governor's office did not document why the higher lodging was necessary and reasonable for any of these 7 trips.

Our review of lodging costs totaling approximately \$15,200 for five out-of-state trips to conferences and conventions noted costs significantly exceeded CONUS rates for each trip. The Governor's office paid lodging costs of \$239 per night (\$90 CONUS rate) in Asheville, North Carolina; \$249 per night (\$95 CONUS rate) in Salt Lake City, Utah; \$299, \$409, \$429 and \$459 (\$184 CONUS rate) in Washington D.C.; \$239 per night (\$91 CONUS rate) in Detroit, Michigan; and \$219 per night (\$171 CONUS rate) in Chicago, Illinois. In total, the Governor's office paid lodging costs in excess of CONUS rates by approximately \$6,600 for these five trips. For most of these trips, employees stayed at the hotel where the conference was held.

Our review of four in-state trips noted lodging costs exceeded CONUS rates for two trips. The Governor's office paid \$149 and \$189 for 1 night for 6 rooms in Sedalia, while the CONUS rate was \$77; and \$115 for 1 night in Joplin, while the CONUS rate was \$77. Additionally, because the related



Office of Governor
Management Advisory Report - State Auditor's Findings

reservation was not canceled, the Governor's office paid the costs of an unused room in Sedalia.

In cities where multiple hotels or motels are located, lodging can often be procured at rates less than CONUS rates. The state travel policy (SP-6) requires that "in areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher priced lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures requiring performing price comparisons and ensuring rates do not exceed CONUS rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation should be maintained to support any lodging expenses which exceed CONUS rates. Also, unneeded room reservations should be promptly canceled to avoid additional room charges.

5.3 Retreat

The Governor's office incurred costs for a retreat without obtaining price quotes or considering other locations for the retreat. The retreat was held in November 2012 for 3 days and 2 nights; at Montauk State Park, about 100 miles from the Governor's office in Jefferson City. The Governor, the First Lady, 8 employees of the Governor's office, and 6 employees from other agencies attended the retreat. The Governor's office paid the resort about \$1,760 for cabin rentals ranging from \$58 to \$115 per night per person (\$77 CONUS rate), and about \$740 for 5 meals per person, a total of about \$2,500. Additional costs were incurred for travel to and from the event. Other agencies paid the retreat costs of their employees, except the Governor's office paid for 1 meal and 1 night's lodging for an employee of the Department of Economic Development who was a retreat presenter.

The Governor's office performed no procedures to procure the most cost effective location for the retreat, such as considering the proximity to the office or obtaining price quotes from other hotels/resorts. The Deputy Chief of Staff indicated the resort was selected for the retreat because it is located in a state park which offers lodging. No other retreats were held during the audit period.

When planning future retreats, the Governor's office should evaluate the associated costs and take measures to minimize costs such as obtaining price quotes and considering more local locations for the retreats. Decisions regarding the retreats should be adequately documented, including justification or reasoning for any costs exceeding CONUS rates.



Office of Governor
Management Advisory Report - State Auditor's Findings

5.4 Float Trip

The Governor's office paid costs associated with a float trip that did not appear necessary to the operation of the office or reasonable use of state funds.

In August 2011, the Governor's office paid expenses totaling at least \$1,300 for a 1-day float trip, attended by the Governor, the First Lady, and 4 Governor's office employees. Costs of the trip included about \$1,090 for lodging, \$75 for transportation, \$25 for meal reimbursements, and \$114 for canoe rental. The Deputy Chief of Staff indicated the purpose of the trip was to promote Missouri tourism; however, the Governor's office maintained no documentation supporting the business purpose of the trip and it is questionable whether the trip was an effective means of marketing Missouri.

State regulation, 1 CSR 10-3.010(1), requires that state payment of goods and services have a clear business relationship to the agency work program. The Governor's office should ensure funds are used only for costs necessary and beneficial to office operations.

Recommendations

The Office of Governor:

- 5.1 Prepare and retain a comparison of the costs of commercial flights to the costs of using state planes for out-of-state travel, and if the higher cost alternative is chosen, the circumstances and justifications should be documented and retained. In addition, airfare tickets should be purchased at least 21 days in advance in accordance with state policy, and the reason(s) documented if such advance purchase is not possible.
- 5.2 Require employees to perform price comparisons and ensure rates do not exceed CONUS rates when making lodging arrangements, and ensure unneeded room reservations are canceled promptly. If it is necessary to exceed CONUS rates, the Governor's office should ensure adequate documentation of the justification and reasoning is prepared and retained.
- 5.3 Implement measures to minimize costs and maintain adequate documentation of decisions regarding employee retreats.
- 5.4 Ensure future expenditures are necessary and reasonable for the operation of the office.

Auditee's Response

The office follows state travel policy. On occasion, circumstances require some deviations from the policy, but efforts to ensure the most cost-effective means are implemented. The office will continue to ensure that such instances are appropriately handled.



6. Use of State Resources for Political and Personal Purposes

State laws are ambiguous and contradictory regarding the use of state resources by the Office of Governor for political and personal purposes. The Governor uses the security and some transportation resources provided by the MSHP for all official, political, and personal activities. The state also pays the personal food costs for the Governor and his family. The Governor does not reimburse the state for any political or personal use of state resources.

Section 43.330, RSMo, allows the governor's security division within the MSHP to ". . . provide transportation, security, and protection for the governor and the governor's immediate family." This section makes no distinction between official state business and events that are personal or political, and it is not clear whether the intent of this legislation was to allow the use of state resources for the Governor's political or personal activities. Article III, Sections 38(a) and 39, Missouri Constitution, prohibit the use of state resources for personal or private gain. In addition, there is no specific provision in state law allowing a state official to use any state resource for anything other than official use.¹

As a general rule, state resources should be used for a public purpose, for the benefit of the general public, and/or for a public purpose, and not for political or personal gain. If the state intends to allow the Governor to use state resources for anything other than official state purposes, legislation should be pursued to clearly allow this practice and other related conditions, such as reimbursement, of such use. At a minimum, until such provisions are established, with the possible exception of security, the use of any state resource by the Governor for purposes other than official state business should be reimbursed or discontinued.

A similar condition was noted in prior reports.

Recommendation

The Office of Governor pursue legislation regarding its use of state resources, including those of the MSHP, for anything other than official use. With the possible exception of security, until state law is clarified, the Governor should reimburse the state for the use of state resources for purposes other than official state business (except for de minimis activities) or discontinue such use.

¹Federal executives, such as the President, must abide by various federal rules, regulations, and ethics laws governing the use of federal resources for political use. For example, if a presidential trip includes multiple stops, some for political events and some for official purposes, travel costs are allocated between the campaign and the federal government. The President does not reimburse for any security costs, but he is required to pay for personal items such as food.



Office of Governor
Management Advisory Report - State Auditor's Findings

Auditee's Response

The office follows state laws regarding use of state resources consistent with previous governors. The Governor is on duty at all times.

7. Capital Assets

Records and procedures to account for Governor's office and mansion property are not adequate. Capital asset records for the office and mansion are incomplete and inaccurate, and annual physical inventories of mansion assets have not been performed.

Office

The Governor's office did not promptly update office capital assets records for discrepancies noted in annual physical inventories; and office capital asset records are significantly overstated as a result. As of June 30, 2014, office capital asset records included 25 items totaling \$61,370 that had previously been identified as missing or transferred to another agency, some since 2009.

Mansion

The Governor's office lacks any procedures to maintain complete and accurate capital asset records for the mansion, and does not conduct annual physical inventories.

As of June 30, 2014, a report of mansion capital assets from the statewide accounting system (SAM II) included 22 items totaling approximately \$53,000. However, Governor's office personnel provided a January 2009 listing of 160 items totaling approximately \$160,000, that included 29 items valued at \$1,000 or more. Governor's office personnel had performed no procedures to update or verify the accuracy of the listings, and could not explain why the 29 items were not recorded in statewide accounting records. In addition, our testing of capital assets noted 1 of 9 items (a rug valued at \$1,000) included on the capital asset listings could not be located, and 6 of 9 items (including 3 desks, a couch, a dresser, and a chair) located in the mansion or storage were not recorded on either listing.

Records and Procedures

The Code of State Regulations, 15 CSR 40-2.031, requires each department to account for all acquisitions and dispositions of equipment items \$1,000 or more, and to maintain adequate capital asset records that contain identification number; description of the item including name, make, model and serial number, where appropriate; acquisition cost; date of acquisition; estimated useful life at the date of acquisition; physical location in sufficient detail to readily locate the item; and method and date of disposition. An annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory. In addition, departments are required to establish controls over sensitive items less than \$1,000.

The failure to maintain a complete and accurate inventory listing reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. In addition, annual inventories are necessary to establish proper accountability over capital assets, and



Office of Governor
Management Advisory Report - State Auditor's Findings

documentation of the physical inventory should be retained to show compliance with state regulations. Discrepancies noted during annual inventories should be promptly investigated and necessary adjustments made to the capital asset records.

Similar conditions were noted in prior reports.

Recommendation

The Office of Governor ensure (1) complete and accurate capital asset records are maintained for office and mansion assets, (2) annual physical inventories are conducted for all property, (3) discrepancies noted in annual inventories are promptly investigated and capital asset records properly adjusted, and (4) capital asset records are reconciled to SAM II records.

Auditee's Response

Staff perform an annual inventory check, as verified by audit staff who located numerous items that they sought.

8. Governor's Withholdings and Estimated Appropriations

In September 2014, the Office of State Auditor issued Report No. 2014-070, *Governor's Withholdings and Estimated Appropriations*. The report communicated the results of our review of the Governor's withholdings (restrictions and reserves) from appropriations of the General Revenue Fund and the utilization of estimated appropriations during the 2 years ended June 30, 2013.

The report concluded the Governor's actions to restrict fiscal year 2012 General Revenue Fund expenditures violated constitutional provisions because actual revenues exceeded estimated revenues. During fiscal year 2012, the Governor ordered restrictions totaling approximately \$113 million, but only approximately \$60 million of the restrictions were released, and approximately \$53 million were not released. Lawful constitutional mechanisms that would have provided the separation of powers provided for in the Constitution could have been utilized to address unforeseen circumstances impacting the budget.

The report also concluded (1) the use of estimated appropriations violated state law, (2) formal documentation or calculations is not prepared to support the need for restrictions, and (3) the withholding activities were not recorded in the state's accounting system in a fully transparent manner.

In November 2014, state voters approved Constitutional Amendment No. 10 amending Article IV, Sections 24 and 27 of the Constitution. The amendment provides the General Assembly the power to override the Governor's restrictions. The amendment requires the Governor to notify the General Assembly of any restrictions imposed as a result of actual revenues being less than revenue estimates upon which the appropriations were based, and provides for an override of those restrictions with a two-thirds vote in both the House and the Senate. The amendments also prevent the Governor from estimating revenues in the budget dependent on proposed legislation.

Office of Governor

Organization and Statistical Information

The supreme executive power of the state is vested in the Governor. Unless otherwise provided by law, the Governor appoints members of all boards, commissions, and state government department heads as well as those of several other entities in the state and all vacancies in public offices. He commissions all officers of the state unless otherwise provided by law. Through his capacity as commander-in-chief of the militia, the Governor is the conservator of peace throughout the state.

Providing the state's principal financial administration, the Governor presents to the General Assembly a proposed budget for each appropriation period. All bills passed by both houses are presented to and considered by the Governor where they are signed into law or disapproved and returned to the originating house.

In addition to the duties that are specifically assigned to the Governor in the constitution, he has many other duties assigned to him by statute and by custom. The Governor is also a member of the Board of Public Buildings and the State Board of Fund Commissioners.

The Governor is required to be at least 30 years of age and must have been a citizen of the United States for at least 15 years and a resident of this state at least 10 years prior to election. The Governor is elected at the presidential election for a 4-year term and is subject to re-election. No person may hold the office for more than two terms.

On January 12, 2009, Jeremiah W. (Jay) Nixon was inaugurated as the fifty-fifth Governor. His second term expires in January 2017.

The Governor and his family reside in the Governor's mansion, located near the capitol. The mansion was first occupied in 1872 and was added to the National Register of Historic Places in 1969. The Governor and First Lady host public and private events at the mansion. Events are also hosted by other entities including the Friends of the Missouri Governor's Mansion, a statewide, nonpartisan, nonprofit organization dedicated to the mansion's restoration and educational programs.

The Governor's office is located in Jefferson City. There are regional offices in Kansas City and St. Louis. At June 30, 2014, the Governor's office payroll included 21 full-time personnel, including 1 employee at the mansion. Six additional personnel were paid by other state agencies.

Financial Activity

A summary of the office's operating financial activity is presented in the following Appendixes.

Appendix A

Office of Governor

Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2014			2013			2012		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND									
National Guard Emergency	\$ 4,000,001	65,210	3,934,791	4,000,001	140,904	3,859,097	6,426,906	6,422,293	4,613
Governmental Emergency Fund Committee	0	0	0	1	0	1	1	0	1
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	343,540	343,540	0	358,125	347,433	10,692	347,264	336,846	10,418
Special Audits	30,000	0	30,000	30,000	4,754	25,246	30,000	30,000	0
Mansion	98,225	89,338	8,887	97,956	97,618	338	97,515	97,515	0
Governor's office	2,096,766	2,096,766	0	2,089,950	2,089,867	83	2,140,418	2,140,418	0
Total General Revenue Fund	\$ 6,568,532	2,594,854	3,973,678	6,576,033	2,680,576	3,895,457	9,042,104	9,027,072	15,032

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2014	2013	2012
General Revenue Fund			
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	\$ 0	10,692	10,418

Appendix B

Office of Governor Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Governor's office: ¹					
Salaries and wages	\$ 1,797,638	1,805,782	1,806,153	1,832,617	1,875,690
Travel, in-state	165,659	128,563	147,676	15,105	25,204
Travel, out-of-state	68,411	40,372	45,385	11,164	17,459
Supplies	42,140	46,123	60,560	52,363	40,249
Professional development	7,983	3,962	10,861	8,773	11,956
Communication services and supplies	264	43,673	53,585	40,301	39,714
Services:					
Professional	11,006	15,766	9,519	16,900	37,409
Maintenance and repair	33	344	28	1,500	1,442
Office equipment	1,635	408	1,886	262	1,523
Parking leases	0	550	660	682	114
Equipment rental and leases	480	560	1,242	1,276	1,369
Agency provided food	1,517	3,740	2,839	5,773	21,750
Miscellaneous expenses	0	24	24	24	378
Total office expenditures	<u>2,096,766</u>	<u>2,089,867</u>	<u>2,140,418</u>	<u>1,986,740</u>	<u>2,074,257</u>
Mansion: ²					
Salaries and wages	23,689	23,441	23,000	63,395	77,338
Travel, in-state	0	630	231	0	64
Travel, out-of-state	0	0	705	0	900
Supplies	11,079	8,277	12,372	8,801	9,460
Communication services and supplies	0	0	0	51	0
Services:					
Professional	4,454	8,205	6,256	13,298	5,972
Maintenance and repair	0	0	270	828	1,575
Equipment:					
Office	0	1,236	0	0	22
Other	0	0	160	0	40
Agency provided food	50,116	55,829	54,521	56,253	47,257
Total mansion expenditures	<u>89,338</u>	<u>97,618</u>	<u>97,515</u>	<u>142,626</u>	<u>142,628</u>
Other:					
National Guard emergency	65,210	140,904	6,422,293	3,401,847	9,678
Building lease payments	343,540	347,433	336,846	370,095	323,277
Special audits	0	4,754	30,000	2,174	30,000
Total Expenditures	<u>\$ 2,594,854</u>	<u>2,680,576</u>	<u>9,027,072</u>	<u>5,903,482</u>	<u>2,579,840</u>

¹Governor's office expenditures do not include expenses paid by other state agencies.

²Mansion expenditures do not include expenses paid by other state agencies and the Mansion Donation Fund (see Appendix D).

Appendix C

Office of Governor
Department of Public Safety, Missouri State Highway Patrol
Governor's Security Division
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,		
	2014	2013	2012
Salaries and wages	\$ 945,054	968,000	1,000,164
Fringe benefits	763,513	766,518	822,381
Travel, in-state	20,158	22,679	25,262
Travel, out-of-state	67,246	64,329	47,482
Supplies	41,872	32,570	22,418
Professional development	550	160	1,760
Communication services and supplies	100	552	27
Equipment:			
Computer	30	55	0
Motorized	77,379	114,021	108,400
Office	0	1,612	0
Other	0	2,228	0
Equipment rental and leases	0	0	38
Total Expenditures	\$ <u>1,915,902</u>	<u>1,972,724</u>	<u>2,027,932</u>

Appendix D

Office of Governor

Mansion Donation Fund¹

Comparative Statement of Receipts, Disbursements, and Changes in Cash

	Year Ended June 30,		
	2014	2013	2012
RECEIPTS			
Mansion event fees	\$ 19,541	34,822	41,478
DISBURSEMENTS			
Supplies	5,453	9,388	14,938
Professional services	1,637	4,478	7,101
Maintenance and repair services	0	0	0
Office equipment	0	511	374
Other equipment	0	0	0
Agency provided food	7,661	37,535	47,347
Total Disbursements	14,751	51,912	69,760
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,790	(17,090)	(28,282)
CASH, JULY 1	1,270	18,360	46,642
CASH, JUNE 30	\$ 6,060	1,270	18,360

¹The Mansion Donation Fund is a revolving fund established within the State Facility Maintenance and Operation Fund. The purpose of the fund is to accept donations and fees for payment of costs of mansion events and operating costs.



John Watson
Missouri State Auditor

Barry County



April 2015
Report No. 2015-024

<http://auditor.mo.gov>



John Watson
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Barry County

Developmentally Disabled Board	<p>During 2014, the Developmentally Disabled Board's (Board) accumulated cash reserve increased to \$1,043,045, which represents more than 3 years of funding for nonprofit organizations and other disbursements. The Board does not have any specific plans for the money, but is concerned about potential cuts to services at the state and federal level. Despite the significant accumulated cash balance, the Board continues to assess a property tax rate slightly less than the maximum allowed. In addition, budget documents overstate expected disbursements and do not include all monies held by the Board, understating the anticipated ending cash balance. The Board overestimated disbursements in its 2014 budget by approximately \$400,000, and did not include certificates of deposit and money market accounts totaling approximately \$520,000, underestimating the ending cash balance by over \$1,000,000. In addition, bank reconciliations are not formally performed or documented.</p>
Property Tax System Controls and Procedures	<p>The County Collector does not reconcile the composition of receipts on the daily abstract to the composition of deposits. All of the County Collector's employees use the same password to access office computers, and the password is not required to be changed periodically. Further, the County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes in order for the County Clerk or the County Commission to review the financial activities of the County Collector.</p>
Sheriff Inmate Monies	<p>The Sheriff's office does not always follow established procedures for documenting inmate cash balances upon incarceration. The Sheriff also does not have procedures to ensure all inmate monies are refunded upon release. As of December 31, 2014, the Sheriff's office was holding approximately \$848 for 342 inactive inmates. While inmate monies kept in the cash box are refunded to the inmate upon release, monies from the inmate commissary account are only refunded upon request by inmates after their release.</p>
Prosecuting Attorney Controls and Procedures	<p>The Prosecuting Attorney has not adequately segregated accounting duties or performed an adequate supervisory review of the accounting records. One clerk has the ability to receipt payments, post transactions and adjustments to the accounting system, and prepare the transmittal to the County Treasurer. In addition, the Prosecuting Attorney does not review and approve transmittals or adjustments to the system.</p>
County Assessor Controls and Procedures	<p>Two employees are primarily responsible for collecting, receipting, and transmitting monies received to the County Treasurer, but the County Assessor does not perform independent or supervisory reviews of the accounting records. In addition, receipt slips are not issued in the order of receipts received, receipt slips are not transmitted to the County Treasurer</p>

in sequence, and no procedures are in place to ensure the numerical sequence is accounted for. In addition, the method of payment is not always recorded on the receipt slips. Thus, the composition of receipts is not reconciled to the composition of transmittals to the County Treasurer.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was Good .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Barry County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Developmentally Disabled Board.....4 2. Property Tax System Controls and Procedures6 3. Sheriff Inmate Monies.....8 4. Prosecuting Attorney Controls and Procedures.....10 5. County Assessor Controls and Procedures.....10
-------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	12
---------------------------------------------	----



JOHN WATSON

Missouri State Auditor

To the County Commission
and
Officeholders of Barry County

We have audited certain operations of Barry County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, Certified Public Accountants, was engaged to audit the financial statements of Barry County for the 2 years ended December 31, 2013. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Barry County.

A handwritten signature in black ink that reads "John Watson". The signature is fluid and cursive, with the first name "John" and last name "Watson" clearly distinguishable.

John Watson
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Randall Gordon, CPA, CGAP
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Michelle Crawford, M.Acct., CIA
In-Charge Auditor:	Gina Henley, MBA
Audit Staff:	Amber M. Carlile
	Seth Rogers, MPA
	Marlon McDaniels, M.Acct.

Barry County

Management Advisory Report

State Auditor's Findings

1. Developmentally Disabled Board

As similarly noted in prior audits, the Developmentally Disabled Board (Board) has accumulated a significant cash reserve and does not have documentation of how these funds will be spent to benefit the developmentally disabled. In addition, adequate procedures have not been developed to prepare budgets and bank reconciliations are not performed.

1.1 Cash reserves

The Board has accumulated a significant cash reserve without any specific plans for its use. During the year ended December 31, 2014, the Board's accumulated cash reserves increased to \$1,043,045, which based on previous spending patterns, represents more than 3 years of funding for nonprofit organizations and other disbursements. According to the Board President, the Board has no specific plans for the accumulated cash balance, but is concerned about potential cuts to services at the state and federal level. Despite the significant accumulated cash balance, the Board continues to assess a property tax rate slightly less than the maximum rate allowed.

Accumulating an excessive cash balance with no specific long-term plans for use of these monies puts an unnecessary burden on taxpayers. The Board should determine its future needs, and consider reducing future tax levies if a specific use for the cash reserves is not determined. Pursuant to Section 205.971, RSMo, the County Commission is given the taxing authority to levy a property tax rate to provide services for the developmentally disabled. Thus, the County Commission has final approval of the proposed tax rate to be levied and does not necessarily have to set the rate recommended by the Board.

1.2 Budgets

Budget documents overstate expected disbursements, and do not include all monies held by the Board, understating the anticipated ending cash balance. The Board's 2014 budget indicated budgeted disbursements of approximately \$680,000 and an anticipated ending cash balance of approximately \$66,000. However, actual disbursements for 2014 totaled \$279,937, and the actual ending cash balance was \$1,043,045.

Budgeted disbursements were overstated due to the Board including a line item for "committed funds" for \$269,794. While this line item has been budgeted for multiple years, no disbursements have been made. Based on discussions with Board members, "committed funds" represents funds available to be distributed to nonprofit organizations, however, due to a lack of requests from eligible entities the funds have not been disbursed. In addition, the Board did not include certificates of deposit and money market accounts totaling approximately \$520,000 as part of its cash balance in budget documents.

For budgets to be of maximum assistance to the Board and to adequately inform county residents of the Board's operation and anticipated financial



Barry County
Management Advisory Report - State Auditor's Findings

condition, budgets should reflect reasonable estimates of receipts and disbursements and the anticipated ending cash balance.

1.3 Bank reconciliations

Bank reconciliations are not formally performed or documented. The Board Treasurer only documents the check numbers for checks that have not cleared the bank on the front of the monthly bank statement, but does not indicate the amount of the checks, determine a total of the checks, or reconcile to the book balance. In addition, our review determined the list of checks outstanding is not always complete. For example, our review of the August 2014 bank statement determined the list of outstanding checks did not include 3 checks totaling \$8,418.

Preparation of monthly bank reconciliations is necessary to ensure bank accounts are in agreement with the accounting records and to detect and correct errors.

Recommendations

The Developmentally Disabled Board:

- 1.1 Work with the County Commission to evaluate funding needs and consider reducing the property tax levy. If plans have been made for expending the accumulated cash balance, such plans should be set forth publicly in the budget document.
- 1.2 Ensure reasonable estimates are used for disbursements and include all assets when preparing the budget.
- 1.3 Ensure bank reconciliations are performed and documented monthly.

Auditee's Response

The Developmentally Disabled Board provided the following responses:

- 1.1 *The Board considers the possibility of reducing the property tax levy each public hearing held in August of each year. These public meetings provide an opportunity for the general public to have input as well as each Board member. The Board is quite concerned with the state of Missouri's limited funding for the developmentally disabled, and recognize that a greater portion of responsibility for the funding of services is now diverted to local resources, including the Barry County Developmentally Disabled Board. The state and federal government are not funding any capital projects that benefit the developmentally disabled population. The Board believes that it is providing good stewardship for these public funds, which has enabled the Board to assist with any project that will truly benefit the Barry County developmentally disabled persons and their caregivers.*



Barry County
Management Advisory Report - State Auditor's Findings

1.2 *The Board approves a budget each year to provide the payment of services for the developmentally disabled of Barry County. Based on discussion with the Auditor's office an amended budget was provided to the County Clerk that included all financial resources available to the Board. As in any budget for a political subdivision, the Board budgets for anticipated expenses that may arise during the year based upon prior experience of requests for funding made to the Board, and the funds available to the Board for said funding.*

1.3 *Reconciliations will be performed and documented. The entire Board will continue to review the summary of accounts prepared by the Treasurer and examine the original bank statements and account summaries at each Board meeting.*

Auditor's Comment

1.2 The amended budget prepared by the Board now includes all resources available, however, budgeted disbursements are still overstated, and do not reflect a realistic expectation of the Board's financial activity.

2. Property Tax System Controls and Procedures

Controls over property tax system receipts, computers, and annual settlements need improvement.

2.1 Depositing

The County Collector does not reconcile the cash/check composition of receipts on the daily abstract to the composition of deposits. As a result, no corrections are made when the compositions do not agree. For example, for the week of November 18 through November 22, 2014, the composition of receipts on the daily abstract did not agree with the composition of deposits for 4 of 16 deposits.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, the composition of receipts should be reconciled to the composition of deposits and any differences promptly investigated and documented.

2.2 Passwords controls

The County Collector has not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Collector has 5 computers in her office and each computer has its own generic user ID; however, the same password is used by all employees to access the 5 computers. In addition, the password is not required to be changed periodically.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential.



Barry County Management Advisory Report - State Auditor's Findings

However, since the password is shared among employees and not periodically changed, there is less assurance the password is effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

2.3 Review of annual settlements

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector, who processed property tax collections of approximately \$22.3 million during the year ended February 28, 2015. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and no evidence was provided to indicate procedures are performed to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Similar conditions previously reported

Similar conditions to sections 2.2 and 2.3 were noted in our prior audit report.

Recommendations

- 2.1 The County Collector reconcile the composition of receipts on the daily abstract to the composition of deposits.
- 2.2 The County Collector require unique passwords for each employee that are confidential and periodically changed to prevent unauthorized access to the computers and data.
- 2.3 The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlement.



Barry County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Collector provided the following responses:

- 2.1 *In waiting on several, sometimes hundreds, of customers in a day we sometimes in error enter payment as being one form of payment and it should be another form of payment. Also, when a customer tells the employee that payment will be by debit card, etc, and that method has been selected in the system, and then the customer decides to pay in another way it creates this situation. I will speak with my employees, and do so myself, to make every effort to correct this matter.*
- 2.2 *I will visit with my computer programmer about this issue and see what this will entail.*

The County Clerk provided the following response:

- 2.3 *I will take this recommendation under advisement and work with the County Commission to determine the best options for reviewing the County Collector's annual settlement.*

3. Sheriff Inmate Monies

Weaknesses exist in the accounting controls and procedures for maintaining and refunding inmate monies in the Sheriff's office.

3.1 Receipts

Procedures for documenting inmate cash balances upon incarceration are not always followed. Upon incarceration, cash in the custody of an inmate is receipted and either deposited into the inmate commissary account and entered into the commissary computer system, or the cash is attached to a pre-numbered manual receipt slip and held in a locked box in the jailer's office. The inmate's cash balance is maintained on the manual receipt slip. Cash left in the box is used for purchase of items not offered in the commissary like phone cards or e-cigarettes. Our review of both systems identified weaknesses in procedures.

During a cash count performed on September 2, 2014, an inmate had a receipt for \$112 cash which was supposed to be in the cash box, however, only \$12 was counted and available in the cash count. The \$100 in cash was later found with the inmates personal belongings. In addition, our review of another inmate record determined the inmate's cash balance was incorrectly entered into the commissary computer system. Jailers had entered the inmate's cash balance into a "note" field rather than entering a cash balance in the system. As a result, the system incorrectly showed no balance for the inmate.



Barry County Management Advisory Report - State Auditor's Findings

Ensuring accounting procedures to adequately track and maintain documentation of inmate balances are followed by all jailers would reduce the risk of loss, theft, and misuse of funds.

3.2 Refunds

The Sheriff's office does not have procedures to ensure all inmate monies are refunded upon release. As of December 31, 2014, the Sheriff's office was holding approximately \$848 for 342 inactive inmates. While inmate monies kept in the cash box are refunded to the inmate upon release, the Sheriff's office only refunds monies from the inmate commissary account if requested by inmates after their release.

Establishing procedures to refund all inmate monies upon release will allow the Sheriff to more adequately safeguard any monies being held and reduce the risk of loss, theft, or misuse of funds.

Recommendations

The Sheriff:

- 3.1 Ensure procedures to track inmate monies are followed by all jailers.
- 3.2 Refund all inmate monies to inmates upon release.

Auditee's Response

The Sheriff provided the following responses:

- 3.1 *New procedures have been put into place. The jail has switched to a new commissary company and all monies will be automatically deposited to the inmate's commissary account. All jailers are currently being trained, to ensure compliance with the new procedures.*
- 3.2 *The inmate commissary account was through Swanson Services Corporation. When an inmate was released some still had monies on their commissary account. Accounts were marked inactive, but the monies stayed on their commissary accounts. There were 342 accounts identified as inactive with balances. On January 16, 2015, a check for \$52.15 was written to the County Treasurer for 295 accounts that were under \$1. Most of these accounts had 4 and 5 cent balances. The funds were turned over to the County Treasurer as unclaimed property since no procedure or policy was established for handling the release of funds at that time. Individual checks totaling \$795.81 for 47 inmates were issued and mailed to the last known addresses of the inmate. The jail has switched commissary companies to Keefe Commissary. There will be no balances left on the inmate accounts once an inmate leaves. Any monies will be issued on a release card at the time of release.*



Barry County
Management Advisory Report - State Auditor's Findings

4. Prosecuting Attorney Controls and Procedures

The Prosecuting Attorney has not adequately segregated accounting duties or performed an adequate supervisory review of the accounting records. One clerk has the ability to receipt payments, post transactions and adjustments to the accounting system, and prepare the transmittal to the County Treasurer. The Prosecuting Attorney does not review and approve transmittals or adjustments to the system. Criminal restitution, delinquent taxes, and bad check restitution and fees collected at the Prosecuting Attorney's office totaled approximately \$335,000 during the year ended December 31, 2014.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement and document an independent or supervisory review of accounting records.

Recommendation

The Prosecuting Attorney adequately segregate accounting duties or ensure an independent or supervisory review of accounting records is performed and documented.

Auditee's Response

The Prosecuting Attorney provided the following response:

We now have additional staff in the office. One staff member takes payments, another issues the receipts and generates reports on a regular basis. I then review those reports. This office does not have a bank account, nor do we accept cash or personal checks. I have no plans in the future to change that policy.

5. County Assessor Controls and Procedures

Controls and procedures of the County Assessor's office need improvement. The County Assessor's office collected approximately \$29,000 during the year ended December 31, 2014.

The County Assessor does not ensure independent or supervisory reviews of the accounting records are performed. Two employees are primarily responsible for collecting, receipting, and transmitting monies received to the County Treasurer. In addition, receipt slips are not issued or transmitted to the County Treasurer in numerical sequence. The County Assessor's office prepares receipt slips when documents are requested, but doesn't issue the receipt slips until payment is received. As a result, receipt slips are not issued in the order of receipts received and not transmitted to the County Treasurer in sequence, and no procedures are in place to ensure the numerical sequence is accounted for. As a result, the County Assessor has no assurance all receipts have been paid and transmitted to the County Treasurer. Additionally, the method of payment is not always recorded on the receipt slips. Thus, the composition of receipts is not reconciled to the composition of transmittals to the County Treasurer.



Barry County
Management Advisory Report - State Auditor's Findings

If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records are essential. Ensuring receipt slips are issued when all monies are received, documenting the method of payment, accounting for the numerical sequence of receipt slips when transmitting to the County Treasurer, and reconciling the composition of receipts to the composition of the transmittal to the County Treasurer will reduce the risk of loss, theft, and misuse of funds.

Recommendation

The County Assessor ensure an independent or supervisory review of accounting records is performed and documented. In addition, receipt slips should be issued when money is received, the method of payment should be documented, the numerical sequence of receipt slips issued should be accounted for when transmitting to the County Treasurer, and the composition of receipts should be reconciled to the composition of the transmittals.

Auditee's Response

The County Assessor provided the following response:

I will personally supervise and oversee the 2 employees who are responsible for the collecting, receipting, and transmitting of monies received and deposited within the County Assessor's office. I have already addressed the recommendation for numerical sequence of our receipt books. I have purchased, and the office is currently utilizing a duplicate copy, personally designed numerical sequence receipt book for all monetary transactions. A receipt slip is issued when money is received, and the method of payment is documented directly on the receipt. The top copy is separated and handed to the paying customer, while the duplicate copy remains in the receipt book in numerical sequence. The monies collected are kept in a locked metal box in a locked desk until they are transmitted to the County Treasurer. At the time of transmittal of monies to the County Treasurer, the numerical sequence of receipt slips is accounted for, and the composition of receipts is reconciled to the composition of the transmittals.

Barry County

Organization and Statistical Information

Barry County is a county-organized, third-class county. The county seat is Cassville.

Barry County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 69 full-time employees and 8 part-time employees on December 31, 2014.

In addition, county operations include the Developmentally Disabled Board and the Senior Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Cherry Warren, Presiding Commissioner	\$	31,700
Gary Schad, Associate Commissioner		29,700
Wayne Hendrix, Associate Commissioner		29,700
Craig Williams, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Gary Youngblood, County Clerk		45,000
Johnnie E. Cox, Prosecuting Attorney		133,716
Mick Epperly, Sheriff		50,000
Lois Lowe, County Treasurer		45,000
Jim Fohn, County Coroner		16,000
Pam Modlin, Public Administrator (2)		96,102
Janice Varner, County Collector (3), year ended February 28,	54,648	
Sherry Sears, County Assessor, year ended August 31,		45,000

(1) Compensation is paid by the state.

(2) Includes fees from probate cases.

(3) Includes \$9,648 of commissions earned for collecting city property taxes.



John Watson
Missouri State Auditor

Butler County Collector and Property Tax System



April 2015
Report No. 2015-025

<http://auditor.mo.gov>



John Watson
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Butler County Collector and Property Tax System

Background	On August 3, 2014, a vacancy occurred in the County Collector's office due to County Collector Brenda Fox's death. The Governor appointed M. Chris Michel as County Collector and he served from September 18, 2014, until March 2, 2015, at which time newly elected County Collector Emily Parks took office.
Property Tax System Controls and Procedures	Access to the property tax system is not adequately restricted, voided transactions are not periodically reviewed or compared to supporting documentation, and personnel do not maintain adequate documentation to support voided transactions. The account book and annual disbursement reconciliation maintained by the County Clerk is not complete and accurate, and neither the County Clerk nor the County Commission adequately review or approve the County Collector's annual settlement. In addition, the County Clerk does not prepare or verify the accuracy of the current or delinquent tax books, and the County Collector does not monitor or subsequently reduce the percentage used to calculate amounts withheld from tax collections for the Assessment Fund. This weakness resulted in the County Collector withholding \$30,341 more than allowed by state law during the year ended February 28, 2014. The County Collector's office also did not apply tax payments to the oldest delinquent taxes first, in violation of state law.
Drainage District and City Taxes	County Collector Fox billed drainage districts \$1,500 in total for preparing their tax books without statutory authority to do so and also charged \$841 in commissions and fees in excess of those authorized by law. Also, she reported withholding \$9,600 in commissions to the drainage districts but issued checks to herself totaling \$10,331, a difference of \$731. The County Collector does not have adequate procedures in place to ensure drainage district collections are fully disbursed and ensure disbursements are processed timely. Drainage district tax collections were sometimes allowed to accumulate for up to 10 months before distribution. Also, additional commissions of almost \$1,100 may still be owed to County Collector Fox's estate. County Collector Michel declined to accept personal commissions for the collection of drainage district taxes, and transmitted these commissions to the County Treasurer in violation of state law. As of February 2015, he had transmitted commissions totaling approximately \$9,200 to the County Treasurer.
County Collector Controls and Procedures	The County Collector does not always issue receipt slips for partial payments timely, and does not ensure all monies received for partial payments from taxpayers who are unable to pay their tax bills in full are properly recorded and deposited. The County Collector does not prepare a list of liabilities for the main bank account and does not compare liabilities to reconciled bank balances monthly. The County Collector has not adequately segregated the duties of receiving, recording, depositing, and disbursing monies, and documented independent or supervisory reviews of

accounting and bank records are not performed. In addition, County Collector Fox did not distribute interest earned on protested taxes to the appropriate taxing authorities upon resolution of the taxes. During the year ended February 28, 2014, County Collector Fox disbursed approximately \$55,000 in protested taxes to taxing authorities, but did not include the proportional share of interest earned on the taxes in the distributions as required by state law. She also did not maintain documentation supporting the calculation for the interest distributed to a taxpayer whose protested taxes were partially abated.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Butler County Collector and Property Tax System

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Property Tax System Controls and Procedures4 2. Drainage District and City Taxes8 3. County Collector Controls and Procedures 12
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	16
---------------------------------------------	----



JOHN WATSON

Missouri State Auditor

To the County Commission
and
County Collector
Butler County, Missouri

We have audited the County Collector and Property Tax System of Butler County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On August 3, 2014, a vacancy occurred in the office of the County Collector of Butler County. A successor was appointed and sworn into office effective September 18, 2014. The scope of our audit included, but was not necessarily limited to, the period from March 1, 2014, to August 3, 2014, and the year ended February 28, 2014. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owing to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Butler County.

A handwritten signature in black ink that reads "John Watson". The signature is fluid and cursive, with the first name "John" and last name "Watson" clearly distinguishable.

John Watson
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Travis Owens, MBA, CPA, CFE
In-Charge Auditor:	Connie James

Butler County Collector and Property Tax System

Management Advisory Report

State Auditor's Findings

1. Property Tax System Controls and Procedures

Significant weaknesses exist in controls and procedures over the property tax system.

1.1 Tax system access

On August 3, 2014, a vacancy occurred in the County Collector's office due to County Collector Brenda Fox's death. The Governor appointed M. Chris Michel as County Collector and he served from September 18, 2014, until March 2, 2015, at which time newly elected County Collector Emily Parks took office. Audit fieldwork occurred during the period Mr. Michel served as County Collector. Newly elected County Collector Parks provided the responses to the recommendations included in our report and will be responsible for implementation of corrective actions she or other county officials deem necessary. Unless otherwise stated, the problems described existed during the terms of Brenda Fox and M. Chris Michel.

Access to the property tax system is not adequately restricted. The County Collector and office personnel can make changes to individual tax records, including processing additions and abatements, and can void receipt transactions after they are completed. Voided transactions are not periodically reviewed or compared to supporting documentation. Voided transactions are included in reports that can be generated from the property tax system including the daily report of collections or a refunds report. Personnel do not maintain adequate documentation to support voided transactions, other than copies of checks to support transactions voided due to insufficient funds. Because the County Collector and office personnel are responsible for collecting tax monies, good internal controls require they not have system access rights allowing them to alter or delete assessed values, property tax billings, or property tax receipts. With unrestricted access, there is an increased risk of unsupported or unauthorized changes occurring in the property tax system after property taxes are approved for the year.

To prevent unauthorized changes to the property tax records, system access should be limited based on user needs. In addition, retaining documentation to support voided transactions helps ensure such transactions are appropriate and reduces the risk of errors, loss, theft, or misuse of funds.

1.2 Review of activity

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The account book and annual disbursement reconciliation maintained by the County Clerk is not complete, does not track all taxes charged to the County Collector, and does not agree to the annual settlements submitted by the County Collector. In addition, the County Clerk and County Commission do not adequately review and approve the County Collector's annual settlement.



Butler County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An accurate account book or other records that summarizes all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

1.3 Tax books

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books prepared by the property tax system vendor. A review of the tax books should include verification of individual entries in the tax books and recalculating tax book totals and charges. Failure to prepare and review the tax books and test individual tax statement computations may result in errors, irregularities, or misuse going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected.

1.4 Assessment withholdings

The County Collector does not monitor or subsequently reduce the percentage used to calculate amounts withheld from tax collections for the Assessment Fund, and as a result, \$30,341 more was withheld from tax collections and disbursed to the Assessment Fund than allowed by state law during the year ended February 28, 2014.

Sections 137.720.1, 137.720.3, 137.082.6, RSMo, each provide a percentage be deducted from property tax collections and deposited into the Assessment Fund (1 percent, 0.5 percent, and 0.2 percent, respectively, for a total of 1.7 percent). However, Section 137.720.3, RSMo, limits the 0.5 percent deduction to \$75,000. After this limit is reached, the total percentage used should be reduced to 1.2 percent. Adequate monitoring and proper calculation of Assessment Fund withholdings is necessary to ensure compliance with statutory provisions.

1.5 Collection of delinquent taxes

County Collector Fox's office did not apply tax payments to the oldest delinquent taxes first, in violation of state law. We reviewed ten accounts included in the delinquent tax books as of March 1, 2013, and noted payment activity for three of these accounts did not comply with statutory requirements regarding the order in which tax payments are to be applied.

- One real estate property tax account indicated payment of the 2011 taxes in September 2013 and payment of the 2012 taxes in December 2012.



Butler County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

- One personal property tax account indicated payment of the 2008 taxes in December 2013 and payment of the 2010 to 2012 taxes in their respective tax years. No payment history for the 2009 taxes could be located; however, we confirmed the 2009 taxes were not delinquent.
- Another personal property tax account indicated abatement of the 2008 taxes during January 2014 and payment of the 2010 to 2012 taxes in their respective tax years. No payment history for the 2009 taxes could be located; however, we confirmed the 2009 taxes were not delinquent. County Collector's office staff could not provide any documentation supporting abatement of the 2008 taxes.

Sections 140.110.2 and 140.110.3, RSMo, require payment of personal and real property taxes to be applied to the oldest of any delinquent taxes before accepting payment for current taxes. Without adequate procedures in place to ensure compliance with these statutory requirements, there is an increased risk that personal property taxes could be outlawed and never collected. Additionally, taxpayers may not be aware that real estate property taxes remain delinquent that could result in increased penalties and interest and could also result in properties being sold at a tax sale.

Similar conditions previously reported Recommendations

Similar conditions to sections 1.3 and 1.4 were noted in our prior audit (Report No. 2012-60, *Butler County*, issued in June 2012).

- 1.1 The County Commission and the County Clerk ensure property tax system access is restricted to only allow officials and personnel to access functions necessary for their duties. In addition, the County Collector should maintain documentation of all voided transactions and periodically review reports of voided transactions and compare report information to supporting documentation.
- 1.2 The County Clerk maintain an accurate and complete account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 1.3 The County Clerk prepare the current and delinquent tax books, or verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts.
- 1.4 The County Collector recalculate assessment withholdings for current and prior years and disburse amounts owed to the taxing authorities from the Assessment Fund. The County Collector should also ensure the percentage to be deducted from property taxes for



Butler County Collector and Property Tax System
Management Advisory Report - State Auditor's Findings

the Assessment Fund is properly reduced in future years once the \$75,000 limit is reached.

- 1.5 The County Collector apply all property tax payments to the oldest taxes due as required by state law.

Auditee's Response

The County Commission and County Clerk provided the following responses:

- 1.1 *We agree and it is our understanding that programming changes have already been made to the system to restrict access and prevent County Collector's personnel from making changes to the system.*
- 1.2 *We agree. The County Clerk will ensure all activity is recorded in the account book and agrees to the County Collector's records. The County Commission and the County Clerk will perform a documented review and approval of the annual settlement and ensure the account book reconciles to the annual settlement.*

The County Clerk provided the following response:

- 1.3 *I agree and am now performing and documenting a review of the tax books and confirming the accuracy of the tax books, including levies, on a test basis.*

County Collector Parks provided the following responses:

- 1.1 *I will take this under advisement and have instructed my staff to ensure they include sufficient comments or reasons and retain appropriate documentation to support all voided transactions or reversals.*
- 1.4 *I agree and will consult with the Prosecuting Attorney to review Assessment Fund withholdings for prior years and determine how to properly refund the excess withholdings. I am working with the County Assessor and other county collectors to determine the proper monitoring procedures necessary to accurately track the amount of Assessment Fund withholding collected and ensure the percentage is properly reduced once the limit is reached.*
- 1.5 *I agree and office procedure is for all payments to be applied to the oldest taxes due first. I will consult with the programmer to ensure the system has proper edits in place to prevent tax payments from being posted out of order.*



Butler County Collector and Property Tax System
Management Advisory Report - State Auditor's Findings

2. Drainage District and City Taxes

Significant weaknesses exist in handling of property tax collections for drainage districts and we identified issues with the payment of personal commissions for drainage district and city taxes. The County Collector bills and collects taxes on behalf of 5 drainage districts established by the Circuit Court.

2.1 Drainage district tax book preparation

County Collector Fox performed and billed drainage districts for services not allowed by state law.

In October 2013, County Collector Fox billed the drainage districts \$1,500 in total (fees ranging from \$100 to \$500) for preparing the 2013 tax books. Based on review of deposit records and discussions with the County Treasurer, we determined these monies were not deposited in the County Collector's bank account or remitted to the County Treasurer. It appears County Collector Fox personally retained these fees which is consistent with how other drainage district commissions were handled. County Collector Michel indicated his office again prepared the tax books for the drainage districts for the 2014 tax year but he did not charge a fee.

The County Collector is responsible for collecting property taxes for the drainage districts and, as a result, should not prepare the tax books because performing both functions does not provide for adequate segregation of duties. Additionally, there is no statutory provision authorizing the County Collector to prepare these tax books or charge a fee for this service. Section 242.450.4, RSMo, provides that it is the duty of the secretary of the district board of supervisors to prepare a list of all taxes levied each year.

2.2 Drainage district commissions and fees

County Collector Fox charged and personally retained additional commissions and fees for delinquent drainage district tax collections that were not authorized by state law.

The property tax system adds certain fees to the face of the tax bill, in addition to statutorily authorized interest, including a commission of 2 percent of the tax bill, a clerk fee of \$0.15, and a collector fee of \$0.10 per parcel. The clerk fee and collector fee are assessed twice on each parcel of land, once on the real estate taxes and again on the drainage district taxes. During the year ended February 28, 2014, these additional commissions and fees (excluding interest) totaled approximately \$841 for all districts. There is no statutory authority for the County Collector to assess the additional commission. The commission added to the tax bill is independent of commissions authorized by Chapter 52, RSMo, which are manually deducted from tax collections prior to disbursing taxes. In accordance with Sections 52.250, 52.275, and 52.269.3, RSMo, the County Collector manually deducts a commission of 2 percent from collections. Additionally, while state law allows the County Collector to assess a clerk fee and



Butler County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

collector fee per parcel, the fee should only be assessed once on each parcel of land.

The County Collector periodically prepares a report of collections for each drainage district that includes total taxes, interest, commissions withheld, and amounts distributed by tax year and month(s) of collections, and issues a check to the district. For the year ended February 28, 2014, County Collector Fox reported to the districts that she withheld commissions totaling \$9,600. However, she issued checks to herself for personal commissions totaling \$10,331, a difference of \$731. The difference resulted because additional fees added to the face of the tax bill (excluding interest) were not reported. The difference between collections and distributions was less than the \$841 in unallowable fees identified above because not all collections were disbursed and commissions are not withheld until collections are disbursed.

2.3 Drainage district distributions

The County Collector does not have adequate procedures in place to ensure drainage district collections are fully disbursed and ensure disbursements are processed timely.

There are multiple records generated that include drainage district tax collections including the monthly settlement, monthly reports of drainage district collections generated from the property tax system, and manual reports of collections and distributions. There is no reconciliation between these records to ensure all taxes collected are disbursed and we noted unexplained differences.

For the year ended February 28, 2014, drainage district collections totaling \$480,964 were recorded in the property tax system. County Collector Fox issued checks totaling \$470,295 to the districts and \$10,331 to herself, resulting in checks issued totaling \$480,626, for a difference of \$338. We reviewed all activity for one district for the year and noted a portion of the October 2013 and February 2014 collections were not disbursed. We also did not identify the undistributed collections for this district on reports for March 2014 through July 2014 collections. We notified County Collector Michel of this discrepancy and he agreed it is probable some collections for other districts were not disbursed based on the differences noted.

We noted drainage district tax collections were sometimes allowed to accumulate for up to 10 months before distribution. County Collector's office staff could not explain how County Collector Fox tracked which collections had been disbursed or were still held in the bank account, and indicated there were no established policies on how often to distribute the drainage district collections. Staff indicated disbursements were done monthly during December and January but were held for longer periods during the rest of the year. Without adequate procedures in place there is an



Butler County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

increased risk that any collections not distributed may be forgotten and would continue to be held in the bank account.

2.4 Payment of personal commissions

Additional commissions may be owed to County Collector Fox's estate but the county has not determined the proper disposition of these monies. Additionally, County Collector Michel declined to accept personal commissions for collection of drainage district taxes and has instead withheld and transmitted these commissions to the County Treasurer, in violation of state law.

At the time of County Collector Fox's death several months of drainage district collections had not been disbursed. As previously noted, personal commissions on drainage district taxes are not paid until such time as the taxes are distributed. Additionally, the County Collector collects taxes on behalf of a city. While city taxes are distributed monthly, the city pays a 1 percent personal commission annually to the County Collector as specified in contract terms. This commission is generally not paid until March of each year, after the tax year has ended and the County Collector submits an invoice. County Collector Michel invoiced the city for his share of commissions after the close of the tax year but has not received payment as of March 23, 2015.

- Using information from the property tax system we estimated the total city and drainage district commissions relating to County Collector Fox's term of office but not paid to her or her estate is approximately \$1,100, including commissions for taxes collected during the period March 2014 to July 2014.
- According to County Collector Michel, drainage district commissions withheld and transmitted to the County Treasurer totaled about \$9,200 as of February 25, 2015. These amounts include commissions withheld for collections through December 2014, including commissions on taxes collected during County Collector Fox's term of office. State law does not allow for the payment of these monies to the county.

Section 52.269.3, RSMo, requires the County Collector to retain drainage district commissions as compensation for services performed. Also, in *Reed v. Jackson County*, 142 S.W.2d 862, 865 (Mo 1940), the Missouri Supreme Court stated, "To permit public officers elected or appointed to receive by agreement or otherwise, a less compensation for their services than fixed by law, would be contrary to public policy of the state." Therefore, these fees are part of the County Collector's statutorily authorized compensation and the county is not entitled to retain and expend those monies, even if the County Collector refuses them. The county should seek legal advice to determine the proper disposition of these monies.



Butler County Collector and Property Tax System
Management Advisory Report - State Auditor's Findings

Recommendations

- 2.1 The County Collector discontinue the practice of preparing tax books for drainage districts.
- 2.2 The County Collector discontinue assessing commissions and fees not authorized by state law.
- 2.3 The County Collector improve controls and procedures to ensure completeness of the tax distributions to the drainage districts and ensure all drainage district tax collections are distributed timely.
- 2.4 The County Clerk and County Commission work with the County Collector to determine the proper disposition of city and drainage commissions earned by County Collector Fox. Additionally, the County Collector and County Commission should comply with state law regarding payment of personal commissions.

Auditee's Response

County Collector Parks provided the following responses:

- 2.1 *I will discontinue the practice of preparing tax books for drainage districts and will consult with other county officials on alternative procedures that could potentially be implemented to allow the county to assist the drainage districts with preparation of tax books.*
- 2.2 *I will work with the programmer to ensure the drainage fees and commissions are assessed properly.*
- 2.3 *I will ensure drainage district taxes are distributed monthly and implement procedures to ensure the completeness of distributions.*

The County Clerk, County Commission, and County Collector Parks provided the following response:

- 2.4 *The County Commission and County Clerk will consult with the Prosecuting Attorney to determine the appropriate method of calculating and disbursing the city and drainage district commissions earned by the former County Collector. The current County Collector will accept personal commissions on the drainage and city taxes. The County Commission and County Clerk will consult with the Prosecuting Attorney to determine how to distribute drainage commissions that have been transmitted to the County Treasurer which may include sending payment to the appointed County Collector, though he initially refused to accept these commissions, or refunding those amounts to the drainage districts.*



Butler County Collector and Property Tax System
Management Advisory Report - State Auditor's Findings

3. County Collector Controls and Procedures

Weaknesses exist in the County Collector's controls and procedures. The County Collector's office processed collections totaling approximately \$23.6 million during the year ended February 28, 2014.

3.1 Partial payments

The County Collector does not deposit most monies received for partial payments, does not always issue receipt slips for partial payments timely, does not always post the partial payments to the partial payment ledger timely, and does not periodically reconcile the partial payment ledger to amounts on hand or in the bank account.

The County Collector accepts partial payments from taxpayers who are unable to pay their tax bills in full and maintains a ledger of partial payments received from taxpayers. If a check or money order is used to make a partial payment, the check or money order will generally be deposited with the day's receipts with a corresponding amount of cash withheld from that deposit and placed in the vault for safekeeping. Office staff indicated the majority of partial payments are held in the vault until the final payment though in some instances partial payments are deposited into the miscellaneous bank account for safekeeping.

On October 6, 2014, we counted 48 envelopes containing cash totaling \$7,031. Additionally, we counted \$1,279 in checks for 4 partial payments received during September 2014 that had not been deposited or cashed. For 3 of these payments totaling \$679, the payments had not been receipted and had not been posted to the partial payment ledger. Additionally, partial payments totaling \$19,603 on behalf of 5 customers were held in the miscellaneous bank account as of July 31, 2014, but monies held for 3 of those customers totaling \$17,590 were not included in the partial payment ledger.

To ensure all monies received for partial payments are properly recorded and deposited and to reduce the risk of loss, theft, or misuse of funds, the County Collector should deposit partial payments timely, issue receipt slips for all partial payments received, ensure amounts received are posted to the partial payment ledger timely, and reconcile the partial payment ledger to amounts on hand or in the bank account.

A similar condition was noted in our prior audit (Report No. 2012-60, *Butler County*, issued in June 2012).

3.2 Liabilities

The County Collector does not prepare a monthly list of liabilities for the main bank account and does not compare the reconciled bank balances to existing liabilities for any accounts. The County Collector maintains 3 bank accounts including the main account, protested account, and miscellaneous



Butler County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

account. The miscellaneous account is used for holding some partial payments and depositing and disbursing property taxes received on behalf of other counties. The County Collector maintains a perpetual list of liabilities for the protested and miscellaneous accounts but does not periodically prepare a list of liabilities for the main account, and lists prepared are not agreed to the month-end reconciled bank balances.

- At our request, an office clerk prepared a list of liabilities for the main account as of July 31, 2014, and the list totaled \$255,514. The reconciled account balance totaled \$253,073 (\$2,441 less than identified liabilities).
- As of July 31, 2014, the protested bank account had liabilities totaling \$289,451. This amount includes undistributed interest and protested taxes. The reconciled account balance totaled \$271,680 (\$17,771 less than identified liabilities). The County Collector's office reported taxes for two protested parcels totaling \$18,660 were mistakenly disbursed with monthly collections in December 2013 because staff failed to record the parcels as protested in the tax system. These monies were originally deposited to the protested account but were disbursed from the main account; however, County Collector Fox transferred monies to the main account to correct this error. The protested bank account will continue to be short \$18,660 until resolution of those protested taxes. Consideration of this error results in an unidentified balance of \$889 in the bank account.
- As of July 31, 2014, the miscellaneous bank account had \$19,603 in liabilities. The reconciled account balance, including \$162 still due to the miscellaneous account from the main account as a result of monies deposited in the wrong account, totaled \$20,175 (\$572 more than identified liabilities).

A list of liabilities should be prepared monthly and reconciled to cash balances to ensure sufficient cash is available for the payment of all amounts due and all monies in the bank account can be identified. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed.

3.3 Segregation of duties

The County Collector has not adequately segregated accounting duties and independent or supervisory reviews of accounting records are not performed. The Office Manager and a clerk both perform the duties of receiving, recording, and depositing monies. Additionally, the clerk disburses property taxes and reconciles the bank accounts. The County Collector does not perform a documented review of accounting records or a comparison of monies received to those deposited.



Butler County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

In addition, the County Collector performs all disbursement procedures, including the calculation and payment of commissions, for taxes collected on behalf of drainage districts. The County Collector is responsible for periodically preparing reports of taxes collected for each district, calculating the commissions to be withheld, issuing checks for commissions, and issuing checks to the districts for tax collections. An independent review would help ensure the accuracy and propriety of these transactions since the calculations must be performed manually.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, and disbursing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records are essential and include comparing daily receipt activity to deposits.

3.4 Protested interest

County Collector Fox did not distribute the applicable amount of interest earned on protested taxes to the taxing authorities upon resolution of the taxes and also did not maintain documentation supporting interest distributed to a taxpayer upon resolution of protested taxes.

The County Collector deposits protested taxes in a separate interest-bearing bank account and tracks the total undistributed interest on a ledger. As of July 31, 2014, the County Collector was holding protested taxes totaling approximately \$269,200 from various taxpayers and tax years and the ledger indicated undistributed interest totaled approximately \$1,600.

County Collector Fox disbursed approximately \$55,000 in real estate property taxes to taxing authorities during the year ended February 28, 2014, for nine parcels that had been protested by taxpayers but no interest was distributed to the taxing authorities as required by state law. One of the nine parcels resulted in a partial abatement of taxes due for tax years 2007 and 2008, resulting in a refund due to the taxpayer of approximately \$24,000. For this parcel County Collector Fox distributed \$60 of interest to the taxpayer but did not document how this amount was determined.

County Collector's office staff indicated County Collector Fox handled most of the duties related to protested taxes and they were not familiar with the statutory requirements related to interest on protested taxes. The County Collector should ensure the appropriate amount of interest is disbursed or refunded as the value of each parcel is resolved.

Section 139.031.7, RSMo, requires the County Collector to disburse the proportional amount of interest earned either to the taxpayer, taxing authority, or both. To ensure interest earned on the protested account is



Butler County Collector and Property Tax System
Management Advisory Report - State Auditor's Findings

properly distributed, controls should be in place to ensure interest is properly allocated and proper records are maintained.

Recommendations

The County Collector:

- 3.1 Implement procedures to ensure partial payments are receipted, posted to the ledger, and deposited timely. Additionally, the County Collector should periodically reconcile the partial payment ledger to total partial payments on hand or held in the bank account.
- 3.2 Prepare monthly lists of liabilities, reconcile the lists to the reconciled bank balance, and promptly investigate any differences.
- 3.3 Segregate accounting duties to the extent possible or ensure adequate independent or supervisory review of accounting and bank records are performed and documented.
- 3.4 Adopt procedures to ensure future interest allocations and distributions are accurate and comply with state law.

Auditee's Response

County Collector Parks provided the following responses:

- 3.1 *I agree and have discontinued acceptance of partial payments. All partial payments have been deposited and my staff have contacted the rightful owners by letter allowing 60 days to claim the money or the money will be turned over to the state's unclaimed property section.*
- 3.2 *I have deposited \$2,441 in the main account from the Tax Maintenance Fund to mitigate the shortage identified by the auditors and will attempt to identify the owners of the surplus amounts in the other two accounts. I will prepare a monthly list of liabilities for each account, reconcile to the bank balance, and investigate any differences.*
- 3.3 *I will attempt to segregate duties to the extent possible or perform supervisory reviews of the collection, deposit, and disbursement functions. I will work with the County Commission and County Clerk to consider whether drainage commissions should first be transmitted to the county and then paid out to me by the County Treasurer in order to better segregate duties.*
- 3.4 *I will implement procedures to ensure future interest is adequately tracked and properly distributed to both taxpayers and taxing authorities as appropriate.*

Butler County Collector and Property Tax System

Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Brenda Fox served as County Collector until August 3, 2014. She had served in that capacity since 1999 and was reelected for three additional terms. M. Chris Michel was appointed as Butler County Collector and sworn into office on September 18, 2014. Emily Parks was later elected and although she took office on March 2, 2015, she was sworn in as the County Collector in January 2015 to expedite the bonding process.

The former County Collector received compensation of \$26,670 for the period March 1, 2014, through August 3, 2014. During the year ended February 28, 2014, the former County Collector received compensation of \$87,864. The former County Collector's base compensation was in accordance with statutory provisions. However, some drainage district fees or commissions paid to the former County Collector were not in accordance with statutory provisions as discussed in MAR finding numbers 2.1 and 2.2.



John Watson
Missouri State Auditor

2014 ANNUAL REPORT

Office of The Missouri State Auditor



April 2015
Report No. 2015-026

<http://auditor.mo.gov>

-----A MESSAGE FROM
THE STATE AUDITOR

The Citizens of Missouri
The Honorable Jeremiah "Jay" Nixon
The Missouri General Assembly

Following, please find the State Auditor's office annual report of the 143 reports issued, 181 bonds registered, and 42 initiative petitions or joint resolutions received in 2014.

During 2014, this office identified instances of theft and misuse of public monies, leading to criminal charges against those responsible, and uncovered wasted public resources and violations of law and policy in state agencies, counties, municipal courts and other political subdivisions.

We released the Fiscal Year 2013 Statewide Single Audit, auditing the \$11.96 billion in federal funds spent on major programs by state agencies.

In 2011, the office established the Auditor's Swift Assessment Program rapid response team and the Auditor's Follow-up Team to Effect Recommendations, which have continued to improve accountability in Missouri government. In 2014, the office deployed the rapid response team one time in response to a potential theft issue identified as we performed follow-up work on the findings in the New Madrid County Sheriff's office audit report and released 21 follow-up reports detailing the implementation of audit recommendations.

The employees of the State Auditor's office are dedicated to improving government efficiency and accountability for the citizens of Missouri.

Very truly yours,

A handwritten signature in black ink that reads "John Watson". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

John Watson

DUTIES OF THE STATE AUDITOR

The Missouri Constitution and the Missouri Revised Statutes give the Missouri State Auditor the authority to audit all state agencies; boards and commissions; public employee retirement systems; public employee healthcare systems; the state court system; school districts; counties that do not have a county auditor; and other political subdivisions upon petition by the voters of those subdivisions.

All audits are conducted in an impartial, nonpartisan manner, in accordance with government auditing standards issued by the United States Government Accountability Office. State auditors adhere to the rigorous standards of the auditing profession and exercise the highest levels of integrity and ethics. Audit findings and recommendations are based upon reliable evidence, free from preconceived notions and the influence of personal opinions.

AUDITS PERFORMED

Audits of state and local government are performed by the State Auditor's office.

- 1) **State Government Audits:** The State Auditor conducts audits of state agencies, programs, and activities; boards and commissions; statewide elected officials; the General Assembly; the judiciary; the state's financial statements; and federal awards expended by the state. The State Auditor may also conduct audits of Department of Revenue contract license offices.
- 2) **Local Government Audits:** For counties that do not have a county auditor, the State Auditor is required to conduct an audit at least once every 4 years. The State Auditor also conducts an audit in a county collector's office after a vacancy occurs. In addition, the State Auditor may conduct audits of transportation development districts and school districts.

Qualified voters of a political subdivision, such as cities, school districts, water districts, etc., may request an audit through the petition process.¹

For a complete listing of audits released in 2014, please see page 18.

FISCAL NOTES

The State Auditor's office is responsible for assessing the fiscal impact of initiative petitions proposing constitutional or statutory changes that citizens file with the Secretary of State. The fiscal note and fiscal note summary for each petition states the initiative's estimated costs or savings, if any, to state and local governmental entities. Once the Secretary of State certifies the official ballot title, summary statement of the measure, and the fiscal note summary, an initiative petition can be circulated publicly for signatures. Proposals that obtain the required number of signatures within statutory time limits will be voted on by the public at the next statewide General Election.²

The office is also responsible for assessing the fiscal impact for Missouri General Assembly adopted joint resolutions proposing constitutional amendments or bills without a fiscal note summary, which are to be referred to a public vote. The fiscal note and fiscal note summary for each joint resolution or bill states the measure's estimated costs or savings, if any, to state and local governmental entities.

¹ The number of verified signatures required for a petition audit is determined by Section 29.230, RSMo, as depicted in the following table:

<u>No. of Votes in Last Election for Governor</u>	<u>The Greater of</u>	
	<u>Percent</u>	<u>Minimum</u>
Below 1,000	25% of registered voters	-----
1,000 to 4,999	15% of actual votes	200
5,000 to 49,999	10% of actual votes	750
50,000 or more	5% of actual votes	5,000

² Initiative petitions proposing amendments to the constitution require signatures of 8 percent of the legal voters in each of two-thirds of the congressional districts in the state, and initiative petitions proposing laws must be signed by 5 percent of such voters.

During 2014, the State Auditor's office received notification to prepare fiscal notes and fiscal note summaries for 42 initiative petitions or joint resolutions. For a complete listing of initiative petitions received by the State Auditor's office in 2014, please see page 32.

BOND REGISTRATION

The State Auditor's office is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri to ensure those bonds comply with both state law and the conditions of the contracts under which the bonds will be issued. For a complete listing of bonds registered in 2014 with the State Auditor's office, please see page 25.

REVIEW OF PROPERTY TAX RATES

State law requires the Missouri State Auditor annually to certify all taxing jurisdictions throughout Missouri as to their compliance with state law and the tax limitation provisions Article X, Sections 16 through 24, Constitution of Missouri, commonly known as the Hancock Amendment. The State Auditor's office property tax rate report states whether a taxing jurisdiction has met its obligation to set an overall tax rate at a level approved by voters and within the limits set by Missouri law. The Review of 2014 Property Tax Rates is Report No. 2015-004 and is available on our website.

NOTE: The State Auditor's office does not have the authority to reduce the tax rate of any taxing jurisdiction. Additionally, the State Auditor's office has no authority to determine or review individual tax assessments. Chapter 138, RSMo, governs the appeals process for assessed valuations of individual taxpayers.

STATEMENTS AND TESTIMONY

The State Auditor is often called upon to advise the Governor, legislature, and citizens on matters pertaining to state government operations.

Office staff frequently testify before Missouri legislative committees regarding audits undertaken by this office and the estimated costs

associated with proposed legislation. In 2014, staff testified before several legislative committees on a variety of topics, including general obligation bonds; the Governor's withhold authority; tax credits, transportation development districts; legislation revising Chapter 29, RSMo; state appropriations; and other topics.

NEW INITIATIVES WITHIN THE OFFICE

Shortly after taking office in 2011, former State Auditor Tom Schweich started the Auditor's Swift Assessment Program (ASAP) to rapidly respond to credible allegations of waste, fraud, or abuse of public monies. ASAP is only activated if there is reason to believe evidence may be destroyed and the ASAP guidelines are met.

He also formed the Auditor's Follow-up Team to Effect Recommendations (AFTER). Every finding in an audit report is followed by a recommendation to bring the entity into compliance with the law and accepted accounting practices and to improve government accountability, transparency, and efficiency. When applicable, AFTER returns after an audit and reports on the status of audit recommendations for findings requiring immediate management attention.

In order to facilitate transparency and increase accountability, former Auditor Schweich also instituted the Citizens Summary and a rating scale. The Citizens Summary provides readers with a short, plain language summary of each audit, and the rating scale rates the audited entity as Excellent, Good, Fair, or Poor, so readers can tell at a glance how the entity is performing overall in the areas audited.

The State Auditor's office website at <http://auditor.mo.gov> contains a wealth of information and many helpful links. All audit reports issued and bonds registered with the office from 1999 to present and all fiscal notes for initiative petitions received by the office from 2003 to present are available on the website. Reports are searchable, listed chronologically, and categorized by subject and by region. The website also includes news releases, employment opportunities, and links for information on petition audits, federal stimulus monies tracking, political subdivision financial reporting, and various others forms.

2014 AUDIT HIGHLIGHTS

ELECTED OFFICIALS



The State Auditor is required by state law to conduct audits of the offices of other statewide elected officials. In 2014, the State Auditor's office released a report on the Office of the State Treasurer

Office of the State Treasurer

The State Auditor's office is required to conduct an annual audit of the Office of State Treasurer. The State Auditor's office found the Office of the State Treasurer provided salary increases to some employees that were not provided to other state employees without preparing and maintaining documentation justifying the pay increases, or documenting how the increases were determined. Overall, the Office of the State Treasurer received a rating of **Good**.

(Report No. 2014-034)

STATE AGENCIES



The State Auditor conducted various audits of state agencies in 2014, including audits of entire departments, audits of divisions within a department, and audits of certain functions, such as information technology, within a given department or division. Some of these audits included:

Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, Missouri Real Estate Commission

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit. In the areas audited, the Missouri Real Estate Commission received an overall audit rating of **Excellent**.

(Report No. 2014-102)

2014 AUDIT HIGHLIGHTS

Department of Agriculture

The audit found the Metrology/Moisture Meter Program failed to inspect some grain moisture meters and scales and the Petroleum/Anhydrous Ammonia Program failed to inspect some petroleum devices in calendar year 2013. The Missouri Wine and Grape Board's annual reports did not provide all required information, and various program fees of the Department of Agriculture did not cover the related costs of the program. In the areas audited, the Department of Agriculture received an overall audit rating of **Good**.

(Report No. 2014-131)

Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration (DIFP-PR), Administration

The Division of Professional Registration had not timely filled board vacancies, which resulted in a lack of a quorum for some boards. At June 30, 2013, multiple board vacancies resulted in the lack of a quorum at 5 of the 37 boards, and 63 percent of the 188 active board members were serving beyond their term expiration date. In the areas audited, the DIFP-PR Administration received an overall audit rating of **Fair**.

(Report No. 2014-003)

Department of Economic Development (DED), Brownfield Remediation Tax Credit (BRTC) Program

The audit found the DED had not (1) designed a formal procurement process that required the lowest and best bids to be accepted and restricted conflict of interest situations, (2) compiled a historical listing of reasonable prices for various remediation activities, and (3) required an engineer, architect, or certified public accountant to certify eligible project costs. The DED did not always require developers to enter into clawback agreements in the event the project did not create the projected number of jobs. In addition, The General Assembly had not established annual or cumulative limits on BRTCs, or a sunset provision for the BRTC Program. In the areas audited, the DED BRTC Program received an overall audit rating of **Poor**.

(Report No. 2014-023)

2014 AUDIT HIGHLIGHTS

COURTS



In 2014, the State Auditor conducted audits of various municipal courts and circuit courts throughout the state. The State Auditor has the discretion to audit courts as he deems advisable and will also generally audit the local municipal division of a circuit court when a petition is performed in that community. Some of these audits included:

Fourth Judicial Circuit, Atchison County Circuit Court

The audit found the court had not adequately segregated duties, and supervisory reviews of accounting records were not adequate. In addition the circuit court had not limited user access rights in the Justice Information System. Overall, in the areas audited, the court's performance was **Good**.

(Report No. 2014-060)

First Judicial Circuit, Clark County Circuit Court

The audit determined there were at least \$12,181 in misappropriated court funds and missing monies. The former Circuit Clerk was criminally charged with theft. The audit also found the court did not adequately segregate accounting duties, establish adequate supervisory or independent reviews, or prepare budgets for various accounts. The overall performance of the court, in the areas audited, was **Poor**.

(Report No. 2014-051)

Thirty-Third Judicial Circuit, City of Miner Municipal Division

The audit identified missing monies totaling at least \$14,398. The former City Clerk was criminally charged with theft. Neither the municipal division nor city personnel performed adequate supervisory or independent reviews of accounting functions and records, and the Municipal Court Clerk did not prepare a list of open bonds for comparison to the reconciled bond bank account balance. The Police Department and the municipal division did not work together to ensure the numerical sequence and ultimate disposition of all tickets issues were accounted for properly. In the areas audited, the court received an overall rating of **Poor**.

(Report No. 2014-143)

2014 AUDIT HIGHLIGHTS

CONTRACT LICENSE OFFICES



The State Auditor conducted audits of five contract license offices: Bolivar (Report No. 2014-086), Branson (Report No. 2014-087), Creve Coeur (Report No. 2014-088), Doniphan (Report No. 2014-089), and Sugar Creek (Report No. 2014-090). We rated two of the offices **Fair** (Bolivar and Sugar Creek) and three of the offices **Good** (Branson, Creve Coeur, and Doniphan). Several of the offices failed to accurately maintain a log of no fee IDs issued.

EDUCATION



The State Auditor's office conducted various audits related to education during 2014 based upon statutory authority or obligation. Some of these audits included:

St. Charles Community College

The audit found the college did not prepare budget documents for several operating funds. The college needed to update and improve its controls and procedures over fuel purchases and usage, the college needed to improve accounting controls and procedures for the college bookstore, and the college subsidized certain operating expenses of its not-for-profit foundation, which may have violated the Missouri Constitution. Overall, the performance of St. Charles Community College in the areas audited was rated **Good**.

(Report No. 2014-024)

Lee's Summit R-VII School District

The audit found the district did not competitively bid several purchases in accordance with district administrative procedure and state law, did not have written agreements with the entities providing legal services or a communication audit, and did not adequately monitor contract payments.

2014 AUDIT HIGHLIGHTS

The audit also identified the district did not include vehicle allowances in employee contracts, even though the district had historically paid them to several employees. Overall, in the areas audited, the district received a rating of **Good**.

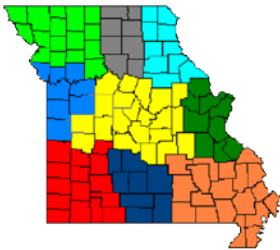
(Report No. 2014-008)

Grandview C-4 School District

The audit found the district was unable to reconcile its bank account with its general ledger fund balances for fiscal years 2011 through 2013, district procurement policies needed improvement, and the district had not developed adequate procedures and records for tracking and accounting for capital assets. The audit also found the district did not comply with all of the requirements of the Qualified Zone Academy Program, and improvement was needed in the handling of bond projects and methods for issuing bonds. In the areas audited, the district was rated **Fair**.

(Report No. 2014-062)

COUNTIES



The State Auditor is statutorily obligated to audit counties that do not elect an auditor. The State Auditor issued audit reports related to 32 different counties in 2014. Some of these audits included:

Morgan County

The audit determined the Sheriff's controls and procedures had significant weaknesses, and auditors were unable to determine if all monies were accounted for, deposited, and disbursed properly. The audit also identified weaknesses with the controls and procedures with the property tax system and in the Prosecuting Attorney's office. The County Collector withheld more from tax collections for the Assessment Fund than allowed by state law, and the county incorrectly certified a tax rate with a voluntary reduction instead of a sales tax reduction for several years. In the areas audited, the overall performance of Morgan County was rated **Poor**.

(Reports No. 2014-030)

2014 AUDIT HIGHLIGHTS

Webster County Procurement Procedures and County Clerk

During an audit of the Webster County Procurement Procedures and County Clerk the State Auditor determined that the former administrative assistant to the County Clerk made a total of at least \$17,676 in improper personal purchases with county credit cards, county charge accounts, and county checks. In addition, there was at least \$201 in missing monies. The former administrative assistant was criminally charged with felony stealing and fraudulent use of a credit device. The audit also identified weaknesses in procurement controls and procedures, inadequate segregation of accounting duties and inadequate oversight by the County Clerk. In the areas audited, the overall performance was rated **Poor**.

(Report No. 2014-045)

Texas County

The audit found the County Collector-Treasurer and her deputies improperly waived and adjusted as much as \$7,830 in penalties and interest on delinquent taxes for some taxpayers, and the Prosecuting Attorney had not adequately segregated accounting duties. In addition, due to a disagreement with the County Commission, the County Collector-Treasurer opened a separate Tax Maintenance bank account and made more than \$10,000 in disbursements from that account and the county's Tax Maintenance Fund that were not in compliance with state law and/or did not appear reasonable. In the areas audited, the overall performance of Texas County was rated **Poor**.

(Report No. 2014-094)

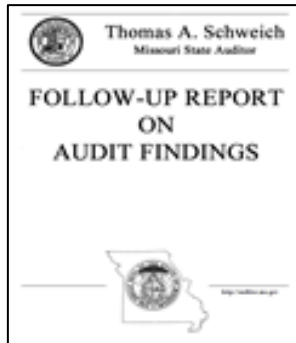
Miller County

The audit identified the financial condition of several county funds was poor, the county was underpaying the Public Administrator by \$20,000 annually, and the County Clerk had not updated capital asset records since 2003. In addition, the audit found that the Recorder of Deeds had collected approximately \$18,360 in passport fees without having the authority to do so. In the areas audited, the overall performance of Miller County was rated **Poor**.

(Reports No. 2014-109)

2014 AUDIT HIGHLIGHTS

FOLLOW-UP



The State Auditor implemented the Auditor's Follow-up Team to Effect Recommendations (AFTER), which determines whether recommendations for findings requiring immediate management attention have been implemented. The State Auditor issued 21 follow-up audit reports in 2014. Four of these reports included:

St. Louis Public School District, Follow-up

The State Auditor issued an audit report of the St. Louis Public School District in 2013 (Report No. 2013-085) and rated it **Fair**. The district did not fully comply with state laws with respect to the promotion and retention of at-risk students, and significant funding challenges were expected in the coming years. The AFTER assessed the implementation of 18 findings requiring immediate management attention and found 5 to be implemented, 12 to be in progress, and 1 to be partially implemented.

(Report No. 2014-010)

City of Bolivar, Follow-up

The State Auditor issued an audit report of the City of Bolivar in 2013 (Report No. 2013-139) and rated it **Poor**. The audit found the Board of Aldermen failed to adequately monitor the financial condition of the city. In addition, under current financing arrangements at the time of the audit, the city would pay \$16.8 million for the \$6.3 million aquatics center. The AFTER assessed the implementation of 37 findings requiring immediate management attention and found all had been implemented or were in progress.

(Report No. 2014-050)

New Madrid County Sheriff, Follow-up

The State Auditor issued an audit report of the New Madrid County Sheriff in 2013 (Report No. 2013-113) and rated it **Poor**. The audit found \$79,766 missing, and at least another \$2,900 of concealed carry weapon fees appeared to be missing. The office manager was criminally convicted of theft. Additionally, during the AFTER, the Auditor activated the Auditor's Swift Assessment Program when a \$500 cash bond was determined to be missing, and additional concerns related to the handling of inmate monies

2014 AUDIT HIGHLIGHTS

and personal property were identified. Due to incomplete information and discrepancies in records reviewed, auditors could not determine who was responsible for the missing monies and property. The AFTER assessed the implementation of 7 findings requiring immediate management attention and found 2 had been implemented, 1 was in progress, and 4 had been partially implemented.

(Report No. 2014-054)

Hickman Mills C-1 School District, Follow-Up

The State Auditor issued an audit report of the Hickman Mills C-1 School District in 2014 (Report No. 2014-012) and rated it **Fair**. The audit determined the School Board did not follow its policies or state law when selecting a new superintendent, district personnel did not always solicit bids or proposals for purchases when required by district policy, and the district's financial condition was below the minimum recommended level. The AFTER assessed the implementation of 18 findings requiring immediate management attention and found 12 had been implemented, 2 were in progress, and 4 had been partially implemented.

(Report No. 2014-114)

STATEWIDE SINGLE AUDIT



Each year, the State Auditor's office is required to audit the state's financial statements and its use of federal awards, including American Recovery and Reinvestment Act of 2009 (ARRA) funds. The 2013 Statewide Single Audit audited the \$11.96 billion in federal awards spent on major programs by the state, including \$153 million in ARRA funds. The audit contained 22 findings with 31 recommendations.

As noted in three prior audit reports, significant weaknesses still existed in the Department of Social Services (DSS) controls over the Child Care Development Fund eligibility and provider payments. The DSS could not locate eligibility documentation for 12 percent of cases reviewed, eligibility documentation was not sufficient to support a valid need for child care for

2014 AUDIT HIGHLIGHTS

18 percent of the files reviewed, and 33 percent of payments reviewed were not supported by adequate documentation and/or were not in compliance with DSS policies. Also, as noted in two prior audit reports, the DSS-Family Support Division paid Temporary Assistance for Needy Families (TANF) benefits to some recipients who may not have been eligible or were ineligible for the full amount of TANF benefits received. In addition, for 50 percent of tested TANF cases flagged for non-cooperation, either the Child Support Enforcement Unit did not promptly notify the Family Support Division of the non-cooperation, or the division did not act to sanction the recipient upon notification.

(Report No. 2014-017)

MISCELLANEOUS



In addition to elected officials, school districts and universities, courts, state agencies, contract license offices, federal awards, and third-class counties, the State Auditor audits boards, commissions, public retirement systems, public healthcare systems, and transportation development districts. Also, upon receipt of a petition

bearing a sufficient number of valid signatures, the State Auditor will conduct an audit of any political subdivision, for which the political subdivision bears the cost. Some of these types of audits or reviews in 2014 included:

City of Coffey

The State Auditor conducted a petition audit of the City of Coffey and found the Board of Aldermen had not segregated duties or performed adequate reviews of the work performed by the City Clerk, the city's budget documents did not include any information for 7 of the city's 11 funds and did not contain all elements required by law, and the city had not performed a formal review of water and sewer rates. In the areas audited, the overall performance of the City of Coffey was rated **Good**.

(Report No. 2014-026)

2014 AUDIT HIGHLIGHTS

Statewide Survey of Public Employee Retirement Systems in Missouri

The State Auditor conducted a Survey of Public Employee Retirement Systems in Missouri that focused on public employee defined benefit retirement plans. The review found the financial condition of Missouri plans varied widely, with some indicating very good financial condition and others very poor financial condition. The most often cited indicator of plan financial condition is the funded ratio. The aggregate funded ratio of Missouri plans decreased from 83 percent to 78 percent between 2003 and 2012, but was higher than aggregate funded ratios reported at the national level. Because of the compound nature of this report, no overall rating was provided.

(Report No. 2014-092)

Taney County

The State Auditor was requested to audit Taney County by the county government. The audit found weaknesses (1) with the handling of some county disbursements, (2) the county sales taxes, and (3) in the Sheriff's office. In addition, the audit found that the County Collector did not correctly distribute \$434,118 in utility taxes to various school districts, and since 2007 the county had not received \$956,000 in property tax assessment reimbursements from the state because the former County Assessor and other county officials failed to comply with approved assessment maintenance plans and applicable state law. In the areas audited, the overall performance of Taney County was rated **Poor**.

(Report No. 2014-047)

Ash Grove R-IV School District

During a petition audit of the Ash Grove R-IV School District, the State Auditor found the district needed to improve its accounting controls over cash receipts and change funds, the district had not established adequate segregation of duties or supervision over payroll functions or disbursements, and the district did not maintain complete and accurate information in its accounting system. In addition, the audit found that the district lacked procedures for approving employment contracts and did not prepare employment contracts or separately approve salary schedules for tenured teachers. In the areas audited, the overall performance of the Ash Grove R-IV School District was **Fair**.

(Report No. 2014-031)

2014 AUDIT HIGHLIGHTS

The Prosecuting Attorneys' and Circuit Attorneys' Retirement System (PACARS)

The State Auditor conducted an audit of certain operations of PACARS and found the Board of Trustees lacked adequate controls and procedures to ensure all surcharge contributions were received from courts, the Board did not always follow Sunshine Law requirements relating to board meeting minutes and notices, and the Board lacked adequate oversight of the executive Secretary, who administers the plan from her home. In addition, the board had not periodically solicited proposals from any professional service providers. In the areas audited, the overall performance of PACARS was rated **Good**.

(Report No. 2014-141)

New Longview Transportation Development District (TDD) in Lee's Summit, Missouri

The State Auditor found the TDD Board did not provide oversight or review the financial records provided by its banking institution and an accountant hired to prepare its year-end financial statements. In addition, the TDD property owners had not elected successor directors, and the Board had not met regularly. In the areas audited, the overall performance of the New Longview TDD was rated **Fair**.

(Report No. 2014-132)

Summary of State and Local Audit Findings - Sunshine Law

This audit report summarizes recent audit issues and recommendations related to the Sunshine Law. Some entities did not maintain formal minutes for open and/or closed meetings, did not ensure minutes contained all information required by law, discussed unallowable topics during closed meetings, lacked adequate policies and procedures regarding public access to records, and did not prepare, post and/or retain tentative agendas. Because of the limited objective of this report, no overall rating was assigned.

(Report No. 2014-097)

City of Pevely

The State Auditor conducted a petition audit of the City of Pevely and found the city inappropriately transferred \$200,000 from the Water and Sewer Fund to finance general operations and did not have a formal plan in place to repay the funds. In addition, annual budgets did not contain all

2014 AUDIT HIGHLIGHTS

elements required by state law, and the city paid the former Mayor's cellular phone bill for more than 10 years without requiring the submission of detailed supporting documentation. In the areas audited, the overall performance of the City of Pevely was rated **Poor**.

(Report No. 2014-100)

AUDIT REPORTS RELEASED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Audit	Date Issued	Audit Number
Thirty-Third Judicial Circuit City of Miner Municipal Division	12-2014	2014-143
Missouri Development Finance Board Infrastructure Tax Credit Program	12-2014	2014-142
The Prosecuting Attorneys' and Circuit Attorneys' Retirement System	12-2014	2014-141
Social Services MO HealthNet Division Payment and Cost Recovery	12-2014	2014-140
City of Kimmswick	12-2014	2014-139
Summary of 2014 Follow-Up Reports	12-2014	2014-138
Insurance, Financial Institutions, And Professional Registration Division of Professional Registration State Board of Accountancy	12-2014	2014-137
Shannon County	12-2014	2014-136
Perry County	12-2014	2014-135
Laclede County	12-2014	2014-134
Reynolds County	12-2014	2014-133
Lee's Summit Missouri New Longview Transportation Development District	12-2014	2014-132
Agriculture Department of Agriculture	12-2014	2014-131
Insurance, Financial Institutions, And Professional Registration Division of Professional Registration State Board of Pharmacy	12-2014	2014-130
Dallas County	12-2014	2014-129
Thirty-Ninth Judicial Circuit City of Kimberling Municipal Division	12-2014	2014-128
Scott County	12-2014	2014-127
Public Safety Missouri State Highway Patrol's Use of Highway Funds Year Ended June, 30 2014	12-2014	2014-126
Osage County	12-2014	2014-125
Follow-Up On Audit Findings First Judicial Circuit Clark County	12-2014	2014-124
Seventeenth Judicial Circuit Cass County	12-2014	2014-123

AUDIT REPORTS RELEASED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Audit	Date Issued	Audit Number
Worth County	12-2014	2014-122
Thirty-Seventh Judicial Circuit City of West Plains Municipal Division	12-2014	2014-121
Iron County	12-2014	2014-120
Clinton County	12-2014	2014-119
Follow-Up Report On Audit Findings Webster County Procurement Procedures and County Clerk	12-2014	2014-118
Follow-Up Report On Audit Findings Morgan County	12-2014	2014-117
Follow-Up Report On Audit Findings Fifth Judicial Circuit Buchanan County	12-2014	2014-116
Missouri Veterans Commission - VA Claim Filing Assistance	11-2014	2014-115
Follow-Up On Audit Report Findings Hickman Mills C-1 School District	11-2014	2014-114
Howell County	11-2014	2014-113
Follow-Up Report On Audit Findings Forty-Second Judicial Circuit City of Bourbon Municipal Division	11-2014	2014-112
Urban Community Leadership Academy Charter School Closure	11-2014	2014-111
Renaissance Academy for Math and Science of Missouri, Inc. Charter School Closure	11-2014	2014-110
Miller County	11-2014	2014-109
Follow-Up Report On Audit Findings Ash Grove R-IV School District	11-2014	2014-108
Follow-Up Report On Audit Findings Eleventh Judicial Circuit City of New Melle Municipal Division	11-2014	2014-107
Dallas County Financial Statements	11-2014	2014-106
Village of Country Club	11-2014	2014-105
Lewis County Collector and Property Tax System	11-2014	2014-104
Lewis County	11-2014	2014-103
Division of Professional Registration-Missouri Real Estate Commission	11-2014	2014-102

AUDIT REPORTS RELEASED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Audit	Date Issued	Audit Number
Benton County Sewer District #1	11-2014	2014-101
City of Pevely	10-2014	2014-100
Follow-Up Report On Audit Findings Brownfield Remediation Tax Credit Program	10-2014	2014-099
Washington Avenue Transportation Development District	10-2014	2014-098
Summary of State and Local Audit Findings - Sunshine Law	10-2014	2014-097
Grindstone Plaza Drive Transportation Development District Closeout	10-2014	2014-096
Webster County	10-2014	2014-095
Texas County	10-2014	2014-094
Dent County	10-2014	2014-093
Statewide Survey of Public Employee Retirement Systems in Missouri	09-2014	2014-092
City of Leeton	09-2014	2014-091
Revenue Sugar Creek Contract License Office	09-2014	2014-090
Revenue Doniphan Contract License Office	09-2014	2014-089
Revenue Creve Coeur Contract License Office	09-2014	2014-088
Revenue Branson Contract License Office	09-2014	2014-087
Revenue Bolivar Contract License Office	09-2014	2014-086
Clinton County Financial Statements	09-2014	2014-085
Atchison County Financial Statements	09-2014	2014-084
Adair County Financial Statements	09-2014	2014-083
Iron County Financial Statements	09-2014	2014-082
Gasconade County	09-2014	2014-081

AUDIT REPORTS RELEASED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Audit	Date Issued	Audit Number
Andrew County	09-2014	2014-080
Dent County Financial Statements	09-2014	2014-079
Barry County Financial Statements	09-2014	2014-078
Audrain County Financial Statements	09-2014	2014-077
Andrew County Financial Statements	09-2014	2014-076
Shannon County Financial Statements	09-2014	2014-075
Thirty-Third Judicial Circuit City of Sikeston Municipal Division	09-2014	2014-074
Perry County Financial Statements	09-2014	2014-073
Miller County Financial Statements	09-2014	2014-072
Gasconade County Financial Statements	09-2014	2014-071
Governor's Withholdings and Estimated Appropriations	09-2014	2014-070
Laclede County Financial Statements	09-2014	2014-069
Reynolds County Financial Statements	08-2014	2014-068
Lewis County Financial Statements	08-2014	2014-067
Follow-Up Report On Audit Findings New Madrid County	08-2014	2014-066
Washington County Financial Statements	08-2014	2014-065
Scott County Financial Statements	08-2014	2014-064
Osage County Financial Statements	08-2014	2014-063
Grandview C-4 School District	08-2014	2014-062
Twenty-Sixth Judicial Circuit Laclede County	08-2014	2014-061
Fourth Judicial Circuit Atchison County	08-2014	2014-060

AUDIT REPORTS RELEASED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Audit	Date Issued	Audit Number
DESE Contract Review	08-2014	2014-059
Atchison County	08-2014	2014-058
Fourth Judicial Circuit City of Tarkio Municipal Division	08-2014	2014-057
Hickory County Financial Statements	08-2014	2014-056
New Madrid County Sheriff Letter	08-2014	2014-055
Follow-Up Report On Audit Findings New Madrid County Sheriff	08-2014	2014-054
Forty-Second Judicial Circuit Village of Leasburg Municipal Division	08-2014	2014-053
Livingston County Collector-Treasurer and Property Tax System	07-2014	2014-052
First Judicial Circuit Clark County	07-2014	2014-051
Follow-Up Report On Audit Findings City of Bolivar	07-2014	2014-050
Revenue and Administration Contract License Offices Bidding and Procurement	07-2014	2014-049
Follow-Up On Audit Findings City of Savannah	07-2014	2014-048
Taney County	07-2014	2014-047
Worth County Financial Statements	06-2014	2014-046
Webster County Procurement Procedures and County Clerk	06-2014	2014-045
City of DeWitt	06-2014	2014-044
Natural Resources Division of Environmental Quality Hazardous Waste Program	06-2014	2014-043
Compilation of 2013 Federal Forfeiture Reports	06-2014	2014-042
Fifth Judicial Circuit Buchanan County	06-2014	2014-041
Maries County	06-2014	2014-040
Administration Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2013	06-2014	2014-039

AUDIT REPORTS RELEASED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Audit	Date Issued	Audit Number
Second Judicial Circuit City of Kirksville Municipal Division	05-2014	2014-038
Follow-Up Report On Audit Findings City of Liberal	05-2014	2014-037
Follow-Up Report On Audit Findings Stoddard County Sheriff	05-2014	2014-036
Audrain County	05-2014	2014-035
State Treasurer's Office	05-2014	2014-034
Forty-Second Judicial Circuit City of Bourbon Municipal Division	05-2014	2014-033
Eleventh Judicial Circuit City of New Melle Municipal Division	05-2014	2014-032
Ash Grove R-IV School District	05-2014	2014-031
Morgan County	04-2014	2014-030
Town and Country Village Transportation Development District	04-2014	2014-029
Follow-Up Report On Audit Findings Village of Deerfield	04-2014	2014-028
I44 & Highway 47 Triangle Transportation Development District	04-2014	2014-027
City of Coffey	04-2014	2014-026
Follow-Up Report On Audit Findings City of Buckner	04-2014	2014-025
Higher Education St. Charles Community College	04-2014	2014-024
Economic Development Brownfield Remediation Tax Credit Program	04-2014	2014-023
Administration Reemployment of State Retirees	03-2014	2014-021
Follow-Up Report On Audit Findings Thirteenth Judicial Circuit Callaway County	03-2014	2014-020
Review of 2013 Property Tax Rates	03-2014	2014-019
Economic Development Historic Preservation Tax Credit Program	03-2014	2014-018
State of Missouri Single Audit Year Ended June 30, 2013	03-2014	2014-017

AUDIT REPORTS RELEASED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Audit	Date Issued	Audit Number
Follow-Up Report On Audit Findings City of Marshfield	03-2014	2014-016
Follow-Up Report On Audit Findings Cooper County	03-2014	2014-015
Economic Development Low Income Housing Tax Credit Program	03-2014	2014-014
Twenty-Third Judicial Circuit City of Pevely Municipal Division	03-2014	2014-013
Hickman Mills School District	03-2014	2014-012
Compilation of 2013 Criminal Activity Forfeiture Act Seizures	02-2014	2014-011
Follow-Up Report On Audit Findings St. Louis Public School District	02-2014	2014-010
Olive Graeser Transportation Development District	02-2014	2014-009
Lee's Summit R - VII School District	02-2014	2014-008
Twenty-Ninth Judicial Circuit Jasper County	01-2014	2014-007
Compilation of 2012 Federal Forfeiture Reports	01-2014	2014-006
Poplar Bluff Conference Center Transportation Development District	01-2014	2014-005
Comprehensive Annual Financial Report / Year Ended June 30, 2013	01-2014	2014-004
Insurance, Financial Institutions, and Professional Registration Division of Professional Registration Administration	01-2014	2014-003
St. Clair County	01-2014	2014-002
Summary of 2013 Follow-Up Reports	01-2014	2014-001

BONDS REGISTERED WITH THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Date of Registration	Bonds Issued By	Amount of Issue
12-29-2014	School District of University City	\$7,630,000.00
12-29-2014	Farmington R-7 School District	\$8,990,000.00
12-29-2014	Lincoln County, Neighborhood Improvement District	\$676,210.00
12-29-2014	McDonald County R-I School District	\$2,725,000.00
12-29-2014	Fulton School District No. 58	\$3,525,000.00
12-24-2014	Carl Junction R-I School District	\$10,000,000.00
12-23-2014	Belton School District #124	\$4,880,000.00
12-23-2014	Aurora R-VIII School District	\$1,990,000.00
12-23-2014	City of Olivette	\$13,500,000.00
12-23-2014	Union R-XI School District	\$7,475,000.00
12-23-2014	City of Grandview	\$9,500,000.00
12-23-2014	Cottleville Community Fire Protection District	\$2,000,000.00
12-17-2014	Excelsior Springs 40 School District	\$8,925,000.00
12-17-2014	Columbia Library District	\$4,685,000.00
12-17-2014	North Platte County R-I School District	\$2,810,000.00
12-16-2014	Christian County, Neighborhood Improvement District	\$670,000.00
12-16-2014	North St. Francois County R-I School District	\$3,485,000.00
12-16-2014	Galena R-II School District	\$1,150,000.00
12-12-2014	Grain Valley R-V School District	\$6,215,000.00
12-12-2014	Santa Fe R-X School District	\$1,230,000.00
12-09-2014	Montrose R-XIV School District	\$800,000.00
12-08-2014	Wellington-Napoleon R-IX School District	\$1,080,000.00
12-04-2014	Florissant Valley Fire Protection District	\$9,250,000.00
12-02-2014	Avenue City R-IX School District	\$2,500,000.00
12-02-2014	Union R-XI School District	\$5,445,000.00

BONDS REGISTERED WITH THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Date of Registration	Bonds Issued By	Amount of Issue
12-02-2014	Spanish Lake Fire Protection District	\$2,110,000.00
11-26-2014	Greene County Reorganized School District No. 3 (Republic)	\$8,340,000.00
11-24-2014	City of Canton	\$1,560,000.00
11-24-2014	Wentzville Fire Protection District	\$5,000,000.00
10-31-2014	The School District of St. Joseph	\$6,280,000.00
10-29-2014	School District of the City of Ladue	\$18,895,000.00
10-29-2014	Campbell R-II School District	\$5,000,000.00
10-27-2014	Black Jack Fire Protection District	\$2,800,000.00
10-22-2014	McDonald County R-I School District	\$2,000,000.00
10-15-2014	Hillsboro R-III School District	\$7,745,000.00
10-07-2014	City of Clayton	\$15,000,000.00
09-29-2014	Slater School District	\$1,255,000.00
09-24-2014	Webb City R-7 School District	\$7,625,000.00
09-23-2014	City of St. Peters	\$9,675,000.00
09-23-2014	Creve Coeur Fire Protection District	\$5,000,000.00
09-19-2014	Lindbergh Schools	\$34,035,000.00
09-17-2014	City of Weston	\$200,000.00
09-03-2014	Orchard Farm R-V School District	\$8,900,000.00
08-27-2014	Boone County Fire Protection District	\$7,000,000.00
08-22-2014	City of St. James	\$1,675,000.00
08-19-2014	Pacific Fire Protection District	\$1,580,000.00
08-13-2014	Adrian R-III School District	\$3,430,000.00
08-12-2014	Blair Oaks R-II School District	\$2,500,000.00
08-05-2014	Pattonville R-III School District	\$3,730,000.00
08-05-2014	Lincoln County R-III School District	\$10,000,000.00
08-05-2014	City of Springfield	\$6,960,000.00

BONDS REGISTERED WITH THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Date of Registration	Bonds Issued By	Amount of Issue
08-01-2014	Winfield R-IV School District	\$2,500,000.00
07-29-2014	Northeast Randolph County R-IV School District	\$3,000,000.00
07-28-2014	Consolidated School District No. 2 (Raytown)	\$25,120,000.00
07-15-2014	Lafayette C-1 School District	\$2,000,000.00
07-15-2014	Cassville R-IV School District	\$4,000,000.00
07-14-2014	Maryville R-II School District	\$5,000,000.00
07-09-2014	City of Lake Winnebago	\$265,000.00
07-08-2014	Dora R-III School District	\$380,000.00
07-08-2014	Boonville R-I School District	\$4,200,000.00
07-03-2014	Marceline R-V School District	\$3,322,646.00
07-03-2014	Reorganized School District No. 1 (Crawford County)	\$2,100,000.00
07-03-2014	Marceline R-V School District	\$677,354.00
07-01-2014	Lawson R-XIV School District	\$4,000,000.00
07-01-2014	Rogersville, Missouri	\$2,060,000.00
07-01-2014	Drexel R-IV School District	\$2,000,000.00
07-01-2014	Bayless Consolidated School District	\$5,300,000.00
06-26-2014	City of Mercer	\$174,000.00
06-26-2014	Northwest R-I School District	\$3,620,000.00
06-26-2014	Rock Port R-II School District	\$2,700,000.00
06-26-2014	Northwest R-I School District	\$8,880,000.00
06-24-2014	Monroe City R-I School District	\$4,000,000.00
06-23-2014	Silex R-I School District	\$1,274,215.00
06-23-2014	Silex R-I School District	\$225,785.00
06-23-2014	Nixa Public Schools	\$19,050,000.00
06-23-2014	Holden R-III School District	\$2,200,000.00
06-23-2014	Osage County R-II School District	\$7,340,000.00

BONDS REGISTERED WITH THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Date of Registration	Bonds Issued By	Amount of Issue
06-23-2014	Crane R-III School District	\$3,425,000.00
06-19-2014	Eldon R-I School District	\$4,922,646.00
06-19-2014	Eldon R-I School District	\$677,354.00
06-19-2014	Fort Osage Fire Protection District	\$2,500,000.00
06-19-2014	Reorganized School District No. R-IV (Reeds Spring)	\$16,300,000.00
06-17-2014	Hurley R-I School District	\$1,025,000.00
06-13-2014	Chaffee R-II School District	\$2,900,000.00
06-13-2014	City of Parkville, Neighborhood Improvement District	\$5,375,000.00
06-13-2014	City of Parkville, Neighborhood Improvement District	\$3,675,000.00
06-13-2014	Ralls County R-II School District	\$7,500,000.00
06-13-2014	Farmington R-7 School District	\$10,000,000.00
06-13-2014	Hermitage R-IV School District	\$1,900,000.00
06-13-2014	Valley Park School District	\$6,805,000.00
06-13-2014	Valley Park School District	\$1,340,000.00
06-09-2014	Independence Township of Nodaway County	\$100,000.00
06-09-2014	Nodaway Township of Nodaway County	\$200,000.00
06-09-2014	White Cloud Township of Nodaway County	\$150,000.00
06-09-2014	North Kansas City School District 74	\$44,940,000.00
06-09-2014	Otterville R-VI School District	\$800,000.00
06-09-2014	Cole Camp R-I School District	\$2,572,646.00
06-09-2014	Cole Camp R-I School District	\$677,354.00
06-06-2014	Carthage R-IX School District	\$18,000,000.00
06-03-2014	Moniteau County R-I School District	\$4,000,000.00
06-02-2014	Logan-Rogersville R-VIII School District	\$8,590,000.00
06-02-2014	Holts Summit Fire Protection District	\$2,279,000.00
06-02-2014	Lakeland R-III School District	\$1,250,000.00

BONDS REGISTERED WITH THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Date of Registration	Bonds Issued By	Amount of Issue
05-30-2014	Butler R-V School District	\$2,500,000.00
05-30-2014	Central R-III School District	\$5,400,000.00
05-29-2014	Palmyra R-I School District	\$6,000,000.00
05-29-2014	Steelville R-III School District	\$4,185,000.00
05-29-2014	Consolidated School District No. 2 (Raytown)	\$22,000,000.00
05-29-2014	Sullivan School District	\$4,265,000.00
05-29-2014	Dadeville R-II School District	\$1,500,000.00
05-28-2014	Lebanon R-III School District	\$9,850,000.00
05-21-2014	City of Carterville	\$400,000.00
05-20-2014	Scott County R-IV School District	\$5,485,000.00
05-19-2014	Aurora R-VIII School District	\$2,500,000.00
05-19-2014	School District of the City of St. Charles	\$7,500,000.00
05-19-2014	Forsyth R-III School District	\$1,000,000.00
05-14-2014	City of Lake St. Louis	\$8,655,000.00
05-14-2014	Maries County R-I School District	\$550,000.00
05-14-2014	Johnson County R-V-II School District	\$3,500,000.00
05-13-2014	Harrisburg R-VIII School District	\$2,680,000.00
05-13-2014	Cameron R-I School District	\$9,750,000.00
05-12-2014	West St. Francois County R-IV School District	\$6,000,000.00
05-12-2014	Community R-VI School District	\$1,250,000.00
05-12-2014	North St. Francois R-I School District	\$7,000,000.00
05-01-2014	Cole County R-I School District	\$2,595,000.00
04-30-2014	Humansville R-IV School District	\$1,105,000.00
04-30-2014	Arcadia Valley R-II School District	\$3,440,000.00
04-30-2014	Crystal City School District No. 47	\$2,680,000.00
04-24-2014	Marshfield Reorganized School District R-1	\$5,215,000.00

BONDS REGISTERED WITH THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Date of Registration	Bonds Issued By	Amount of Issue
04-22-2014	City of St. Charles Neighborhood Improvement District	\$2,925,000.00
04-15-2014	Dixon R-I School District	\$750,000.00
04-14-2014	Camden County Neighborhood Improvement District	\$1,675,000.00
04-14-2014	Lafayette County C-1 School District	\$4,380,000.00
04-14-2014	Camdenton Reorganized School District No. R-3	\$22,525,000.00
04-10-2014	Warren County R-III School District	\$6,085,000.00
04-09-2014	St. James R-I School District	\$3,000,000.00
04-01-2014	The School District of Springfield R-XII	\$26,650,000.00
04-01-2014	The School District of Springfield R-XII	\$76,800,000.00
03-26-2014	Cole County R-V School District	\$2,715,000.00
03-20-2014	Grain Valley R-V School District	\$3,800,000.00
03-11-2014	City of Maplewood	\$2,880,000.00
03-11-2014	School District of Webster Groves	\$7,440,000.00
03-04-2014	The School District of Columbia	\$50,000,000.00
02-28-2014	School of the Osage	\$3,500,000.00
02-28-2014	School of the Osage	\$15,550,000.00
02-27-2014	New Bloomfield School District	\$1,815,000.00
02-27-2014	Fort Osage School District	\$8,675,000.00
02-27-2014	Lathrop R-II School District	\$6,500,000.00
02-27-2014	Liberty Public School District	\$6,520,000.00
02-27-2014	Platte County R-III School District	\$4,315,000.00
02-27-2014	Smithville R-II School District	\$3,130,000.00
02-27-2014	Fair Grove R-X School District	\$6,150,000.00
02-26-2014	The School District of the City of Independence	\$7,330,000.00
02-26-2014	Diamond R-IV School District	\$2,300,000.00
02-26-2014	Carl Junction R-I School District	\$3,440,000.00

BONDS REGISTERED WITH THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Date of Registration	Bonds Issued By	Amount of Issue
02-25-2014	Lindbergh Schools	\$32,060,000.00
02-24-2014	Reorganized School District No. 7	\$29,345,000.00
02-24-2014	Grandview R-II School District	\$965,000.00
02-24-2014	Harrisonville R-IX School District	\$9,290,000.00
02-20-2014	Lexington R-V School District	\$3,855,000.00
02-20-2014	School of the Osage	\$9,000,000.00
02-20-2014	Poplar Bluff R-I School District	\$2,445,000.00
02-18-2014	Moberly School District No.81	\$5,765,000.00
02-14-2014	Reorganized School District No. 2 (Willard)	\$5,315,000.00
02-14-2014	Branson Reorganized School District No. 4	\$9,740,000.00
02-14-2014	Gasconade County R-I School District	\$920,000.00
02-14-2014	Trenton R-IX School District	\$3,950,000.00
02-14-2014	Hannibal 60 School District	\$8,140,000.00
02-14-2014	Jefferson City School District	\$9,320,000.00
02-13-2014	Clinton School District No. 124	\$7,425,000.00
02-13-2014	Clinton School District No. 124	\$2,450,000.00
02-13-2014	Clinton School District No. 124	\$2,060,000.00
02-11-2014	Strafford R-VI School District	\$5,000,000.00
02-11-2014	Centralia R-VI School District	\$2,295,000.00
02-10-2014	Carl Junction R-I School District	\$8,250,000.00
01-31-2014	Fort Zumwalt School District	\$10,970,000.00
01-24-2014	Montgomery County R-II School District	\$4,500,000.00
01-17-2014	Tipton R-VI School District	\$4,490,000.00
01-14-2014	Consolidated School District No. 4	\$5,000,000.00
01-13-2014	Wentzville R-IV School District	\$20,655,000.00
01-13-2014	Lincoln County R-III School District	\$7,040,000.00

INITIATIVE PETITIONS RECEIVED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
16-013	12/26/2014	Proposed Constitutional Amendment - Article IV (Raines) - Cannabis Decriminalization	01/26/2015
16-012	12/22/2014	Proposed Constitutional Amendment - Article VIII, version 2 (Daniels) - Amending Voter Qualifications	Rejected by Secretary of State
16-011	12/22/2014	Proposed Constitutional Amendment - Article VIII, version 1 (Daniels) - Amending Voter Qualifications	Rejected by Secretary of State
16-010	12/04/2014	Proposed Constitutional Amendment - Article I (Viets) - Marijuana Legalization	Withdrawn by Petitioner
16-009	12/04/2014	Proposed Constitutional Amendment - Article I (Viets) - Marijuana Legalization	01/06/2015
16-008	12/02/2014	Proposed Constitutional Amendment - Article IV (Raines) - Cannabis Decriminalization	Rejected by Secretary of State
16-007	12/02/2014	Proposed Constitutional Amendment - Article VIII (Jones) - Campaign Contribution Reform Initiative	01/06/2015
16-006	11/21/2014	Proposal Related to Chapter 195, RSMo (Riffle) - Repeal Without Probation or Parole Sentence for Non-Violent Drug Offenders	Rejected by Secretary of State
16-005	11/14/2014	Proposed Constitutional Amendment - Article III, version 3 (Ketcher) - Changes Impacting the General Assembly	12/15/2014
16-004	11/12/2014	Proposed Constitutional Amendment - Article III, version 2 (Ketcher) - Changes Impacting the General Assembly	Withdrawn by Petitioner
16-003	11/07/2014	Proposed Constitutional Amendment - Article III (Ketcher) - Changes Impacting the General Assembly	Withdrawn by Petitioner
16-002	11/06/2014	Proposed Constitutional Amendment - Article VIII (Jones) - Campaign Contribution Reform Initiative	Withdrawn by Petitioner
16-001	11/06/2014	Proposed Constitutional Amendment - Article I (Viets) - Marijuana Legalization	Rejected by Secretary of State
14-SJR 27	06/06/2014	Senate Joint Resolution No. 27 - Electronic Privacy	06/13/2014

INITIATIVE PETITIONS RECEIVED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
14-SJR 36	06/06/2014	Senate Joint Resolution No. 36 - Modifies Right to Keep and Bear Arms	06/13/2014
14-HJR 48	06/06/2014	House Joint Resolution No. 48 - Veterans Lottery Ticket	06/13/2014
14-HJR 72	05/30/2014	House Joint Resolution No. 72 - Legislative Check on the Governor's Decisions to Restrict Funding	06/30/2014
14-HJR 90	05/30/2014	House Joint Resolution No. 90 - Early Voting	06/30/2014
14-129	03/11/2014	Proposal Related to Chapter 149, RSMo (Heisinger) - Tobacco Tax	04/10/2014
14-128	03/11/2014	Proposal Related to Chapter 149, RSMo (Heisinger) - Tobacco Tax	04/10/2014
14-127	03/11/2014	Proposal Related to Chapter 149, RSMo (Heisinger) - Tobacco Tax	04/10/2014
14-126	03/10/2014	Proposal Related to Chapter 149, RSMo, version C (Heisinger) - Tobacco Tax	Withdrawn by Petitioner
14-125	03/10/2014	Proposal Related to Chapter 149, RSMo, version B (Heisinger) - Tobacco Tax	Withdrawn by Petitioner
14-124	03/10/2014	Proposal Related to Chapter 149, RSMo, version A (Heisinger) - Tobacco Tax	Withdrawn by Petitioner
14-123	02/10/2014	Proposal to Chapter 47, RSMo (Brown) - Allow the Formation of a New Missouri County by the Name of Castlepoint County, Missouri	Rejected by Secretary of State
14-122	01/31/2014	Proposed Constitutional Amendment - Article I (Nenninger) - Marijuana Legalization	03/04/2014
14-121	01/31/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	03/04/2014
14-120	01/31/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	03/04/2014
14-119	01/31/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	03/04/2014
14-118	01/31/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	03/04/2014

INITIATIVE PETITIONS RECEIVED BY THE MISSOURI STATE AUDITOR'S OFFICE IN 2014

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
14-117	01/29/2014	Proposal to Prohibit Breed Specific Legislation (Runk)	Rejected by Secretary of State
14-116	01/29/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-115	01/29/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-114	01/28/2014	Proposed Constitutional Amendment - Article I (Nenninger) - Marijuana Legalization	Withdrawn by Petitioner
14-113	01/27/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-112	01/27/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-111	01/27/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-110	01/27/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-109	01/21/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-108	01/21/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-107	01/21/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner
14-106	01/21/2014	Proposed Constitutional Amendment - Article X (Ellinger) - Taxation	Withdrawn by Petitioner

CONTACTING THE STATE AUDITOR'S OFFICE

There are several ways to contact the office:

Hotline number:	1-800-347-8597
Webpage:	http://auditor.mo.gov
E-mail address:	moaudit@auditor.mo.gov
Phone:	(573) 751-4213
Fax:	(573) 751-7984

In Jefferson City:

Missouri State Capitol or
Room 121
Jefferson City, Missouri 65101
(573) 751-4824
Fax: (573) 751-6539

Truman State Office Building
301 W. High Street, Suite 880
P.O. Box 869
Jefferson City, Missouri 65102

In Kansas City:

Fletcher Daniels State Office Building
615 East 13th Street, Suite 511
Kansas City, Missouri 64106

In St. Louis:

Wainwright State Office Bldg.
111 North 7th Street, Suite 334
St. Louis, Missouri 63101

In Springfield:

Springfield State Office Complex
149 Park Central Square, Suite 814
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Springfield, Missouri 65806

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Texas County



May 2015

Report No. 2015-027

<http://auditor.mo.gov>

Texas County Follow-Up Report on Audit Findings Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Tax Maintenance Fund	3
2.	County Collector-Treasurer Controls and Procedures	4
3.	Public Administrator Controls and Procedures.....	7
4.	Prosecuting Attorney Controls and Procedures	10
5.	Sheriff Controls and Procedures	13
6.	Minutes and County Procedures	15

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Texas County

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-094, *Texas County* (rated as poor), issued in October 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we obtained and reviewed documentation from the elected officials and met with the officials and their staff to verify the status of implementation for the recommendations. This report is a summary of the results of this follow-up work, which was substantially completed during March 2015.

Nicole R. Galloway, CPA
State Auditor

Texas County

Follow-Up Report on Audit Findings

Status of Findings

1. Tax Maintenance Fund We identified significant problems with the management and use of Tax Maintenance Fund monies.

1.1 Bank account In February 2012, due to disagreements between the County Commission and the County Collector-Treasurer regarding the appropriate use of funds, the County Collector-Treasurer opened a separate Tax Maintenance bank account and during the year ended December 31, 2012, she deposited \$8,186 of \$15,144 in fees collected into this account instead of the county's Tax Maintenance Fund. The County Collector-Treasurer also disbursed \$8,057 from this account instead of disbursing the monies from the county's Tax Maintenance Fund. As a result, the activity in the account was not recorded in the county's accounting system, the county's 2012 financial statements did not present this activity, and in at least 3 instances, required vendor 1099-MISC forms were not issued.

Recommendation The County Collector-Treasurer should close the separate bank account and record all Tax Maintenance Fund activity in the county's accounting system.

Status **Implemented**

The County Collector-Treasurer closed the bank account on August 12, 2014, and all monies held in that account were deposited into the county's Tax Maintenance Fund. All activity since this date has been recorded in the county's accounting system.

1.2 Disbursements The County Collector-Treasurer made more than \$10,000 in disbursements from both the county's Tax Maintenance Fund and the separate bank account that were not in compliance with uses allowed by state law and/or did not appear reasonable. Many purchases appeared to be for personal use and not essential to the administration or operation of the County Collector-Treasurer's office. In addition, some purchases were not adequately supported, and some property items purchased were not tagged as county property. Also, personal use of some items was identified.

Recommendation The County Collector-Treasurer ensure disbursements from the Tax Maintenance Fund are adequately documented and in compliance with statutory provisions. In addition, the County Collector-Treasurer should ensure equipment purchased is tagged as county property, and recorded in the county property records.

Status **Implemented**

We reviewed all disbursements from November 2014 to January 2015 for the Tax Maintenance Fund and noted all purchases were adequately documented and in compliance with statutory provisions. The County Collector-Treasurer has tagged the items identified in our audit report and added them to her capital asset listing. The County Collector-Treasurer



Texas County
Follow-up Report on Audit Findings
Status of Findings

indicated all future capital assets purchases will be tagged and added to her capital asset listing in accordance with county policy.

2. County Collector-Treasurer Controls and Procedures

We noted significant control weaknesses in the processing of transactions.

2.1 Waivers and adjustments

The County Collector-Treasurer and her deputies improperly waived and adjusted penalties and interest on delinquent taxes for some taxpayers. Our review of delinquent tax transactions processed between January 3 and December 12, 2012, identified 2,444 transactions where penalties and/or interest totaling \$7,830 were likely waived or adjusted by the County Collector-Treasurer or her staff for other than allowable reasons. We reviewed 61 of these transactions and identified approximately \$320 in penalties and approximately \$1,100 in interest not collected when required.

The County Collector-Treasurer did not maintain separate records of these waivers and adjustments or review waivers and adjustments made by her staff. The County Collector-Treasurer was unable to provide any justification for some waivers and adjustments and some reasons provided were not sufficient to warrant adjustment of penalties and interest due.

Recommendation

The County Collector-Treasurer collect penalties and interest on delinquent taxes as required by law. In addition, the County Collector-Treasurer should ensure any waivers or adjustments are supported by adequate documentation and reviewed and approved by the County Commission.

Status

Implemented

We reviewed property tax transactions processed between January 20 and January 30, 2015. We identified 16 transactions involving allowable waivers or adjustments for which adequate documentation was retained. The identified waivers and adjustments were allowed by statute and therefore did not require additional review or approval by the County Commission. The County Collector-Treasurer stated she does not plan to process any waivers or adjustments not specifically allowed by statute; however, if the need does arise, she would require approval from the County Commission prior to processing. A County Commissioner indicated several citizens, requesting waivers and adjustments that were not allowable, were directed by the County Collector-Treasurer to the County Commission to seek approval of the citizen's request and the County Commission denied all such requests.

2.2 Partial payments

The County Collector-Treasurer had not established adequate procedures and records related to the collection of partial payments. Manual receipt



Texas County
Follow-up Report on Audit Findings
Status of Findings

slips were not always issued for partial payments received, did not always document method of payment, were not always issued in numerical sequence, and voided manual receipts slips were not always retained. In addition, some partial payments were not recorded on partial payment ledgers, some partial payment ledgers were destroyed, some partial payments received were not deposited timely, and balances due were not always updated for current interest charges.

Recommendation

The County Collector-Treasurer ensure partial payments are receipted immediately upon receipt, record partial payments on payment ledgers and ensure ledgers are maintained to support payment activity, and ensure balances are updated to reflect interest accrual.

Status

Implemented

The County Collector-Treasurer now receipts and records all partial payments received into the property tax system at the time of receipt. This process allows the County Collector-Treasurer to track payment activity and allows balances to accrue interest as required. We reviewed reports related to 3 taxpayers making partial payments in January 2015 with no problems noted.

2.3 Bank reconciliations and liabilities

The County Collector-Treasurer did not ensure her staff prepared complete and accurate bank reconciliations or a list of liabilities, and did not document her review of bank reconciliations prepared. Bank reconciliations did not indicate all deposits in transit and a periodic list of liabilities was not prepared and agreed to the reconciled cash balance. At April 30, 2013, the reconciled cash balance exceeded the list of liabilities by \$19,533. The County Collector-Treasurer believes approximately \$7,000 of this amount was additional partial payments held; however, she was unable to provide documentation to support this amount.

Recommendation

The County Collector-Treasurer prepare complete bank reconciliations including lists of liabilities and reconcile the list of liabilities to the reconciled bank balance monthly. Any differences should be investigated and promptly resolved and supervisory review of the bank reconciliations should be documented.

Status

In Progress

We reviewed the bank reconciliation for December 2014. We identified several errors in the reconciliation. After correcting for those errors, the reconciled bank balance exceeded the list of liabilities by \$59,425, an increase of nearly \$40,000 over the unreconciled difference of \$19,533 at April 2013. Due to reconciliation problems with the old bank account, the County Collector-Treasurer opened a new bank account effective March 1, 2015, and will use that account for property tax collections activity going



Texas County
Follow-up Report on Audit Findings
Status of Findings

forward. In addition, she will perform timely and complete bank reconciliations and list of liabilities. She will also attempt to identify and correct past errors and distribute the funds remaining in the old account to the proper parties as time permits.

2.4 Refunds

The County Collector-Treasurer had not established procedures to ensure overpayments received were documented or refunded properly. When an individual overpaid his/her taxes by check, the amount due was recorded, instead of the check amount, in the property tax system. Then, when preparing the deposit slip, only the amount due was recorded on the deposit slip instead of the check amount and a "note" was prepared requesting the bank issue a cashier's check(s) payable to the taxpayer for the overpayment amount. The bank issued the cashier's checks at no cost to the County Collector-Treasurer and the County Collector-Treasurer mailed the refund to the individual.

The County Collector-Treasurer did not maintain records of all refunds issued by cashier's check and failed to properly receipt or document actual amounts received in accounting records. To fully understand refund transactions required obtaining bank data since the County Collector-Treasurer's records did not provide sufficient detail.

Recommendation

The County Collector-Treasurer receipt, record, and deposit overpayments received, pay refunds by check, and maintain a complete record of all refunds issued.

Status

In Progress

The County Collector-Treasurer has developed procedures to receipt, record and deposit overpayments received, pay refunds by check, and maintain a complete record of all refunds issued. However, during our review of waivers and adjustments completed between January 20 and January 30, 2015, we noted five payments were not receipted, recorded, or deposited because a check was written for more than the tax liability. All of these payments were held in a new employee's cash drawer. Once identified, these payments were immediately processed and refunds were issued in accordance with established procedures. According to the County Collector-Treasurer, the employee has since been terminated and she will ensure all future overpayments received are processed correctly.

2.5 Insufficient fund checks The County Collector-Treasurer did not have procedures in place to reverse payments previously recorded in the property tax system for insufficient fund (NSF) checks. When tax receipts were collected by the County Collector-Treasurer's office, the payments were posted to the tax accounting system. However, when subsequent notices of NSF checks were received, adjustments were not made to the property tax system.



Texas County
Follow-up Report on Audit Findings
Status of Findings

Restitution for NSF checks may not have been received until several months after the tax receipt was initially collected and in some instances, restitution may not have been received. However, the County Collector-Treasurer disbursed all monies recorded in the property tax system as receipts to the various political subdivisions on a monthly basis. As a result, the County Collector-Treasurer disbursed approximately \$4,400 during the year ended February 28, 2013, even though these amounts were not actually received.

Recommendation

The County Collector-Treasurer establish procedures to reverse NSF check payments from the property tax system timely.

Status

Implemented

The County Collector-Treasurer has established procedures to reverse NSF check payments from the property tax system prior to referring checks to the Prosecuting Attorney for collection. We verified the reversal of one NSF check payment from December 2014 and the subsequent collection by the Prosecuting Attorney.

2.6 Penalty date

The County Clerk's office incorrectly entered the effective date to begin charging penalties on delinquent taxes in the property tax system for 2011 real estate and personal property taxes. As a result, taxpayers delinquent in paying taxes were not charged the statutory 7 percent penalty required by law until March 1, 2012, and we estimated the county did not collect approximately \$25,200 in penalties. In addition, the failure to assess and collect the 7 percent penalty resulted in less monies being disbursed to the General Revenue Fund, Tax Maintenance Fund, and County Employee's Retirement Fund as outlined by state law.

Recommendation

The County Collector-Treasurer work with the County Clerk to review the penalty dates entered into the property tax system to ensure penalties are properly assessed and collected

Status

Implemented

We reviewed penalty dates entered into the property tax system for 2014 taxes and found no errors. We also confirmed both the County Clerk and the County Collector-Treasurer had established procedures to ensure these dates are correct before charging the County Collector-Treasurer with the tax books each year.

**3. Public Administrator
Controls and Procedures**

Procedures in the Public Administrator's office needed improvement.

Unless otherwise specified, references to Public Administrator relate to the former Public Administrator whose term ended December 31, 2012. The current Public Administrator took office in January 2013.



Texas County
Follow-up Report on Audit Findings
Status of Findings

3.1 Annual settlements

As noted in our previous two audit reports, the Public Administrator did not file annual settlements timely in compliance with state law. In addition, the Associate Circuit Court, Probate Division did not have procedures to notify the Public Administrator prior to the deadline for the annual settlement or to follow up on annual settlements not filed by the required date.

Annual settlements had not been filed in at least 3 years for 29 of 32 cases we reviewed. In addition, no annual settlement had been filed for 3 of the 32 cases as of October 1, 2013.

With a newly elected official taking office in January 2013, the former Public Administrator was required by law to submit final settlements for active wards in order to turn over assets to the newly elected official. Of the 32 cases we reviewed, 3 final settlements were not filed until July 2013 and 3 had not been filed as of October 1, 2013.

Also, the settlements filed did not always include all needed information and the court did not have a system in place to monitor and ensure timely filing of settlements, and did not always timely follow up with the Public Administrator regarding settlement omissions or other problems.

Recommendation

The Public Administrator ensure annual settlements are filed timely and contain all required information. In addition, the Associate Circuit Court, Probate Division should notify the Public Administrator of annual settlement deadlines timely, follow up on settlements not filed by the required date, and ensure settlements are processed timely.

Status

In Progress

The current Public Administrator has developed a spreadsheet allowing her to track when annual settlements are due. We reviewed this spreadsheet for 2014 and found only 13 of the 44 annual settlements required had been filed. The current Public Administrator stated that while she had fallen behind, she had already begun completing these necessary documents and planned to have them filed with the court by May 2015. We reviewed one of the 13 annual settlements the current Public Administrator had filed and it contained all required information.

The Associate Circuit Judge indicated he has directed the Probate Clerk to be diligent and to comply with the statutory requirements and also indicated the Probate Clerk has recently been in contact with the Public Administrator regarding the filing of her annual settlements. For the annual settlement we reviewed, the Associate Circuit Court, Probate Division processed it timely.



Texas County
Follow-up Report on Audit Findings
Status of Findings

3.2 Case disposition

The Public Administrator did not timely file final settlements following the death of a ward for at least 17 cases. Fourteen of these wards died from 3 to 10 years prior to the final settlement filing date, and one ward died in the same year as the final settlement filing date. As of October 1, 2013, final settlements for 2 cases for wards who died in 2006 and 2009 were still not filed, and assets, including bank account balances, had not been distributed to the wards' heirs. Further, the Public Administrator held bank accounts open for these deceased wards and several banks charged monthly service fees to the accounts, slowly depleting the amount available for payment of fees or disbursement to heirs.

Recommendation

The Public Administrator file final settlements for deceased wards and petition the court for orders of distribution timely.

Status

In Progress

The current Public Administrator stated she has not had any need to file final settlements at this point in her term; however, upon the need to file such documents, she will complete them and petition the court for orders of distribution timely.

3.3 Estate fees

As noted in our prior audit report, the Public Administrator did not assess and collect fees from the accounts of some wards and estates. Due to the untimely filing of settlements, the Public Administrator did not always petition the court to approve fees from the accounts of some wards and estates, and did not always document the criteria used to determine the fees charged.

As of October 31, 2013, \$27,344 had not been disbursed from the accounts of wards and estates and remained due to the county. The current Public Administrator indicated many cases held at that time did not have sufficient assets or resources to pay the fees of the former Public Administrator.

In addition, the Public Administrator was not always consistent in the method used to calculate the fees and issued checks for payment of fees prior to the Judge's approval of the request to pay fees incurred.

Recommendation

The Public Administrator work with the Associate Circuit Judge to establish a fee schedule, request fees when filing annual and final settlements and remit approved fees to the county treasury timely. In addition, the Public Administrator should consult with the Associate Circuit Judge regarding the unpaid fees of the former Public Administrator.

Status

Implemented



Texas County
Follow-up Report on Audit Findings
Status of Findings

The current Public Administrator has established a fee schedule that has been approved by the Associate Circuit Judge. In addition, the current Public Administrator has requested fees in accordance with this fee schedule for annual settlements filed and remitted approved fees to the county treasury timely. The current Public Administrator filed a motion with the court to waive the unpaid fees of the former Public Administrator; however, the court declined to take action. The Public Administrator does not plan to withhold these fees.

3.4 Disbursements and
checks

The Public Administrator did not make payments timely and did not maintain adequate supporting documentation for some disbursements.

Recommendation

The Public Administrator ensure disbursements are paid timely and supported by adequate documentation.

Status

Implemented

We reviewed disbursements paid for a ward and found all disbursements were paid timely and supported by adequate documentation.

3.5 Bank reconciliations

The Public Administrator did not prepare monthly bank reconciliations for any bank accounts.

Recommendation

The Public Administrator prepare and document monthly bank reconciliations for all wards bank accounts.

Status

Implemented

We reviewed bank reconciliation procedures for a ward and found monthly bank reconciliations are completed and documented by the current Public Administrator's assistant. The current Pubic Administrator reviews the reconciliation when completed and documents her review by initialing it.

4. Prosecuting Attorney
Controls and Procedures

Accounting duties were not adequately segregated and supervisory reviews were not performed. Procedures to prepare a list of liabilities and reconcile it to the cash balance had not been established, and monitoring procedures for court-ordered restitution were not adequate. Also, procedures had not been established to follow up on outstanding checks.

The former Prosecuting Attorney's term ended December 31, 2014. The current Prosecuting Attorney took office in January 2015. Recommendations were directed to the former Prosecuting Attorney; however, we have reviewed the current Prosecuting Attorney's procedures to evaluate the status of each finding.



Texas County
Follow-up Report on Audit Findings
Status of Findings

4.1 Segregation of duties

The Prosecuting Attorney had not adequately segregated accounting duties or performed a supervisory review of accounting records. The Bad Check Clerk was responsible for receipting, recording, depositing, disbursing and reconciling all bad check and court-ordered restitution monies received. The Office Manager did not document a review of any accounting records other than the bank reconciliation. In addition, the Office Manager was primarily responsible for receipting, recording, and transmitting monies received for delinquent tax collections to the Missouri Department of Revenue.

Recommendation

The Prosecuting Attorney adequately segregate accounting duties or ensure an independent or supervisory review of accounting records is performed and documented.

Status

Partially Implemented

A new Prosecuting Attorney was elected in November 2014 and took office in January 2015. Discussions with the current Prosecuting Attorney and the current Bad Check Clerk indicate no changes have been made to further segregate accounting duties and no independent or supervisory review of accounting records is being performed. The current Prosecuting Attorney indicated while accounting duties could not practically be further segregated, he will ensure an adequate supervisory review is completed each month of all pertinent accounting records beginning with March 2015 accounting records that will be reviewed in April 2015.

4.2 Liabilities

The Bad Check Clerk did not prepare a monthly list of liabilities and reconcile the list to the cash balance.

Recommendation

The Prosecuting Attorney prepare a list of liabilities and reconcile the list to the available cash balance monthly for the bad check bank account. Any differences should be investigated and resolved.

Status

In Progress

The current Prosecuting Attorney indicated no bank reconciliations or lists of liabilities since April 2014 could be located. We worked with the current Bad Check Clerk to attempt to reconcile the December 2014 bank and book records; however, we noted numerous mathematical errors and duplications made by prior administration personnel in the handwritten ledgers requiring adjustments to the identified book balances. The current Bad Check Clerk was unable to fully reconcile bank and book balances, and was unable to fully reconcile the list of liabilities to the cash balance. At December 31, 2014, the reconciled bank balance of \$6,771 exceeded the book balance of \$6,568. The reconciled bank balance exceeded the list of known liabilities by \$6,140. The current Prosecuting Attorney plans to open a new bank account immediately and begin depositing all monies into the new account



Texas County
Follow-up Report on Audit Findings
Status of Findings

in an effort to start over and ensure all monies collected during his term are accounted for properly. Meanwhile, the current Prosecuting Attorney and the current Bad Check Clerk will work to resolve the balance held in the old bank account.

4.3 Tracking procedures

The Prosecuting Attorney did not adequately monitor the collection of court-ordered restitution and did not account for and monitor the disposition of all bad checks submitted to the office. In addition, information recorded in the computerized accounting system was not always accurate and reliable.

Office personnel did not utilize the computerized court-ordered restitution accounting system. Defendant's manual case files did not clearly document the amount of restitution ordered or the balance due. In addition, the clerks entered "test" information into the computerized accounting system that was not deleted.

Office personnel did not fully utilize either of the two computerized bad check accounting systems. One system was not utilized at all and one system was only used to generate letters notifying bad check writers they had 10 days to pay before filing of charges. Manual logs maintained to track bad check complaint forms submitted by merchants when bad checks were turned over to the Prosecuting Attorney for collection did not allow for compilation of amounts collected by date and therefore, amounts due could not be readily determined. Further, we noted some information recorded in one of the bad check accounting systems was related to a court-ordered restitution case, and therefore, was recorded in the incorrect system.

Recommendation

The Prosecuting Attorney develop procedures and records to adequately record and track court-ordered restitution and the receipt and disposition of all bad check complaints.

Status

In Progress

The current Prosecuting Attorney has purchased the necessary accounting system components to allow his staff to adequately track all bad check and court-ordered restitution cases. All new cases are entered into this system when the office receives them and a prior case is entered when the office receives a payment or initiates some current action through the court system on it.

4.4 Outstanding checks

The Bad Check Clerk had not established procedures to routinely follow up on outstanding checks. As of December 31, 2012, 46 checks totaling \$1,226 had been outstanding for over a year with 4 checks dating back to 2003.



Texas County
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Prosecuting Attorney establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located, the amount should be disbursed in accordance with state law.

Status

In Progress

The current Prosecuting Attorney has sent certified letters to all payees on the outstanding check listing. Once a reasonable amount of time has passed for payees to respond, the current Prosecuting Attorney has instructed the current Bad Check Clerk to void old outstanding checks and disburse these amounts in accordance with state law.

5. Sheriff Controls and Procedures

Controls and procedures in the Sheriff's office needed improvement.

5.1 Segregation of duties

As similarly noted in our prior 3 audit reports, the Sheriff had not adequately segregated accounting duties and had not established adequate supervisory reviews. The Jail Administrator was responsible for receiving, recording, depositing, and disbursing inmate monies collected in the jail, and no supervisory review of the records was completed. The Sheriff's secretary was responsible for receiving, recording, depositing, disbursing or transmitting all monies collected in the Sheriff's office (civil fees), or transmitted from the jail, including CCW fees and bonds. The Lieutenant did not document his review of monthly bank reconciliations completed by the Sheriff's secretary, and no periodic review or comparison of receipt and deposit records was completed.

Recommendation

The Sheriff adequately segregate accounting duties or ensure an independent or supervisory review of accounting records is performed and documented.

Status

In Progress

The Sheriff indicated a documented supervisory review of the month end financial packet prepared by his office clerk will be performed either by him or by his Lieutenant starting with the March 2015 packet. We reviewed the January 2015 month end financial packet that includes a summary report of deposits and disbursements; a detailed listing of receipts and breakdown of amounts due to various fees and funds; the bank statement and reconciliation; and a copy of the monthly fee disbursement check to the County Treasurer. The Sheriff indicated the Jail Administrator will also be required to provide a complete month end financial packet including the original bank reconciliation, a monthly report of receipts and disbursements, and a list of liabilities. Starting with the March 2015 packet, the Sheriff or



Texas County
Follow-up Report on Audit Findings
Status of Findings

his Lieutenant will perform a documented review of the Jail Administrator's month end financial packet.

5.2 Bank reconciliations

The Jail Administrator had not performed a bank reconciliation for the commissary account since October 2010. At our request, the Jail Administrator performed bank reconciliations for the months of November 2010 through October 2013. The October 2013 reconciliation identified 397 checks, totaling \$1,138, outstanding for more than a year. Twenty-three of these checks dated back to 2009. The Jail Administrator printed a report of detainee balances as of October 31, 2013, showing \$898 held as liabilities; however, the reconciled cash balance at the same date was only \$779, resulting in a \$119 shortage.

Recommendation

The Sheriff prepare monthly bank reconciliations and list of liabilities and reconcile the list to the book balance monthly for the commissary bank account. Any differences should be investigated and resolved. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located, the amount should be disbursed in accordance with state law.

Status

In Progress

As noted in the section 5.1 status, the Sheriff indicated the Jail Administrator will be required to provide a complete month end financial packet. Starting with the March 2015 packet, the Sheriff or his Lieutenant will perform a documented review of the Jail Administrator's month end packet.

With regard to the outstanding checks, the Sheriff indicated he was going through each page of checks as time allowed to find a current address utilizing case records. The Sheriff will then turn these monies over in accordance with state law. It is not known when this work will be completed.

5.3 Seized property

The Sheriff had not established adequate controls over seized property. Upon taking office on January 1, 2013, the Sheriff completed an inventory listing of all seized property that included over 440 containers and items. The Sheriff did not establish procedures for updating the listing as items were added or removed from the seized property storage area. Also, several items in the seized property storage area had been held since 2003, and the Sheriff should have determined if disposal was appropriate and obtained the necessary approvals from the Prosecuting Attorney and/or the court.

Recommendation

The Sheriff maintain complete and accurate seized property inventory records and make timely and appropriate dispositions of seized property.



Texas County
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

The Sheriff is maintaining a current listing of seized property and has been able to dispose of some older seized property. The Sheriff indicated he will continue to work with Prosecuting Attorney and Associate Circuit Judge to obtain approval to dispose of seized property no longer needed by the prosecutor and the court.

6. Minutes and County Procedures

Improvement was needed with regard to County Commission minutes and county procedures.

6.1 Commission minutes

The County Commission and County Clerk procedures related to the documentation and approval of County Commission meeting minutes were not adequate and did not always comply with the Sunshine Law.

- The County Commission did not approve 8 of 49 open meeting minutes during the year ended December 31, 2012. The County Commission and the County Clerk did not always agree on the accuracy of the minutes and did not resolve their differences.
- Neither the County Commission nor the County Clerk ensured procedures related to closed meetings were documented in compliance with the Sunshine Law. Topics discussed in closed meetings were not always cited in open meetings and roll call votes to enter the closed meeting were not always documented in open meeting minutes.

Recommendation

The County Commission work with the County Clerk to ensure minutes are accurate and approved by the appropriate parties and properly cite reasons for and roll call votes approving closed meetings.

Status

Implemented

We reviewed County Commission minutes for meetings held between October 1, 2014, and January 31, 2015. No closed meetings occurred. However, if a closed meeting is necessary in the future, both the County Commission and the County Clerk indicated they will ensure reasons for entering into a closed meeting and roll call votes are properly documented in the open minutes. Meeting minutes appeared accurate and were signed by the appropriate parties.

6.2 Professional services

The county did not solicit requests for proposals or enter into written agreements for several professional service purchases including property and liability insurance through an insurance brokerage service (\$69,392), information technology services (\$26,229), and jail medical services (\$14,853) during the year ended December 31, 2012.



Texas County
Follow-up Report on Audit Findings
Status of Findings

Recommendation The County Commission periodically solicit proposals for professional services, and enter into written agreements as required by law.

Status

Implemented

The County Commission now requires solicitation of proposals upon termination of current agreements and completion of written agreements for professional services. During our review of meeting minutes and bid notices, we noted the County Commission solicited proposals for medical services provided in the jail. At the time of our review, only one proposal was received and no decision had been made to award the contract. In addition, we noted the County Commission was discussing specifications necessary to solicit proposals for an information technology services purchase.

6.3 Computer controls

The County Clerk, Prosecuting Attorney, County Assessor, and Sheriff did not require employees to change passwords periodically, and employees in the County Clerk and County Assessor offices shared passwords within their office. In addition, the Recorder of Deeds failed to promptly delete user access for an employee who resigned in August 2013.

Recommendation

The County Commission require unique passwords for each employee that are confidential and periodically changed and promptly delete user access following termination of employment to prevent unauthorized access to computer systems and data.

Status

Implemented

The County Commission has required unique passwords for each employee that are confidential and periodically changed and prompt deletion of user access following termination of employment. However, each elected official must enforce these requirements. We discussed enforcement with each official noted in the finding and found all officials now require the use of unique passwords that are to be changed periodically and each has plans to immediately terminate user access following resignation or termination of employees. The Recorder of Deeds deleted access for the employee who resigned.

6.4 1099-MISC forms

The county had not established procedures to ensure 1099-MISC forms were prepared and filed as required. During the year ended December 31, 2012, the county paid a special prosecuting attorney \$11,897, a security system salesman/installer \$4,000, a handyman \$1,356, and a law firm \$709 without issuing 1099-MISC forms to any of these identified vendors.

Recommendation

The County Commission ensure non-wage payments and payments to attorneys are reported on 1099-MISC forms.



Texas County
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

The County Clerk provided copies of all 1099-MISC forms prepared for 2014 and we matched the name and amount paid on the 1099-MISC form to the information in the minutes. We identified no discrepancies.



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

May 13, 2015

Honorable Jo Fortney
Knox County Prosecuting Attorney
207 N 2nd Street
Edina, Missouri 63537

This letter communicates the results of our review of the handling of monies collected by the Knox County Prosecuting Attorney's office from January 2013 through August 2014 that includes bad check restitution and fees, court-ordered restitution, and donations for amended traffic tickets or deferred prosecution. This review was initiated at the request of former Prosecuting Attorney David Brown after he discovered monies had been misappropriated from the bank account for the private law office operated by him and Jo Fortney. Prior to contacting the State Auditor, the former Prosecuting Attorney initiated a review of the Prosecuting Attorney's escrow bank account, which includes monies received for bad checks and court-ordered restitution, and discovered discrepancies with a court-ordered restitution payment received in 2014. The objectives of our review were to evaluate the Prosecuting Attorney's internal controls over the handling of monies collected, evaluate the Prosecuting Attorney's compliance with certain legal provisions, and determine the extent of any monies missing from the Prosecuting Attorney's office.

Because of the limited scope and nature of this review, there is no citizens summary and no overall rating is provided.

Methodology

Our methodology included obtaining an understanding of procedures and records related to handling of monies collected by the Prosecuting Attorney's office; reviewing manual receipt slips, accounting system activity, and bank statements, including copies of deposit slips and canceled checks; and interviewing various personnel of the Prosecuting Attorney's office, as well as certain external parties.

Background

We previously audited the Prosecuting Attorney's office as part of our last audit of the county for the 2 years ended December 31, 2011; see Report No. 2012-144, *Knox County*, issued in December 2012. Our report included several internal control deficiencies in the Prosecuting Attorney's office. Report No. 2013-043, *Follow-Up Report on Audit Findings - Knox County*, was issued in May 2013. The follow-up report indicated the internal control recommendations had either been implemented or were in progress.

However, we identified similar problems during this review and improvements in controls and procedures established at the time of the follow-up meeting were not continued as discussed in the following section.

The Prosecuting Attorney's office does not have written policies or procedures related to collection, deposit or transmittal, and disbursement of monies. Office personnel provided us with a description of procedures and records utilized to account for monies handled including bad checks, court-ordered restitution, and donations. During the time period reviewed, the office employed multiple clerks that performed money handling functions. While one of these employees had primary responsibility for receiving, recording, and disbursing monies for the Prosecuting Attorney's office, the other 3 employees assisted with duties of the Prosecuting Attorney's office as needed and issued manual receipt slips for payments received if the primary employee was unavailable. A clerk records monies received for bad check restitution, bad check fees, and court-ordered restitution on manual receipt slips and then posts these payments to the Prosecuting Attorney's accounting system, which tracks monies owed by defendant. A clerk periodically deposits these monies in the Prosecuting Attorney's escrow bank account and periodically issues checks to the County Treasurer for bad check fees and to victims for restitution, though the office does not have established procedures regarding the frequency of disbursements.

The Prosecuting Attorney's office also collects donations in exchange for amending charges on traffic tickets or deferring prosecution in criminal cases which is a violation of state law. The Prosecuting Attorney routinely amends charges for traffic tickets if the defendant submits a donation to the county Restitution Fund ranging from \$100 to \$350 in addition to other required court costs and fines. These monies are transmitted to the County Treasurer. Personnel do not issue manual receipt slips for these donations but instead maintain a spreadsheet of amounts due and received by defendant. The Prosecuting Attorney also requires defendants to make a donation to the Restitution Fund in exchange for deferring prosecution whereby the Prosecuting Attorney dismisses criminal charges and agrees to not re-file any charges if the accused complies with the terms of the agreement.

Results, Conclusions, and Recommendations

1. Missing Monies and Other Questionable Transactions

We identified \$590 in monies received that were not deposited in the bank account or transmitted to the County Treasurer and are missing. Per the manual receipt slips issued, these payments were made in cash. Officials indicated they generally require defendants to pay by money order and the office typically does not accept cash without approval of either the Prosecuting Attorney or the Assistant Prosecuting Attorney. The Prosecuting Attorney could not provide a documented confirmation of prior approval for the cash payments in question.

Receipts Not Deposited or Transmitted

Receipt Slip Date	Receipt slip number	Amount	Purpose
9/20/2013	196395	\$150.00	Condition of probation
10/15/2013	196396	200.00	Condition of probation
2/13/2014	1432	200.00	Court-ordered restitution
4/17/2014	1446	40.00	Court-ordered restitution
		\$590.00	

The 2 payments related to a condition of the defendant's probation should have been transmitted to the County Treasurer for deposit in the county's General Revenue Fund. The County Treasurer confirmed these monies had not been transmitted to him. The 2 court-ordered restitution payments should have been deposited in the Prosecuting Attorney's escrow bank account and subsequently disbursed to victims. For receipt slip number 1432, \$200 was disbursed to the victim in July 2014, creating a shortage in the bank

account since the monies were not deposited. The other court-ordered restitution payment listed was not deposited or disbursed. Records reviewed indicate various office personnel had access to monies and several different personnel signed the manual receipt slips for the payments in question; therefore, we cannot determine who is responsible for the missing monies.

The Prosecuting Attorney identified a questionable disbursement totaling \$50, which we reviewed. Also, we identified another questionable disbursement of \$50. For both transactions the amount disbursed was greater than the amount recorded as received and deposited. A clerk issued a manual receipt slip for a \$400 receipt on March 11, 2014, and subsequently deposited this amount. However, the clerk had initially recorded a payment of \$450 in the accounting system on February 6, 2014 (over a month before the manual receipt slip was written), and later disbursed monies totaling \$450, including a \$423 check to the victim and a \$27 refund check to the defendant, creating a \$50 shortage in the bank account. There were no other payments recorded from this defendant during the period reviewed and the Prosecuting Attorney was unsure why the manual receipt slip was not issued for over a month after the payment was recorded in the accounting system. The Prosecuting Attorney had identified this transaction as questionable prior to our review. Additionally, for another defendant a clerk recorded 6 receipts totaling \$550 on various dates from August 2013 to July 2014 but disbursed \$600 in July 2014, creating a \$50 shortage in the bank account. A \$50 receipt was recorded in the accounting system in April 2014 and July 2014 using the same money order number but can only be traced to one deposit on July 11, 2014; therefore, it is likely the same payment of \$50 was recorded twice in the accounting system.

The spreadsheet of donations for amended traffic tickets included 50 transactions during the period of review. We were able to trace 46 of these transactions to the County Treasurer's records and the Prosecuting Attorney confirmed the other 4 should have been removed from the spreadsheet because defendants did not accept the offer to amend their ticket. The Prosecuting Attorney's office did not obtain receipt slips from the County Treasurer as proof these monies had been transmitted to the County Treasurer.

We recommend the Prosecuting Attorney further investigate the missing monies and other questionable disbursements and take the necessary action to recover monies as appropriate. In addition, a receipt slip should be obtained from the County Treasurer for all monies transmitted to the County Treasurer.

2. Supervisory Review and Bank Reconciliations

During the period reviewed one employee was primarily responsible for most accounting duties including issuing manual receipt slips, preparing deposits, issuing checks, and recording activity in the accounting system. This employee was also responsible for transmitting monies to the County Treasurer and maintaining the spreadsheet of donations for amended traffic tickets. However, other employees also accepted payments and issued manual receipt slips.

During the period reviewed the only documented review of accounting records was performed by the Assistant Prosecuting Attorney and consisted of reviewing the monthly bank reconciliations. However, reviews were not performed timely after June 2013 and some bank reconciliations were not reviewed for up to 5 months. The Assistant Prosecuting Attorney documented her review by applying her initials and the date reviewed to the bank reconciliations.

We recommend the Prosecuting Attorney perform and document supervisory reviews of the receipting, recording, and disbursing functions. In addition, the Prosecuting Attorney should ensure bank reconciliations are performed monthly.

3. Liabilities and Timeliness of Disbursements

Office personnel do not prepare a monthly list of liabilities or reconcile to available cash balances. Additionally, the office held some monies for extended periods of time before disbursement. We prepared a list of liabilities as of August 31, 2014, and identified liabilities totaled \$3,283 while the reconciled bank balance was \$3,174, resulting in a shortage of \$109. The list of liabilities indicates some court-ordered restitution received has been held for over 12 months.

We recommend the Prosecuting Attorney ensure monthly lists of liabilities are prepared and reconciled to cash balances. Any shortages should be investigated and any remaining unidentified or unclaimed amounts should be disbursed in accordance with state law. In addition, the Prosecuting Attorney should ensure restitution amounts are disbursed timely.

4. Receipts and Deposits

Office personnel did not make deposits timely after June 2013. Only 3 deposits were made during the 6 months ending December 31, 2013, and there were only 6 deposits made for the period January 2014 through August 2014. The Prosecuting Attorney indicated there is a steady amount of financial activity throughout the year. Manual receipt slips were not issued for 5 payments received for bad checks or court-ordered restitution, though the payments were posted to the accounting system and deposited. Also, receipt slips were not always issued for donations for deferred prosecution. Manual receipt slip numbers are not entered in the Prosecuting Attorney's accounting system and there is no procedure to reconcile manual receipt slips to payments posted to the accounting system and deposited. We identified numerous instances in which the receipt date per the accounting system was up to 3 months after the date on the manual receipt slips. We also noted instances in which receipts were posted to the accounting system up to 2 months prior to being recorded on a manual receipt slip.

We recommend the Prosecuting Attorney ensure receipt slips are issued for all monies upon receipt, the numerical sequence of receipt slips is accounted for, manual and electronic receipt records are reconciled to deposits, and monies are deposited timely.

5. Donations

The Prosecuting Attorney continues to amend charges filed on traffic tickets and defer prosecution in criminal cases by requiring defendants to make a donation to a county fund as a condition of amending or deferring charges, in violation of state law. The Prosecuting Attorney does not have authority to require a donation to a county fund to amend charges filed on traffic tickets or defer prosecution of criminal cases. Section 50.565, RSMo, grants the authority for a judge to order defendants to contribute to the county's law enforcement restitution fund in a filed case with a plea or finding of guilt for those cases allowed by law, which excludes certain traffic offenses, any class C misdemeanor, or infraction.

The amount of donations for amended traffic tickets deposited in the Restitution and General Revenue Funds totaled approximately \$6,600 during the period reviewed. We were unable to determine a total of donations related to deferred prosecution due to lack of appropriate records.

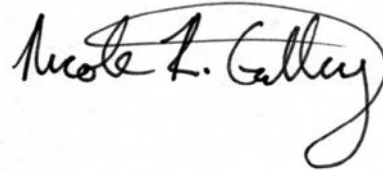
We recommend the Prosecuting Attorney discontinue the practice of requiring donations to the county as part of amending or deferring charges filed.

6. Administrative Fees

The Prosecuting Attorney has not assessed the statutorily required fees from defendants who owe court-ordered restitution. The Prosecuting Attorney indicated she was unaware of these new statutory provisions.

Section 559.100.3, RSMo (effective August 28, 2013), requires the Prosecuting Attorney to collect an administrative handling cost fee on cases of court-ordered restitution. The County Treasurer is required to deposit these fees in the Administrative Handling Cost Fund.

We recommend the Prosecuting Attorney assess and collect fees on all restitution cases as required by state law.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this letter:

Deputy State Auditor:	Harry J. Otto, CPA
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Nicole R. Galloway, CPA
Missouri State Auditor

Sixteenth Judicial Circuit

Jackson County



May 2015

Report No. 2015-029

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Sixteenth Judicial Circuit, Jackson County

Legal Action

After a court employee provided copies of questionable purchasing card documents to the chair of the Budget and Audit Committee in May 2012, the court investigated the transactions and subsequently contacted federal authorities. The former Court Administrator used a court purchasing card to buy \$77,778 worth of personal items, and entered into a contract for work flow analysis services with a company that was registered to the friend of a personal acquaintance. The county paid \$64,500 for this work, which was never completed. In November 2013, the former Court Administrator pled guilty to mail fraud in United States District Court, and in July 2014 was sentenced to 2 years in federal prison and ordered to pay \$139,536 in restitution. The former court administrator had already reimbursed the court \$2,742 prior to sentencing.

Since his appointment in July 2012, the current Court Administrator has established additional internal controls in each department; including requiring each department to develop an annually updated internal control plan, as well as establishing controls over purchasing cards and payment for goods and services. Further, in August 2014, the court sent a letter to the contractor engaged by the former Court Administer requesting performance of the contracted services or a refund of the \$64,500. As of February 2015, no services have been provided and a refund has not been received.

Accounting Controls and Procedures

Prior to 2012, the court did not reconcile monthly liabilities to the available cash balance, and as of June 30, 2014, the total reconciled cash balance exceeded total liabilities by \$836,415. The court has been working to resolve the difference since 2013, and between December 2013 and June 2014, reduced the difference by \$106,414. As of June 30, 2014, the court was holding bonds totaling \$1,685,616 in cases that had been disposed. In 3 of the 11 cases auditors reviewed, the judge declared the bond forfeited, but motions for judgement of forfeiture have not been made, and the bonds have not been forfeited. Further, the court did not ensure payment plans were established for amounts not paid in full at case disposition, and the Fiscal and Budget and Fiscal Operations offices have not developed adequate procedures to follow up on outstanding checks.

Compliance

The court violated state law, and its investment policy, by investing in U.S. government agency mortgage-backed securities that had maturity dates greater than 5 years. As of June 30, 2014, the court held 13 of these securities totaling \$6,092,000.

Case Management

Court personnel have not established adequate procedures to manage open cases. Of 45 cases auditors reviewed, four had court dates that had been canceled over a year ago and were not rescheduled until auditors brought the cases to the court's attention. Further, auditors identified six other cases that had not had any activity for over a year, two Drug Court cases in which

warrants were not issued after the defendants failed to appear, and two closed cases that were not properly recorded as dismissed in the Judicial Information System (JIS).

Family Court Controls and Procedures

The Family Court does not have adequate procedures to follow up on outstanding checks. As of June 30, 2014, 90 JIS account checks totaling \$7,751, and Supervision account checks totaling \$39,006, had been outstanding for over a year. In addition, the Family Court does not properly monitor the Supervision account liabilities to ensure monies are timely disbursed, and does not have adequate receipting and depositing procedures in place.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Sixteenth Judicial Circuit

Jackson County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Legal Action.....	4
2. Accounting Controls and Procedures	5
3. Compliance.....	10
4. Case Management	11
5. Family Court Controls and Procedures	12

Organization and Statistical	15
Information	



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

Presiding Judge and Court en Banc
and
Court Administrator of the
Sixteenth Judicial Circuit
Jackson County, Missouri

We have audited certain operations of the Sixteenth Judicial Circuit, Jackson County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. The objectives of our audit were to:

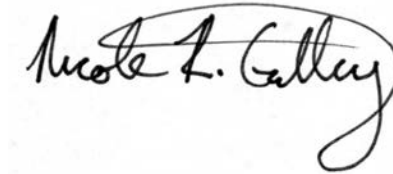
1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the court's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Jackson County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the Sixteenth Judicial Circuit, Jackson County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
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Sixteenth Judicial Circuit

Jackson County

Management Advisory Report - State Auditor's Findings

1. Legal Action

The court disbursed \$20,000 in county funds and \$122,278 in court funds between September 2010 and June 2012 for goods and services not received.

Background

After a court employee provided copies of questionable purchasing card (p-card) documents to the chair of the Budget and Audit Committee in May 2012, the court hired a forensic accountant to perform an investigation. After this investigation, the former Court Administrator reimbursed the court \$2,742. The court contacted federal authorities and placed her on administrative leave in June 2012. The former Court Administrator resigned in July 2012.

In November 2013, after the Federal Bureau of Investigation performed a formal investigation, the former Court Administrator pled guilty to mail fraud in United States District Court. The former Court Administrator used a court p-card to purchase a total of \$77,778 in goods for personal use. In addition, according to the charge statement filed by the US District Attorney, she fraudulently entered into a contract with a company hired to provide work flow analysis services that the county paid \$64,500. The company was organized after the contract was signed and is registered to an individual who was a friend of an individual with whom the former Court Administrator had a personal relationship. The contract was not procured through a competitive bid process and the work was never completed. In July 2014, the former Court Administrator was sentenced to 2 years in federal prison and ordered to pay \$139,536 in restitution.

Since his appointment in July 2012, the current Court Administrator has established additional internal controls in each department including controls over purchasing cards.

- Each department developed an internal control plan that is updated annually, and additional internal control procedures are developed after each annual review for any weaknesses identified.
- The Court Administrator no longer has a court issued purchasing card. He reviews supporting documentation for all purchases made by purchasing card each month; and does not authorize payment unless supporting documentation is submitted.
- Payment for goods and services is not authorized without a purchase order. Purchase orders are only approved after completion of all applicable procurement procedures.



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

In addition, in August 2014, the court sent a letter to the contractor requesting performance of the contracted services or a refund of \$64,500; however, as of February 2015, no services have been provided and a refund has not been received.

Recommendation

The Court en Banc and the Court Administrator continue attempts to recover court and county monies.

Auditee's Response

The Court en Banc and Court Administrator provided the following written response:

This recommendation has been implemented. As the auditor reported, this issue was initially reported by a court employee in mid-2012 and the Court immediately took action to investigate and refer the matter to federal authorities including the Federal Bureau of Investigation and the United States Attorney – federal criminal charges were filed. Following the former Court Administrator's sentencing, the current Court Administrator issued a demand letter to the registered owner of the company involved in the contract, demanding performance or repayment. The contractor refused repayment and did not perform. In late 2014 after receiving the contractor's refusal, the matter was referred to the County Counselor of Jackson County for further legal action. After evaluating the potential liability issues, the County Counselor reached an agreement with a law firm to represent the County and the Court in this matter. It is anticipated that the law firm will file an action against multiple parties involved in the contract. In addition, the United States Attorney was successful in obtaining a garnishment against the former Court Administrator's pension. As a result, the Court and the County are receiving 25 percent of the former court administrator's pension payments in addition to periodic restitution payments originally ordered by the United States District Court.

2. Accounting Controls and Procedures

We identified weaknesses with Civil, Criminal, and Probate Department accounting controls and procedures.

The Jackson County Circuit has court buildings located in Independence and Kansas City. Cases are filed electronically and court cases are assigned to a specific location. According to court records, receipts collected during the year ended December 31, 2013 totaled approximately \$31.4 million. Fines, court costs, garnishments, and bonds are collected; recorded in the Judicial Information System (JIS), the Missouri Courts automated case management system; and deposited into a court bank account by personnel of the court.

2.1 Liabilities list

The court does not maintain an accurate list of liabilities. Civil, Criminal, and Probate Department monies are accounted for in a pooled bank account.



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

As of June 30, 2014, the total reconciled cash balance of \$11,083,621 exceeded total liabilities of \$10,247,206 by \$836,415.

Prior to 2012, the court did not reconcile a monthly list of liabilities to the available cash balance. Since 2013, the court has been attempting to identify and resolve the difference including reviewing pre-JIS records. The court reduced the difference between cash and liabilities by \$106,414 between December 2013 and June 2014.

Regular identification and comparison of liabilities to the reconciled cash balance increases the likelihood errors will be identified and resolved. In addition, various statutory provisions provide for the disposition of unidentified monies.

2.2 Review of bonds

The court does not adequately monitor the status of open bonds held. As of June 30, 2014, the court was holding 1,860 bonds totaling \$1,610,326 in criminal cases, and 95 bonds totaling \$75,290 in civil cases, that have been disposed.

In addition, our review of 11 cases with open cash bonds identified 3 cases, with bonds totaling \$8,750, for which the judge declared the bond forfeited because the defendant failed to appear; however, motions for judgement of forfeiture have not been made and the bonds have not been forfeited.

To ensure bonds are properly forfeited, refunded, or applied to court costs, the court needs to periodically review disposed cases with bonds.

2.3 Payment Plans

The court did not ensure payments plans were established for amounts not paid in full at case disposition.

As of June 30, 2014, outstanding costs not associated to a payment plan totaled \$6.4 million for Criminal Records. In 2013 and 2014, the Office of State Courts Administrator (OSCA) awarded special project funding to the court to set up payments plans for cases previously disposed for which no payment plan was established. Criminal costs not associated to a payment plan were reduced from \$7.4 million at January 1, 2013 to \$6.4 million at June 30, 2014.

Court Operating Rule (COR) 21.13 requires all divisions of the circuit courts, except municipal divisions, to assess a \$25 time payment fee on all cases not paid in full within 30 days of disposition. Failure to follow these guidelines could result in lost revenue.

2.4 Outstanding checks

The Fiscal and Budget and Fiscal Operations offices have not developed adequate procedures to follow up on outstanding checks. As of June 30, 2014, court records for 6 bank accounts indicate 6,142 checks, totaling



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

\$167,149, had been outstanding for over a year. Some checks have remained outstanding since 2000.

To properly monitor disbursements and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law, procedures should be established to routinely investigate outstanding checks.

Recommendations

The Court en Banc, the Court Administrator, and the Fiscal Officer:

- 2.1 Continue efforts to reconcile the lists of liabilities to the available cash balance and properly investigate any differences. Any remaining unidentified monies should be disposed of in accordance with state law.
- 2.2 Establish procedures to review the status of open bonds monthly to determine the appropriate disposition of funds held on closed cases, and work with the Prosecuting Attorney to forfeit bonds when the defendant fails to appear at court as provided by state law.
- 2.3 Continue efforts to establish payments plans for cases with outstanding balances.
- 2.4 Develop procedures to routinely follow up on outstanding checks and reissue the checks if necessary or dispose of these monies in accordance with state law.

Auditee's Response

The Court en Banc and Court Administrator provided the following written responses:

- 2.1 *This recommendation has been implemented. As stated in the 2013 OSCA Review of the Court's Civil Records Department, the Circuit Court's Fiscal Office had already taken steps to identify these transactions through the use of a general ledger reconciliation software package. With the assistance of special project funding provided by OSCA, starting in 2013 the Court was able to increase its efforts in implementing the recommendation to continue to identify, disburse, and correct transactions and reconcile the list of liabilities to the cash balance. The Court believes that the majority of the remaining unknown monies are those which resulted from cases which preceded the implementation of JIS, are more than ten years old, and/or result from conversion error. In mid-2014 the Court Administrator established a financial task force whose role it is to review identified civil, criminal, probate, delinquent land tax, and pre-JIS cases in an attempt to further resolve the unidentified monies.*



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

We anticipate that through the continued use of these resources, we will have resolved the unidentified liabilities to the extent possible prior to December 31, 2015, at which time the Court will coordinate with the County Counselor of Jackson County and the Missouri State Treasurer for proper disposition of any remaining unidentified funds in these areas, as well as those identified at Family Court as explained in the responses to recommendations 5.1 and 5.2.

Finally, the Court has placed strong emphasis on internal controls and has implemented additional methodologies to strengthen its internal controls. Key components include accountability, financial reporting, segregation of duties, supervisory reviews, adequate audit trails, timeliness, and staff training. The Court has also formed an Internal Audit Committee, which reports to the Court's Budget and Audit Committee. The director-level monthly supervisory reviews for civil, criminal, probate, family court, delinquent land tax and jury, and the next cycle of internal audits, will focus on the deficiencies identified by the State Auditor in this section and throughout the report to ensure corrective actions have been fully implemented and new procedures are consistently followed to prevent recurrence.

- 2.2 *This recommendation has been implemented. The Court has established procedures to review reports of outstanding bonds monthly. These reviews are performed by a member of each records department's management staff and are in addition to the procedures performed at the disposition of a case, which are designed to ensure that all bonds outstanding at that time are reviewed and disbursed if appropriate. In addition, the Court has conducted a comprehensive review of outstanding bonds on **all** criminal cases as of mid-October 2014. That review encompassed over 3,500 bonds. Outstanding bonds on **all** probate cases have also been reviewed. The Court completed a review of the outstanding bonds in **all disposed** civil cases, and will complete a comprehensive review of outstanding bonds on **all** civil cases prior to August 31, 2015. Appropriate actions have been taken with regard to the bonds reviewed.*

Both the former and the current Presiding Judges have discussed with the state (as represented by the Jackson County Prosecutor's office) its need to file motions for judgment of forfeiture when a defendant fails to appear and a bond has been forfeited. Additionally, following the audit the Court made a commitment to 1) identify the then existing cases in which a bond forfeiture had been declared, but no judgment of forfeiture had been entered, 2)



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

provide that information to the Prosecuting Attorney's office in an effort to facilitate the state's filing of the necessary motions, and 3) provide a dedicated docket to hear these matters. The dedicated forfeiture docket began in March 2015.

- 2.3 *This recommendation has been implemented. The Court was aware of this issue prior to the audit, self-reported the issue to the auditors, and had begun to address the issue prior to the start of the audit. In response to these issues, the Court established procedures to review reports of outstanding costs not associated with payment plans on a monthly basis and currently has a member of each department's management staff performing these reviews in its Civil, Criminal, and Probate Records Departments. These reviews are in addition to the procedures performed at the disposition of a case designed to ensure that costs are appropriately assessed, parties are notified of any outstanding amounts owed, and payment plans are established 30 days after notice if not paid in full.*

As stated in the audit findings, the Court had reduced criminal costs not associated with payments plans by \$1 million between January 1, 2013 and June 30, 2014. As of April 10, 2015, less than \$800,000 in criminal costs not associated with payment plans remained, a further reduction of \$5.6 million. The Court is continuing to address this issue with respect to its civil, criminal and probate cases and expects to fully resolve the remaining historic issues with outstanding costs not associated with payment plans by December 31, 2015.

- 2.4 *This recommendation has been implemented and the Court continues to improve the process. The majority of the issues faced by the Court relate to its higher volume bank accounts, including those for its jury office and the records departments. In 2014 alone, the Court issued more than 150,000 receipts and more than 98,000 checks. Additionally, as mentioned by the audit report, many of the outstanding checks date back many years to as early as the year 2000. Therefore, the 6,142 outstanding checks identified in the report actually represent a very small percentage of the hundreds of thousands of checks issued over the past fifteen years, with the vast majority of those now remaining being jury checks in amounts of less than \$10. Nevertheless, the Court recognizes that a more timely review and disposition of outstanding checks is necessary. Currently the records departments, jury office, and budget and fiscal offices complete regular monthly reviews of outstanding checks and make efforts to locate the payee and reissue the checks as necessary. These reviews are completed once a check has been outstanding for six months. The Court is also in the process of*



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

modifying the unclaimed property software program it developed in 2009 and uses for unclaimed property to provide a more automated and timely process of escheating monies to the state when other efforts to disburse funds have been exhausted. The Court escheated approximately \$400,000 to the State Treasurer in late 2014. Finally as mentioned in the response to recommendation 2.1, the director-level monthly supervisory reviews include a review of the outstanding check process and results in each department.

3. Compliance

We identified compliance issues related to court investments.

The court invested in U.S. government agency mortgage-backed securities that had maturity dates greater than 5 years, which violates state law. At June 30, 2014, the court held 13 of these securities totaling \$6,092,000.

The court's investment policy permits investments in U.S. agency backed securities with final maturities of 5 years or less as required by state law. Section 483.310, RSMo, authorizes the Court Administrator to invest funds reasonably expected to remain on deposit for a period of time and may deposit funds in depository institutions and invest funds only in investments permitted by the State Treasurer per Article IV, Section 15, of the Missouri Constitution. Further, Article IV, Section 15, of the Missouri Constitution permits the State Treasurer to invest in obligations of the U.S. government or any agency or instrumentality of the U.S. maturing and becoming payable not more than 5 years from the date of purchase.

Recommendation

The Court en Banc and the Court Administrator ensure investments comply with court policy and state law.

Auditee's Response

The Court en Banc and Court Administrator provided the following written response:

This recommendation has been implemented and the issue is fully resolved. While the Court was aware of this issue prior to the audit and self-reported the issue to the auditors, a means to resolve the issue without loss of principal had not yet been developed. However, since that time, through negotiation with the financial institution then involved with Court investments, the Court was able to sell the inappropriate instruments at no loss of principal. The Court no longer owns any investment instrument whose current maturity exceeds five years. Further, the parties responsible for the investments which exceeded allowable maturities are no longer involved with the Court's investments. The Court's 2013 investment policy has also been reviewed, updated, and provided to all parties and the financial institution currently involved with the Court's investments. The current financial institution now also provides an electronic trade confirmation for all transactions to two individuals other than the individual



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

ordering the transaction. Finally, an internal investment committee monitors the investments and receives reports from those responsible for purchasing and managing the investments.

4. Case Management

Court personnel have not established adequate procedures to manage open cases.

Our review of 15 criminal cases and 30 civil and domestic cases on the December 31, 2013, pending and suspended case listings identified:

- Three civil cases and 1 domestic case in which a hearing was canceled but not rescheduled until we brought the cases to the court's attention. At the time of our review in August 2014, all 4 of the hearings had been canceled more than 1 year ago.
- Five civil cases and 1 juvenile case that had no activity for more than 1 year.
- Two Drug Court cases in which a warrant was not issued after the defendant failed to appear at hearings scheduled in April and June 2013. The court issued warrants after we brought the cases to the court's attention.
- Two closed civil cases that were not properly recorded as dismissed in the JIS. One case was re-filed under a new case number. For the other case, a judgment was entered on a companion case.

Without procedures to ensure canceled hearings are rescheduled, cases are reviewed after a period of inactivity, warrants are issued after defendants fail to appear, and the proper disposition of all cases has been entered into the JIS, the court cannot be assured all cases are properly handled.

Recommendation

The Court en Banc and the Court Administrator ensure canceled hearings are rescheduled, cases are reviewed after a period of inactivity, warrants are issued after defendants fail to appear, and the disposition of cases is properly recorded in the JIS.

Auditee's Response

The Court en Banc and Court Administrator provided the following written response:

This recommendation has been implemented. As of October 2014, the Court Administrator's office began running a series of reports designed to identify cases without future court dates or other circumstances indicating inactivity, and has been working with individual judicial divisions to bring these cases to their attention for appropriate action. We continue to regularly perform these reviews and provide information to the assigned



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

judge and division staff as well as to the Presiding Judge on a quarterly basis.

5. Family Court Controls and Procedures

We identified weaknesses with the Family Court's controls and procedures.

According to the Family Court's 2013 audited financial statements, receipts collected during the year ended December 31, 2013 totaled \$671,269. Fines, court costs, juvenile restitution, and bonds are collected; recorded in the JIS, the Missouri Courts automated case management system; and deposited into an account by personnel of the court. In addition, mediation fees, Newborn Crisis Fund reimbursements from the Missouri Division of Family Services, and Juvenile Work Payment Fund reimbursements from Jackson County are receipted and recorded to the Family Court's general ledger software and deposited into another account (Supervision account) by personnel of the court.

5.1 Outstanding checks

The Family Court has not developed adequate procedures to follow up on outstanding checks.

As of June 30, 2014, records indicate 90 JIS account checks totaling \$7,751, had been outstanding for over a year with some checks outstanding since 2010. In addition, Supervision account checks totaling \$39,006, had also been outstanding for over a year. Included in this amount was \$18,804 in checks issued prior to 2008. The Family Court no longer has detailed records that include individual check numbers, amounts, payees, and check issuance dates for these checks. As a result, the owners of these monies cannot be identified.

To properly monitor disbursements and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law, procedures should be established to routinely investigate outstanding checks.

5.2 Liabilities

The Family Court does not properly monitor the Supervision account liabilities to ensure monies are disbursed timely. As of December 31, 2013, the Family Court held outstanding liabilities totaling \$123,165 in the Supervision account. This amount includes \$47,108 in special deposits received for custodianship of children under the care of outside agencies and controlled by the court.

Family Court personnel disbursed \$26,151 in special deposits between June and September 2014; however, the court no longer has adequate records to identify the owners of the remaining special deposits that date back prior to 1990.

Procedures to routinely investigate monies remaining on the liabilities list over a specific period of time are necessary to properly monitor and ensure



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

monies are appropriately disbursed as provided by state law. In addition, various statutory provisions provide for the disposition of unidentified monies.

5.3 Receipting and depositing

The Family Court does not have adequate receipting and depositing procedures in place.

- Six cashier sessions in the JIS totaling \$11,178 were left open between 1 and 4 weeks in May 2013. As a result, these monies were not deposited intact or timely.
- Two money orders included in our July 7, 2014, cash count were not restrictively endorsed.

Depositing monies intact and timely decreases the risk of loss, theft, or misuse of funds. In addition, to adequately safeguard receipts, monies received should be restrictively endorsed immediately upon receipt.

Recommendations

The Court en Banc and the Court Administrator:

- 5.1 Continue efforts to follow up on outstanding checks and reissue the checks if necessary or dispose of these monies in accordance with state law.
- 5.2 Establish procedures to review the status of liabilities monthly and determine the appropriate disposition of funds held for more than a specified period of time.
- 5.3 Deposit monies intact and timely and endorse all monies immediately upon receipt.

Auditee's Response

The Court en Banc and Court Administrator provided the following written responses:

- 5.1 *This recommendation has been implemented. Procedures now require that outstanding checks are routinely investigated within six months and reissued when new information regarding addresses or owners have been identified or in the event that the owners of the property cannot be located, the monies will be transferred to the State Treasurer as unclaimed property in accordance with state law. There is currently \$17,923 in unclaimed monies in cases disposed in the early nineties or earlier, where the owner cannot be identified. Those monies will be disbursed as directed by the Court Administrator at a later date along with the unidentifiable funds discussed in recommendation 2.1.*



Sixteenth Judicial Circuit
Jackson County
Management Advisory Report - State Auditor's Findings

- 5.2 *This recommendation has been implemented. Procedures now require that accounting routinely investigate the status of liabilities within the Supervision account on a monthly and annual basis to assure the appropriate disbursement of funds. All sub-accounts within the Supervision account have been investigated and disbursed to the extent possible. In the event that the owners of the property cannot be located, the monies are transferred to the State Treasurer as unclaimed property in accordance with state law. There is currently \$28,093 in unclaimed monies in cases previously disposed in very old cases in which the owner cannot be identified. Those monies will be disbursed as directed by the Court Administrator at a later date along with the unidentifiable funds discussed in recommendation 2.1.*
- 5.3 *This recommendation has been implemented. Procedures now require the daily verification by the accounting manager to assure that cashier's sessions are closed by 5:00 p.m. each day to assure the timely deposits of monies intact. All account clerks and the accounting manager have received refresher training regarding the necessity of restrictively endorsing checks and money orders immediately upon receipt.*

Sixteenth Judicial Circuit

Jackson County

Organization and Statistical Information

The Sixteenth Judicial Circuit consists only of Jackson County. The Sixteenth Judicial Circuit has three court buildings located in Kansas City and one in Independence.

The Sixteenth Judicial Circuit consists of 19 circuit judges, 9 associate judges, 2 probate commissioners, 5 family court commissioners, 1 drug court commissioner, and a Court Administrator.

Personnel

At December 31, 2013, the judges, commissioners, Court Administrator, and Juvenile Officer of the Sixteenth Judicial Circuit, Jackson County, were as follows:

Title	Name
Presiding Judge, Division 16	Marco A. Roldan
Circuit Judge, Division 1	Sandra C. Midkiff
Circuit Judge, Division 2	Kenneth R. Garrett III
Circuit Judge, Division 3	David M. Byrn
Circuit Judge, Division 4	Justine E. Del Muro
Circuit Judge, Division 5	James F. Kanatzar
Circuit Judge, Division 6	J. Dale Youngs
Circuit Judge, Division 7	S. Margene Burnett
Circuit Judge, Division 8	Vacant
Circuit Judge, Division 9	Joel F. Fahnestock
Circuit Judge, Division 10	Patrick Campbell
Circuit Judge, Division 11	W. Brent Powell
Circuit Judge, Division 12	Edith L. Messina
Circuit Judge, Division 13	Charles H. McKenzie
Circuit Judge, Division 14	John M. Torrence
Circuit Judge, Division 15	Robert M. Schieber
Circuit Judge, Division 17	Jack. R. Grate
Circuit Judge, Division 18	Kevin D. Harrell
Circuit Judge, Division 19	Kathleen A. Forsyth
Associate Circuit Judge, Division 25	Richard T. Standridge
Associate Circuit Judge, Division 26	Vacant
Associate Circuit Judge, Division 27	Gregory B. Gillis
Associate Circuit Judge, Division 28	Jeffrey C. Keal
Associate Circuit Judge, Division 29	vacant
Associate Circuit Judge, Division 30	Twila K. Ridgby
Associate Circuit Judge, Division 31	Mary F. Weir
Associate Circuit Judge, Division 32	Robert L. Trout
Associate Circuit Judge, Division 33	Jeffrey L. Bushur
Commissioner, Division 19	Daniel P. Wheeler
Commissioner, Division 40	Geoffrey E. Allen
Commissioner, Division 41	Martina L. Peterson
Commissioner, Division 42	Sherrill L. Rosen
Commissioner, Division 43	Susan E. Long



Sixteenth Judicial Circuit
Jackson County
Organization and Statistical Information

Commissioner, Division 44	Molly M. Merrigan
Commissioner, Division 50	David J. Fry
Deputy Commissioner, Division 19	Vacant
Court Administrator	Jeffrey A. Eisenbeis
Deputy Court Administrator/Family Court Services Director	Mary A. Marquez
Deputy Court Administrator/Jury Supervisor	Tracy L. Smedley
Juvenile Officer	William R. Jackson

In addition, the Sixteenth Judicial Circuit, Jackson County, employed 730 full-time employees and 7 part-time employees on December 31, 2013.

Financial Information

Receipts of the Sixteenth Judicial Circuit, Jackson County, were as follows:

	Year Ended December 31, 2013
Court deposits, fee, bonds, and other	\$31,427,390
Delinquent land tax sale	2,778,440
Family court	671,269
Interest Income	143,360
Total	\$35,020,459

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Sixteenth Judicial Circuit, Jackson County, were as follows:

	Year Ended June 30, 2013
Civil	47,763
Criminal	15,392
Juvenile	2,734
Probate	4,364
Total	70,253



Nicole R. Galloway, CPA
Missouri State Auditor

City of Bunceton



May 2015

Report No. 2015-030

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Bunceton

Accounting Controls and Procedures	The Board of Aldermen (Board) has not segregated duties or performed adequate reviews of the City Clerk's work. The City Clerk does not prepare formal bank reconciliations for the city's 10 bank accounts, and as a result, errors were not detected in the city's financial statements. In addition, the large number of bank accounts held by the city results in cumbersome record keeping. Multiple transaction were necessary to move monies from one account to another for cash flow purposes during the year ended June 30, 2014.
Budgets and Financial Statements	The Board does not prepare an adequate budget that includes revenue and disbursement estimates for the current year, the actual beginning and estimated ending cash balances, budgeted amounts for the 2 preceding years, or city indebtedness information. Further, the Board does not have any procedures in place to monitor receipts and disbursements. The city's semiannual financial statements do not contain all the financial information required by law, and combine all 10 of the city's funds into a consolidated statement, which does not allow for a clear and detailed analysis of each fund.
Utility Controls and Procedures	The Board has not segregated duties or performed adequate reviews of the City Collector's work. The City Collector is responsible for all aspects of the utility billing process, but neither the City Clerk nor the Board review the City Collector's work. The City Collector does not record the method of payment for utility monies received and does not maintain a complete list of customer utility deposits on hand. Further, the city has not reconciled the number of trash containers it is billing customers for to the number of containers the vendor bills the city, and under billed customers by approximately \$600 during the year ended June 30, 2014. Finally, annual audits of the water and sewer system are not performed as required by state law.
Conflict of Interest	The city paid a Board member approximately \$15,000 to serve as the city's Water Main Operator from September 2011 to April 2014, creating a conflict of interest.
Sunshine Law	The Board has not adopted a formal policy regarding public access to city records, and the Board does not make public the results of the votes taken and the final disposition of matters discussed in closed meetings when required. During the year ended June 30, 2014, votes taken in 7 of the 13 closed meetings held by the Board should have been disclosed to the public.

In addition, there were multiple occasions where the Board discussed topics in closed meetings other than the specific reasons given for going into the closed meeting.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

City of Bunceton

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Accounting Controls and Procedures4 2. Budgets and Financial Statements.....6 3. Utility Controls and Procedures7 4. Conflict of Interest.....10 5. Sunshine Law10
-------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	12
---------------------------------------------	----



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Bunceton, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Bunceton. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2014. The objectives of our audit were to:

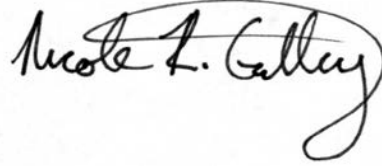
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Bunceton.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Terri Erwin, MBA, CGAP

City of Bunceton

Management Advisory Report

State Auditor's Findings

1. Accounting Controls and Procedures

There are numerous weaknesses with accounting controls and procedures.

1.1 Segregation of duties

The Board of Aldermen (Board) has not segregated duties or performed adequate reviews of the work performed by the City Clerk. The City Clerk is responsible for receiving, recording, and depositing monies; reconciling bank accounts; preparing invoices for payment and preparing checks; tracking financial information; and processing payroll. There are no independent or supervisory reviews of the City Clerk's work by the City Collector or the Board.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, independent and/or supervisory reviews should be performed and documented.

1.2 Bank reconciliations

The City Clerk does not prepare formal bank reconciliations for the city's 10 bank accounts. The City Clerk receives bank statements monthly and compares the checks that have cleared the bank to the manual check registers. The City Clerk makes a notation on the registers to indicate a check has cleared; however, she does not prepare a list of outstanding checks or other reconciling items. As discussed in section 1.3, the lack of formal bank reconciliations resulted in errors not being detected in the city's financial statements.

The preparation and independent review of formal monthly bank reconciliations is necessary to ensure accounting records are in balance and to identify errors timely.

1.3 Accounting records

The city's financial statements contained errors and did not reconcile to the cash balance for each fund. The city maintains and tracks all financial information in a spreadsheet. Since each fund has a corresponding bank account, the City Clerk enters information into the spreadsheet using the check registers, but does not reconcile the information to the bank (cash) balance. As a result, errors we identified in the financial records when compiling the financial information for the Organization and Statistical Information section of this report had not been identified by the city. For example, two deposits into the sewer account totaling \$18,740 were not entered into the financial records for the Sewer Fund. We included these deposits in the reported financial information. In addition, we had to include miscellaneous adjustments in the reported financial information for 9 of the 10 funds in order to reconcile the reported information to the actual cash balances at June 30, 2014.



City of Bunceton Management Advisory Report - State Auditor's Findings

Reconciling financial records to bank information would help ensure the accuracy of city financial reports, and ensure financial reports are of maximum assistance to the Board and the public.

1.4 Bank accounts

The city has 10 separate funds and maintains 10 corresponding bank accounts, resulting in cumbersome record keeping. Multiple transactions were necessary to move monies from one account to another for cash flow purposes during the year ended June 30, 2014.

To help simplify city records, reduce the number of account transfers, and minimize the risk of errors, the Board should consider reducing the number of bank accounts.

Recommendations

The Board of Aldermen:

- 1.1 Segregate the duties of the City Clerk. At a minimum, there should be documented reviews of city records and reconciliations.
- 1.2 Prepare formal bank reconciliations monthly, including listings of outstanding checks and deposits in transit, and investigate and promptly resolve any discrepancies.
- 1.3 Establish procedures to ensure accounting records accurately report financial activity and account balances. In addition, the Board should review these reports to effectively monitor the city's financial activity.
- 1.4 Consider reducing the number of bank accounts.

Auditee's Response

The Board of Aldermen provided the following responses:

- 1.1 *Implemented. The City Collector has begun checking the City Clerk's records and reconciliations. She will initial the reconciliations once checked.*
- 1.2 *The City Clerk is in the process of revising procedures to ensure outstanding checks and deposits in transit will be included on the reconciliation. Any discrepancies will be investigated timely, and the reconciliation will be provided to the Board monthly.*
- 1.3 *The City Clerk is in the process of establishing procedures to update the spreadsheet monthly to ensure accuracy and provide it to the Board in order to monitor the city's financial activity.*
- 1.4 *The Board is in the process of determining the best way of reducing the number of accounts.*



City of Bunceton
Management Advisory Report - State Auditor's Findings

2. Budgets and Financial Statements

2.1 Budgets

Preparation and approval

The city does not prepare adequate budgets for any funds or adequately monitor receipts and disbursements. In addition, the city publishes financial information that is incomplete and lacks sufficient details.

The city's budgeting procedures are not adequate, and no procedures are in place to monitor receipts and disbursements.

The Board does not prepare an adequate budget for any of the city's 10 funds. Semiannually Board members hold a budget meeting. During these meetings, they update actual receipts and disbursements for the city's published financial statements. However, the Board does not prepare a budget document that includes revenue and disbursement estimates for the current year, the actual beginning and estimated ending cash balances, budgeted amounts for the 2 preceding years, or city indebtedness information.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and also sets specific guidelines for the format. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates and informing the public about city operations and current finances. In addition, Section 67.080, RSMo, provides that no expenditure of public monies should be made unless it is authorized in the budget.

Monitoring

For the year ended June 30, 2014, the City Clerk provided the Board with the balance of each fund monthly, but there was no discussion of revenues as compared to disbursements. In addition, with no revenue and disbursement estimates, the Board has nothing to compare actual receipts and disbursements against to monitor the financial condition of city funds.

Once the city prepares an adequate budget annually, ongoing monitoring of budget-to-actual receipts and disbursements is necessary for the budget to be an effective management tool and comply with state law and to ensure disbursements do not exceed the amount appropriated.

2.2 Financial statements

The Board does not publish all financial information semiannually as required by state law. In 2014, the two semiannual published financial statements did not include the city's indebtedness. In addition, the annual financial statements combine all 10 funds into a consolidated statement, which does not allow for a clear, detailed analysis of each fund's financial status.



City of Bunceton
Management Advisory Report - State Auditor's Findings

Complete and accurate financial statements are necessary to keep citizens informed of the financial activity and condition of the city. Section 79.160, RSMo, requires the Board to prepare and publish a full and detailed account of the receipts, disbursements, and indebtedness of the city semiannually.

Recommendations

The Board of Aldermen:

- 2.1 Prepare annual budgets for all funds that contain all information as required by state law, and ensure the budget and financial condition are adequately monitored.
- 2.2 Ensure semiannual financial statements are published in accordance with state law and contain adequate detail and documentation.

Auditee's Response

The Board of Aldermen provided the following responses:

- 2.1 *Budget training will be provided to the Board and an adequate budget will be developed for the upcoming fiscal year. Actual and budget information will be reviewed throughout the year.*
- 2.2 *Semiannual financial statements will be published in accordance with state law.*

3. Utility Controls and Procedures

There are weaknesses in city operations related to utility services. The city provided utility services to 157 customers based on a June 2014 report. According to the city's financial statement, the city collected approximately \$57,000 in water fees, \$52,000 in sewer fees, and \$23,000 in trash fees during the year ended June 30, 2014.

3.1 Segregation of duties

The Board has not segregated duties or performed adequate reviews of the work performed by the City Collector. The City Collector is responsible for all aspects of the utility billing process including creating customer utility billings, receiving, recording, and depositing utility monies; and posting entries in the utility accounting system, including adjustments. There are no independent or supervisory reviews of the City Collector's work by the City Clerk or the Board.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. In addition, requiring someone independent of receipting and recording functions to review and approve any adjustments made would help ensure all adjustments are valid. If proper segregation of duties cannot be achieved, independent and/or supervisory reviews should be performed and documented.



City of Bunceton Management Advisory Report - State Auditor's Findings

3.2 Utility receipts

The City Collector does not record the method of payment (cash or check) for utility monies received. Therefore, the composition of receipts cannot be reconciled to the composition of deposits.

Recording the method of payment allows the composition of monies received to be reconciled to the composition of deposits, and ensures all monies are properly recorded and deposited intact.

3.3 Utility deposits

The city does not maintain a complete list of customer utility deposits on hand. New utility customers are required by ordinance to pay a \$100 refundable deposit before receiving service. Customer deposits, which constitute a liability to the city, are comingled in the Water Fund bank account with other Water Fund monies.

Maintaining and updating a complete list of customer utility deposits is necessary to provide a record of monies held for individual customers. In addition, maintaining a separate accounting record of utility deposits and comparing it to the fund balance provides the city assurance the Water Fund account balance is sufficient to cover customer deposit liabilities and ensure customer deposit monies are not used for water operations.

3.4 Trash

The city has not been billing customers for all services it is billed for by the trash vendor. Charges for trash services are included on a combined utility bill (water, sewer, and trash expenses). The billing for trash services is collected by the city and remitted to the trash service vendor monthly, with the city retaining a portion for administrative costs.

According to the city's contract with the trash vendor, the city should pay the vendor based on the number of trash containers (residential and commercial) provided to trash customers. According to the contract, the city is to update the vendor quarterly on the number of trash containers based on either an actual count or from records provided by the city. However, the city has not reconciled the number of containers it is billing customers for to the number of containers the vendor bills the city. For example, in June 2014 the city billed customers for a total of 146 containers, but was billed by the vendor, and paid for, 151 containers. It is not clear whether the vendor or city's count is accurate, but based on our analysis of trash vendor billings, the city under billed customers approximately \$600 for trash services during the year ended June 30, 2014.

Reconciling the number of trash customers billed to the number of trash customers receiving services from the contractor will help ensure trash revenues are maximized and are collected in accordance with the trash contract.

3.5 Annual audit

Annual audits of the water and sewer system are not performed.



City of Bunceton
Management Advisory Report - State Auditor's Findings

Section 250.150, RSMo, requires the city to obtain annual audits of the combined water and sewer system. In addition to being required by state law, annual audits of city funds help ensure monies are properly handled and financial transactions are properly recorded.

Recommendations

The Board of Aldermen:

- 3.1 Segregate the duties of the City Collector. At a minimum, there should be a documented review of city utility records.
- 3.2 Require recording of the method of payment, and reconciliation of the composition of receipts to the composition of deposits.
- 3.3 Ensure a complete list of utility deposits on hand is maintained and monitored to ensure sufficient funds are on hand to cover potential customer deposit liabilities.
- 3.4 Ensure the number of containers billed to customers agrees to the number of containers the city is billed for by the trash vendor.
- 3.5 Obtain annual audits of the water and sewer system as required.

Auditee's Response

The Board of Aldermen provided the following responses:

- 3.1 *Implemented. The Mayor is reviewing all deposits and comparing them to the water reports. The Mayor is now reviewing adjustment reports, and adjustments will also be reviewed by the Board.*
- 3.2 *Implemented. The City Collector is documenting payment method and reconciling the composition of receipts to deposits.*
- 3.3 *Implemented. The City Collector compiled a list of all utility deposits. The list will be updated and compared to the Water Fund account balance monthly.*
- 3.4 *City representatives are in the process of meeting with the trash vendor to discuss billing of customers. The number of containers billed to customers will be reconciled to the number of containers the city is being billed for going forward.*
- 3.5 *The Board is in the process of hiring a firm for annual audits.*



City of Bunceton
Management Advisory Report - State Auditor's Findings

4. Conflict of Interest

One Board member was compensated for services performed while also serving on the Board, creating a conflict of interest. The city employed a Board member from September 2011 to April 2014 to be the city's Water Main Operator and compensated the Board member approximately \$15,000 during this time period.

Section 105.458, RSMo, states "no member of any legislative or governing body of any political subdivision of the state shall: (1) Perform any service for such political subdivision or any agency of the political subdivision for any consideration other than the compensation provided for the performance of his or her official duties."

Recommendation

The Board of Aldermen avoid transactions that represent actual conflicts of interest or the appearance of conflicts of interest.

Auditee's Response

The Board of Aldermen provided the following response:

The Board member in question no longer serves on the Board of Aldermen, and is no longer employed by the city of Bunceton.

5. Sunshine Law

The city did not always comply with the Sunshine Law. The Board held 13 closed meetings during the year ended June 30, 2014.

5.1 Public access policy

The Board has not adopted a formal policy regarding public access to city records. A formal policy regarding public access to city records would establish guidelines for the city to make requested records available to the public. A public access policy would provide information to the public to ensure any records requests are handled consistently and in compliance with state law. At a minimum, such a policy should identify a person to contact, provide an address to mail such a request, and establish a cost schedule for providing copies of public records.

Section 610.023, RSMo, lists requirements of making records available to the public, and Section 610.026, RSMo, allows the city to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Finally, Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

5.2 Votes in closed meetings

The Board does not make public the results of the votes taken and the final disposition of matters discussed in closed meetings, when required. There were 13 closed meetings held during the year ended June 30, 2014. Votes were taken during 7 of the 13 meetings which, due to the subject of the vote, should have been disclosed. However, the result of these votes were not made public in the open meeting minutes or by other means.



City of Bunceton Management Advisory Report - State Auditor's Findings

Section 610.021, RSMo, provides that after a closed meeting, depending on the reason for the meeting, the governmental body must make any votes or decisions public or available to the public.

5.3 Topics discussed

Some topics discussed during closed meetings were other than the specific reasons cited for going into a closed meeting. On multiple occasions the open meeting minutes documented a topic to be discussed in the closed meetings that was not covered in the meeting, or minutes documented a topic to be discussed and showed other issues in addition to that topic were discussed. For example, on two separate occasions, during the open meeting the Board voted to go into a closed meeting to discuss legal issues; however, during both of these meetings the Board also discussed personnel issues.

Section 610.022, RSMo, requires a closed meeting, record, or vote to be held only for the specific reasons announced publicly at an open meeting. In addition, this law provides that public governmental bodies shall not discuss any other business during the meeting that differs from the specific reason used to justify such meeting, record, or vote.

Recommendations

The Board of Aldermen:

- 5.1 Develop written policies regarding procedures to obtain access to, or copies of, public records.
- 5.2 Ensure votes taken and decisions made in closed meetings are properly made public when required.
- 5.3 Limit issues discussed in closed meetings to only those specific reasons cited to justify the closed meeting.

Auditee's Response

The Board of Aldermen provided the following responses:

- 5.1 *Implemented. A Sunshine Law policy has been written and approved by the Board.*
- 5.2 &
5.3 *Additional Sunshine Law training will be obtained for the Board and staff.*

City of Bunceton

Organization and Statistical Information

The City of Bunceton is located in Cooper County. The city was incorporated in 1868 and is currently a fourth-class city. The city employed 4 part-time employees on June 30, 2014.

City operations include law enforcement services, utilities (water, sewer, and trash), street maintenance, fire services, and a public park.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and the Board of Aldermen, at June 30, 2014, are identified below. The Mayor is paid \$3 per year and the Board of Aldermen members are paid \$1 per year. The compensation of these officials is established by ordinance.

Justin Hein, Mayor
John Breshears, Alderman
Teresa Carver, Alderwoman
Angie Jobe, Alderwoman
Johnathan Stroebel, Alderman

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2014, follows:

City of Bunceton
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended June 30, 2014

	General Fund	Street Fund	Water Fund	Sewer Fund	Trash Fund	Police Fund	Fire Fund	Park Fund	Replacement and Extension Fund	USDA Reserve Fund	Total
RECEIPTS											
Property taxes	\$ 20,316										20,316
Local sales taxes	10,001										10,001
Franchise tax	14,478										14,478
Motor fuel and vehicle taxes		14,652									14,652
Utility revenues			57,037	52,216	23,172				4,931		137,356
Utility fees			5,491								5,491
Fines and fees						1,970					1,970
Loan proceeds				90,760							90,760
Grant proceeds							2,698				2,698
Donations							5,535	473			6,008
Miscellaneous	618			181				300		29	1,128
Total Receipts	45,413	14,652	62,528	143,157	23,172	1,970	8,233	773	4,931	29	304,858
DISBURSEMENTS											
Personal service	3,736	3,242	10,970	4,236		1,229	15	350			23,778
Payroll taxes	680	1,190		1,727		225	46	190			7,481
United States Department of Agriculture (USDA) loan payments			31,092								31,092
Trash service provider					22,480						22,480
Propane/vehicle fuel	3,876	1,105				392	431				5,804
Expense and equipment		750					2,607				3,357
Operation and maintenance	5,138	9,703	16,004	114,459		3,286	569	754			149,913
Legal fees	7,492		66	2,372		22					9,952
Insurance	1,830		12,294		3,878	1,435	1,921				21,358
Utilities	8,965		2,023								10,988
Engineering services				10,500							10,500
Mowing	825						90	860			1,775
Miscellaneous		939	5,360	1,819							8,118
Total Disbursements	32,542	16,929	81,232	135,113	26,358	6,589	5,679	2,154	0	0	306,596
RECEIPTS OVER/(UNDER) DISBURSEMENTS	12,871	(2,277)	(18,704)	8,044	(3,186)	(4,619)	2,554	(1,381)	4,931	29	(1,738)
TRANSFERS											
Transfers from:											
General Fund	(8,500)										(8,500)
Street Fund		(2,081)									(2,081)
Water Fund			(4,629)								(4,629)
Police Fund						(1,090)					(1,090)
Fire Fund							(76)				(76)
Park Fund								(498)			(498)
Transfers to:											
General Fund	8,374										8,374
Police Fund						3,400					3,400
Fire Fund							3,400				3,400
Park Fund								1,700			1,700
Total Transfers	(126)	(2,081)	(4,629)	0	0	2,310	3,324	1,202	0	0	0
RECEIPTS OVER/(UNDER) DISBURSEMENTS	12,745	(4,358)	(23,333)	8,044	(3,186)	(2,309)	5,878	(179)	4,931	29	(1,738)
ADJUSTMENTS *	(6,518)	591	1,785	(999)	(63)	(174)	(174)	87	1,411	0	(4,054)
CASH BALANCE, JULY 1, 2013	6,558	32,681	78,888	51,321	10,219	6,869	4,519	4,962	6,600	32,127	234,744
CASH BALANCE, JUNE 30, 2014	\$ 12,785	28,914	57,340	58,366	6,970	4,386	10,223	4,870	12,942	32,156	228,952

* Unidentified difference between beginning and ending cash balances.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Thirty-Third Judicial Circuit

City of Miner Municipal Division



May 2015

Report No. 2015-031

<http://auditor.mo.gov>

Thirty-Third Judicial Circuit, City of Miner Municipal Division

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings

1.	Missing Monies	4
2.	Accounting Controls and Procedures	5
3.	Bond Liabilities and Disbursements	6
4.	Municipal Division Procedures	8



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

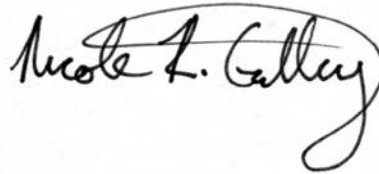
Presiding Judge
Thirty-Third Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Miner, Missouri

We have conducted follow-up work on audit report findings contained in Report No. 2014-143, *Thirty-Third Judicial Circuit, City of Miner Municipal Division* (rated as Poor), issued in December 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the court about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the municipal division, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by municipal division and city officials, and held meetings with municipal division and city officials. Documentation

reviewed included bank statements, Judicial Information System (JIS) reports, ticket logs, and various other financial and municipal division records. This report is a summary of the results of this follow-up work, which was substantially completed during April 2015.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

Thirty-Third Judicial Circuit, City of Miner Municipal Division

Follow-Up Report on Audit Findings

Status of Findings

1. Missing Monies

From August 2012 through June 2014 municipal division receipts totaling at least \$14,398 were recorded by the court and properly transmitted to the city; however, after release by the court, these monies were not deposited by the city. In addition, some essential records documenting amounts received by the city were altered.

In July and August 2014, we determined monies were missing, and notified the Municipal Judge, Mayor, and City Prosecuting Attorney of our concerns on September 16, 2014. The City Prosecuting Attorney contacted the Missouri State Highway Patrol to investigate. Stephanie Turner, City Clerk, was terminated by the city on October 3, 2014, and charged with felony theft/stealing by the Scott County Prosecuting Attorney on December 22, 2014. Ms. Turner had served as the city's Administrative Assistant from October 2011 until May 2014, when she was appointed interim City Clerk. She was appointed City Clerk in June 2014. The city did not hire a replacement Administrative Assistant until August 2014. The city hired a temporary City Clerk in September 2014 and a new City Clerk in October 2014.

Undeposited receipts

Receipts totaling \$12,398 recorded on 108 receipt slips issued by the municipal division for fines and court costs and the Police Department for bonds, and transmitted to the city were not deposited.

Altered receipt report

After we discussed the initial receipt discrepancy with municipal division and city personnel in July 2014, someone made changes to the city's electronic receipt report to alter receipt amounts previously recorded. When we compared the electronic receipt report provided to us with the original electronic receipt report, we determined the amounts recorded for 19 receipt slips, totaling \$2,000, had been altered.

Recommendation

The City of Miner Municipal Division work with law enforcement officials regarding any possible criminal prosecution related to the missing funds, including restitution.

Status

Implemented

The City Prosecuting Attorney indicated the municipal division is working closely with the Missouri State Highway Patrol and the Scott County Prosecuting Attorney in their investigation. A claim was filed with the city's insurance company related to the theft, and the Board of Aldermen (Board) accepted a settlement of \$18,398¹ on April 22, 2015.

¹ Includes \$14,398 for missing municipal division receipts, less \$1,000 deductible, plus \$5,000 allowed for additional auditing and accounting expenses.



Thirty-Third Judicial Circuit, City of Miner Municipal Division
Follow-up Report on Audit Findings
Status of Findings

2. Accounting Controls and Procedures

We identified significant weaknesses with accounting controls and procedures of the municipal division and the depositing and reconciling of monies by the city.

2.1 Oversight and reconciliations

Neither the municipal division nor city personnel performed adequate supervisory or independent reviews of accounting functions and records. Proper segregation of duties within the municipal division was not possible because the Municipal Court Clerk was the only municipal division employee.

In addition, no one independent of the cash custody and record-keeping functions reconciled recorded receipts to deposits, or reviewed disbursements.

Recommendation

The City of Miner Municipal Division ensure documented periodic independent or supervisory reviews of receipt, deposit, and disbursement records are performed.

Status

In Progress

The municipal division implemented the JIS on January 1, 2015. With this system, oversight and reconciliation procedures improved. The municipal division provides the City Clerk with daily receipt reports. The City Clerk reconciles the composition of receipts to the composition of monies transmitted by the municipal division. Although the City Clerk indicated he reviews the daily receipt reports within the JIS, his review of any composition differences identified is not documented. The City Clerk indicated he will start documenting his review. The monies are then transmitted to the City Collector, who also reconciles the composition of receipts with the composition of monies transmitted, issues a receipt slip for the monies received, and prepares the deposit. A copy of the city's receipt slip and deposit slip are then provided to the municipal division to reconcile with the monies transmitted to the city. Monthly disbursement totals are generated by the JIS. The City Clerk reviews the totals and prepares the disbursements.

2.2 Receipting, recording, transmitting, and depositing procedures

The municipal division and the city lacked procedures to ensure all monies received are receipted, recorded, transmitted, and deposited properly.

The method of payment was not recorded on numerous receipt slips reviewed, and the composition of receipt slips could not be reconciled to the composition of monies transmitted to the city or to the composition of monies deposited by the city. The Municipal Court Clerk did not always transmit monies timely to the city and the city did not always deposit court monies timely. Municipal division receipts were handled by several



Thirty-Third Judicial Circuit, City of Miner Municipal Division
Follow-up Report on Audit Findings
Status of Findings

employees before deposit, and there was not adequate documentation to support the transmittal of monies from one employee to another.

The City Collector did not perform a reconciliation to ensure the composition of monies transmitted by the Municipal Court Clerk to the city agreed to the composition of monies remitted to the City Collector for deposit. In addition, no copies of the City Collector's deposit slips were provided to the Municipal Court Clerk to support the amounts deposited.

Recommendation

The City of Miner Municipal Division establish procedures to improve receipting, recording, and transmitting controls to ensure the method of payment is indicated for all receipts and monies are transmitted to the city timely. In addition, work with the city to ensure the composition of municipal division receipts is reconciled to the composition of deposits, and receipts are deposited timely.

Status

In Progress

As noted in section 2.1, the municipal division implemented the JIS on January 1, 2015. Manual receipt slips are no longer used by the municipal division for fines and court costs, but are still used by the Police Department for bond monies. The city is reconciling the composition of receipts to monies transmitted by the municipal division and to deposits. However, we reviewed March and April 2015 municipal division records and noted an instance where the composition of monies receipted did not agree to the composition of monies transmitted and deposited. In addition, monies were not always transmitted or deposited timely. Also, there is no reconciliation of bond receipt slips issued by the Police Department with bond monies transmitted to the city. The City Clerk indicated in the future, monies will be transmitted daily from the municipal division and deposits will be more timely because a new City Collector took office on April 8, 2015. In addition, any composition differences will be investigated and documented. Monies transmitted for bonds will also be reconciled to the receipt slips issued by the Police Department.

3. Bond Liabilities and Disbursements

The municipal division's procedures related to identifying, reconciling, and monitoring bond liabilities needed improvement. In addition, the city made errors in the disbursement of court costs and bonds, and had inadequate disbursement controls.

3.1 Bond liabilities and reconciliations

The Municipal Court Clerk did not prepare a list of liabilities (open bonds) for comparison to the reconciled bond bank account balance, and was unable to agree open bonds to the account balance.

At our request, the Municipal Court Clerk prepared a list of open bonds at August 31, 2014, and the list totaling \$33,831 exceeded the reconciled bank



Thirty-Third Judicial Circuit, City of Miner Municipal Division
Follow-up Report on Audit Findings
Status of Findings

balance of \$31,774 by \$2,057, indicating a shortage in the account. In addition, bond disbursements from November 2012, totaling \$2,150, were not properly disbursed from the bond account to the city's general account. Had these bonds been disbursed, an additional shortage of \$2,150 would have existed in the bond account.

Recommendation

The City of Miner Municipal Division prepare monthly lists of open bonds and reconcile the lists to the reconciled bank balance. Unidentified differences should be promptly investigated and resolved.

Status

Implemented

With the implementation of the JIS in January 2015, the city opened a new municipal division bank account. As existing bond information was entered into the JIS, the corresponding bond monies were transferred from the old municipal division bond bank account to the new account. A list of liabilities is generated monthly from the JIS and is reconciled to the bank balance. The City Clerk indicated any unidentified differences are investigated and resolved. The monthly open bond report is provided to the Municipal Judge and City Prosecuting Attorney for review. We reviewed the monthly bank reconciliations for January, February, and March 2015, and noted the reconciled bank balance agreed to a list of liabilities, which included open bonds.

3.2 Review of open bonds

The municipal division had not adequately reviewed the status of old open bonds held in the municipal division bond bank account. The August 31, 2014, list of open bonds consisted of 114 bonds totaling \$33,831. Forty-eight of these bonds, totaling \$17,375, were over 5 years old, with 4 of those bonds dating back to 2001. The municipal division had attempted to refund 8 of these bonds, totaling \$1,365, but the disbursements were returned due to incorrect addresses. The Municipal Court Clerk indicated the municipal division did not previously forfeit bonds if defendants failed to appear in court; however, the current Municipal Judge was reviewing the old bonds and pledged to work with the City Prosecuting Attorney to ensure the bonds were applied, forfeited, or refunded timely.

Recommendation

The City of Miner Municipal Division routinely review the list of open bonds and disburse or dispose of monies as appropriate.

Status

Implemented

In December 2014, the municipal division and the City Clerk prepared a list of open bonds. Following review by the Municipal Judge, old bonds were applied, forfeited, or refunded as determined necessary. The municipal division plans to continue to review the open bond list annually to ensure old bonds are disbursed or disposed of as appropriate. We reviewed the



Thirty-Third Judicial Circuit, City of Miner Municipal Division
Follow-up Report on Audit Findings
Status of Findings

December 2014 list of open bonds and noted \$18,712 in bonds had been forfeited. In addition, the City Clerk stated the payees of several bond refunds could not be located and he remitted the monies to the state as unclaimed property.

3.3 Monthly disbursements
and reports

The City Clerk did not always accurately calculate monthly disbursements of fines, court costs, and bonds, and did not always prepare correct monthly court reports submitted to the state.

Recommendation

The City of Miner Municipal Division develop procedures to ensure the monthly distributions are properly calculated and disbursed, and amounts reported on monthly municipal division reports are accurate.

Status

Implemented

With the implementation of the JIS in January 2015, monthly disbursement amounts are automatically calculated. The City Clerk indicated he reviews the monthly disbursements to ensure court cost disbursements match the correct number of cases. In addition, monthly report totals are now automatically obtained from the JIS by the Office of State Courts Administrator (OSCA) and it is no longer necessary for the municipal division to prepare and submit the monthly report. We reviewed the monthly disbursement documentation for March 2015 and noted the disbursement amounts agreed to monthly report totals generated from the JIS.

3.4 Disbursement controls

The City Collector had custody of a facsimile stamp of the Mayor's signature and used the stamp to sign checks, with no subsequent review performed by the Mayor. In addition, the City Treasurer occasionally signed checks in advance. Disbursements from the municipal division bond bank account require the signatures of the Mayor, City Treasurer, and City Clerk.

Recommendation

The City of Miner Municipal Division work with the city to limit access to the Mayor's signature stamp to maintain the controls intended for multiple signatures on checks and discontinue allowing check signers to sign checks in advance.

Status

Implemented

The City Clerk indicated the city has discontinued signing checks in advance. In addition, the Mayor has custody of his signature stamp and he is the only person using it.

4. Municipal Division
Procedures

Procedures related to ticket accountability and monitoring excess revenues needed improvement. Audit work did not identify significant noncompliance with Section 302.341.2, RSMo, but determined the need for



Thirty-Third Judicial Circuit, City of Miner Municipal Division
Follow-up Report on Audit Findings
Status of Findings

better records and monitoring procedures by the municipal division and city to ensure full compliance with state law. In addition, the municipal division had been inappropriately charging and collecting court costs for the Court Automation Fund (CAF) and did not file a monthly report of cases heard with the city as required.

4.1 Ticket accountability

The Police Department and the municipal division did not work together to ensure the numerical sequence and ultimate disposition of all tickets issued were accounted for properly.

Four tickets were missing out of 159 tickets reviewed and Police Department personnel could not locate any copies of these tickets. For 10 of 159 tickets reviewed, the Police Department incorrectly entered the ticket number into the Police Department's computerized system. In addition, 23 of 159 tickets reviewed were voided; however, the Police Department did not follow a consistent policy for handling voided tickets.

Recommendation

The City of Miner Municipal Division work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets are accounted for properly. In addition, the Police Department should prepare written policies and procedures for the handling of voided tickets.

Status

Implemented

The Police Department provides a spreadsheet to the municipal division identifying each ticket book assigned to each police officer. Also provided are spreadsheets accounting for each ticket issued from each ticket book. The Police Department identifies ticket information, including the ticket number, date issued, defendant's name, and offense. Once received, the municipal division compares each ticket listed on the ticket book spreadsheet to the JIS. The municipal division records on the spreadsheet if the ticket has been received and the ultimate disposition of the ticket. After all tickets have been accounted for, a copy of the ticket book spreadsheet is returned to the Police Department. We reviewed the spreadsheets maintained for several ticket books and noted the numerical sequence and ultimate disposition of all tickets were accounted for. In addition, we observed the new policies and procedures developed by the Police Department for the handling of tickets, including voided tickets. We noted no concerns.

4.2 Monitoring of excess revenues

The municipal division had not provided a report of traffic violation tickets and associated fines and court costs revenues to the city for inclusion in the calculation and reporting required in the city's annual financial report filed with the State Auditor's office (SAO).



Thirty-Third Judicial Circuit, City of Miner Municipal Division
Follow-up Report on Audit Findings
Status of Findings

The municipal division did not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected and transmitted to the city. This information is needed by the city to calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, to determine whether excess revenues should be distributed to the state Department of Revenue, and to provide an accounting of the percent in its annual financial report as required by state law.

Recommendation

The Municipal Division develop procedures and records to identify applicable traffic violations and the associated fines and court costs revenues and provide this information to the city.

Status

In Progress

The city's fiscal year end August 31, 2014, audited financial report was timely filed with the SAO, and included an accounting of the percent. However, our review determined the 9.5 percent reported was not accurate because the percent was calculated using total fines and court costs, rather than fines and court costs relating only to traffic violation tickets. Through the implementation of the JIS, the municipal division can now track traffic violation tickets and the associated fines and court costs collected and transmitted to the city. This information is used by the City Clerk monthly to calculate the percent of general operating revenue from fines and court costs related to traffic violations. This percent will also be reviewed annually and included in the city's annual financial report filed with the SAO. We observed the city's calculation for March 2015, which determined the percent of general operating revenue from fines and court costs related to traffic violations to be 3.9 percent. However, the report generated from the JIS did not include all applicable traffic violations due to the coding of certain traffic violations in the JIS. The City Clerk indicated he will work with the OSCA to ensure all traffic violations are properly coded in the JIS and the totals generated for fines and court costs associated with traffic violations are correct.

4.3 Court automation fee

The municipal division had been inappropriately charging and collecting court costs of \$7 for the statewide CAF fee since at least June 2000. The municipal division collected CAF fees totaling \$5,159 for the year ended August 31, 2014. The total amount collected in error likely exceeded \$50,000. In addition, neither the municipal division nor the city could locate a municipal ordinance supporting the collection of the CAF fee.

Recommendation

The City of Miner Municipal Division review all court costs to ensure fees are assessed in accordance with state law and Supreme Court Operating Rules. In addition, review the past handling of the CAF fees with the OSCA to determine if any action should be taken.



Thirty-Third Judicial Circuit, City of Miner Municipal Division
Follow-up Report on Audit Findings
Status of Findings

Status

Partially Implemented

The city and the municipal division have worked with the OSCA to review all court costs and are also working to review the city's municipal division ordinances. In November 2014, the Board approved ordinance number 1091 identifying current court costs, surcharges, and judgements. With the implementation of the JIS in January 2015, it is now appropriate for the municipal division to charge and collect the \$7 CAF fee. However, there has been no discussion with the OSCA regarding reviewing the past handling of the CAF fee.

4.4 Report of cases heard

The Municipal Court Clerk did not file a monthly report of cases heard with the city, as required by Section 479.080.3, RSMo, and Supreme Court Operating Rule 4.29.

Recommendation

The City of Miner Municipal Division ensure a monthly report of cases heard in the municipal division is prepared and filed with the city in accordance with state law and the Supreme Court Operating Rule.

Status

In Progress

The City Clerk indicated a copy of the monthly general ledger report is filed with the Board. The report identifies all municipal division receipts and disbursements for the month. We observed a copy of the March 2015 general ledger report included as part of the information presented to the Board. Beginning with April 2015, the municipal division also plans to submit a copy of the monthly court docket to the Board to support all cases heard in the municipal division court.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Grandview C-4 School District



May 2015

Report No. 2015-032

<http://auditor.mo.gov>

Grandview C-4 School District

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.1	Bonds - QZA bonds partnership and expenditures	3
1.2	Bonds - Bond financing	3
2.	Bank Reconciliations	4
3.	Procurement Practices.....	4
4.	Computer Controls.....	5
5.	Sunshine Law.....	6

*Includes selected findings



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the Board of Education
Grandview C-4 School District

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-062, *Grandview C-4 School District* (rated as Fair), issued in August 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the district about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the district, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed documentation provided by the district and held discussions with district personnel. Documentation included copies of contracts, purchasing policies and procedures, Board minutes, and bank records. This report is a summary of the results of this follow-up work, which was substantially completed during February and March 2015.

Nicole R. Galloway, CPA
State Auditor

Grandview C-4 School District

Follow-Up Report on Audit Findings

Status of Findings

1.1 Bonds - QZA bonds partnership and expenditures

The district took no action from 2008 to 2013 to ensure it received contributions committed to by its private business partner, as required by the Qualified Zone Academy (QZA) program. The district's business partner, a local bank, entered into written agreements in conjunction with the 3 QZA issuances since 2008 to provide a contribution, which as of the third QZA issuance totaled approximately \$820,000 (10% of the value of the bonds issued), mainly through providing summer internships to district students. The district had not implemented a student internship program with the private business partner and the business partner made no contributions of any kind to the district from 2008 to 2013. District officials indicated the bank had been the district's business partner since at least 2002 and they contacted the bank in late 2013 to inquire about the contributions. Bank representatives informed them the bank was now under new ownership and did not plan to honor the prior agreements with the district.

Some uses of QZA bond proceeds were not allowable under state law or QZA program restrictions. During the 2011-2012 school year, district records showed use of approximately \$117,000 in QZA bond proceeds for the purchase of various uniforms for athletic programs, the band, and choir. State law and QZA program restrictions do not allow use of bond proceeds for such purposes.

Recommendation

The School Board comply with the private business partnership requirements of the QZA program and ensure all expenditures using QZA bond proceeds are allowable and reasonable.

Status

In Progress

In September 2014, the district contacted the state Department of Elementary and Secondary Education (DESE) to obtain input on resolving this finding. DESE provided the district contact information at the federal agency responsible for the program. Numerous discussions have taken place with the private business partner regarding pledged obligations and how the partner intends to meet those obligations. The district received 50 computers from the partner in March 2015 and plans to closely monitor contributions in the future.

1.2 Bonds - Bond financing

The district used the same provider to serve as both financial advisor and bond underwriter for all of its issuances, and sold these bonds using a negotiated sale rather than a competitive bid process.

Recommendation

The School Board pursue open competition in any future bond sales and discontinue using an underwriter who also acts in a dual capacity as financial advisor.



Grandview C-4 School District
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

In May 2015 the Board approved a notice for sale of \$4,000,000 in bonds remaining from the issuance authorized in April 2013, as well as \$3,295,000 in refunding bonds. Both issuances are being competitively bid, with bids due to the district by May 21, 2015. The district solicited proposals for an independent financial advisor in February 2015 and contracted with the selected firm in March 2015.

2. Bank Reconciliations

The district was unable to reconcile its bank account with its general ledger fund balances for fiscal years 2011 through 2013. The district entered into an agreement with its auditor to provide consulting services to identify the reasons for the discrepancy. As of July 2013, there was an unidentified difference of approximately \$35,000 in the general ledger.

Recommendation

The School Board ensure adequate bank reconciliations are performed and discrepancies are promptly investigated and corrected.

Status

Implemented

The district provided the February 2015 bank reconciliations for review and all accounts were reconciled to the general ledger balances.

3. Procurement Practices

District procurement practices needed improvement.

3.1 Purchase orders

The district did not ensure purchase orders were issued timely for all goods and services. Some district staff were apparently unaware purchase orders were required for purchases from the activity funds.

District policy DJF-AP1 required preparation and approval of purchase orders prior to ordering the applicable goods or services.

Recommendation

The School Board ensure purchase orders are prepared and approved prior to incurring the related expenditure.

Status

Implemented

District personnel indicated purchase orders are now prepared and approved for all expenditures before the purchase is made. District personnel indicated policies and procedures regarding purchase orders have been reviewed periodically with the administrative team, most recently in January 2015.

3.2 Legal services

The district did not solicit proposals for legal services. The district had used the same law firm as the district's counsel since June 2009 without periodically soliciting proposals for these services.



Grandview C-4 School District
Follow-up Report on Audit Findings
Status of Findings

Recommendation	The School Board ensure competitive proposals are solicited for legal services to the extent practicable, and maintain all related documentation, including reasons for the district's decisions.
Status	Implemented The district issued a request for qualifications in February 2015 for legal services. The Superintendent indicated several firms were interviewed and a contract for legal services was approved by the Board at its April 16, 2015, meeting.
4. Computer Controls	Controls over district computer systems were not sufficient to prevent unauthorized access.
4.1 Password controls	The district had not established adequate password controls to reduce the risk of unauthorized access to computer systems and data. Passwords were not required to be changed on a periodic basis to help ensure passwords remain known only to the assigned user and to reduce the risk of compromise.
Recommendation	The School Board require a unique password for each employee that is confidential and periodically changed to prevent unauthorized access to district computer systems and data.
Status	Implemented District personnel indicated each employee now has a confidential, unique password, which is required to be changed every 90 days.
4.2 Security controls	Security controls were not in place in any of the district offices to shut down a computer after a certain period of inactivity or lock it after a specified number of incorrect logon attempts.
Recommendation	The School Board require each district computer have security controls in place to shut down the computer after a certain period of inactivity and lock it after a specified number of incorrect logon attempts.
Status	Implemented District personnel indicated users will now be locked out after 10 incorrect logon attempts and computers are now locked after a 30 minute period of inactivity.
4.3 Backup data	Backup data for the district's financial, food service and email systems, and all student related information may not have been available for restoring systems following a disaster or computer failure. Data backups were performed daily. However, the backups were not stored at a secure off-site



Grandview C-4 School District
Follow-up Report on Audit Findings
Status of Findings

location but were stored at the same location as the original data and periodic testing of the data for adequacy was not performed.

Recommendation

The School Board ensure backup data is stored in a secure off-site location and tested on a regular, predefined basis.

Status

Implemented

District personnel indicated finance records are uploaded to the technology vendor daily, who is responsible for storage. Student information, which includes food service data, is now web hosted, with the technology vendor maintaining a data center with off-site backup. The district now uses a web hosted email environment, and utilizes online storage for email backup.

5. Sunshine Law

Agendas and/or minutes were not available for some of the monthly audit and facilities improvement team (FIT) committee meetings held during the 2012-2013 school year. The district did not have agendas for audit committee meetings for July 2012, January 2013, March 2013, and May 2013, and only had minutes for the August 2012 and September 2012 meetings, which had not been formally approved. The district had agendas for only 4 FIT committee meetings and had no minutes for those meetings.

Recommendation

The School Board maintain complete and accurate minutes for meetings for all committees as well as tentative agendas.

Status

Implemented

All meeting agendas and minutes, including all committee meetings, are now posted using a software application for web-based management and publication of meetings.



Nicole R. Galloway, CPA
Missouri State Auditor

Compilation of 2014 Federal Forfeiture Reports



June 2015

Report No. 2015-033

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Compilation of 2014 Federal Forfeiture Reports

Background	Section 513.653.1, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to file a report regarding federal seizures and the proceeds received therefrom with the Department of Public Safety and the State Auditor's office.
Reporting	For the year ended 2014, 692 law enforcement agencies were identified that may need to submit a federal forfeiture report. Of these agencies, 344 did not file a federal forfeiture report and conclusions regarding reporting compliance cannot be made for non-reporting law enforcement agencies. We noted some reporting inconsistencies between years for law enforcement agencies.

Because of the nature of this compilation, no overall rating is provided.

Compilation of 2014 Federal Forfeiture Reports

Table of Contents

State Auditor's Compilation	2
-----------------------------	---

Executive Summary	3
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Appendixes

Appendix

A	Summary of Information Reported in the 2014 Federal Forfeiture Reports	5
B	Law Enforcement Agencies Reporting No Participation	10
C	Law Enforcement Agencies Not Filing a 2014 Federal Forfeiture Report But Previously Reported a December 31, 2013, Balance	12



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

Section 513.653.1, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to file a report regarding federal seizures and the proceeds therefrom to the Department of Public Safety and the State Auditor's office. Although Section 513.653.1, RSMo, only requires my office to receive these reports, my office has compiled the information presented to us by law enforcement agencies. The compilation is limited to presenting information that is submitted. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them, including whether or not an agency is in compliance with the statute. The primary objectives of this compilation were to:

1. Identify law enforcement agencies submitting federal forfeiture reports.
2. Summarize the information reported.

Conclusions regarding compliance cannot be made for law enforcement agencies that did not file a report, but results suggest the majority of law enforcement agencies did not use the federal forfeiture system during 2014.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: John Luetkemeyer, CPA
Director of Audits: Regina Pruitt, CPA
In-Charge Auditor: Becky Webb, CPA, CFE
Audit Staff: Dana Wansing, MPA

Compilation of 2014 Federal Forfeiture Reports

Executive Summary

Law Enforcement Agencies Required to Submit a Federal Forfeiture Report to the State Auditor's office

Section 513.653.1, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to annually file a report regarding federal seizures and the proceeds received therefrom with the Department of Public Safety (DPS) and the State Auditor's office (SAO).

According to the U.S. Department of Justice (DOJ) publication, *Guide to Equitable Sharing for State and Local Law Enforcement Agencies*, the DOJ Asset Forfeiture Program is "a nationwide law enforcement initiative that removes the tools of crime from criminal organizations, deprives wrongdoers of the proceeds of their crimes, recovers property that may be used to compensate victims, and deters crime." Any state or local law enforcement agency that directly participates in an investigation or prosecution resulting in a federal forfeiture may request an equitable share of the net proceeds of the forfeiture. Equitably shared funds must be used for law enforcement purposes, except as noted in the publication, and must increase or supplement the resources of the receiving law enforcement agency. In addition to reporting requirements under state law, there are also various program mandated accounting, reporting, and audit requirements. The U.S. Department of the Treasury administers its own Asset Forfeiture Program for similar purposes and with similar restrictions and requirements.

The DPS compiled a list of law enforcement agencies using information from the Peace Officer Standards and Training (POST) program and the Justice Assistance Grants (JAG) distribution lists, and notified the law enforcement agencies of the requirement to submit reports if the agencies participated in the federal forfeiture system. The notification also included the federal forfeiture report form developed by the DPS. According to DPS personnel, the list does not represent a complete list of all law enforcement agencies, but includes all law enforcement agencies with commissioned officers or drug task forces receiving funding from the DPS.

There are 691 agencies on the DPS list provided to our office. One city reported it did not have local law enforcement in 2014 (see Appendix B). Thus, this agency was not included in the reporting status. In addition, 2 agencies filed reports even though they did not receive notification from DPS, resulting in 692 law enforcement agencies to potentially report. The following table summarizes the 2014 reporting.

Reporting Status	Number	Percentage
Agencies reporting participation (Appendix A)	134	19.36 %
Agencies reporting no participation (Appendix B)	214	30.93
Number of agencies reporting	348	50.29
Number of agencies not reporting	344	49.71
Total Possible Reports	692	100.00 %



Compilation of 2014 Federal Forfeiture Reports Executive Summary

Reporting Inconsistencies

Approximately half of the law enforcement agencies on the list did not respond and were not required to respond if they did not participate in the federal forfeiture system. The other 348 agencies submitted a report indicating their agency either did not participate in the federal forfeiture system or did participate and provided applicable reporting data.

We noted reporting inconsistencies between years for some law enforcement agencies. Eight law enforcement agencies identified on Appendix A did not file a federal forfeiture report in 2013 but reported a beginning balance as of January 1, 2014. Two law enforcement agencies identified on Appendix B reported they did not participate in 2014 but reported an ending balance on their 2013 federal forfeiture report.

A total of 344 law enforcement agencies did not file a 2014 federal forfeiture report. Thirteen of these law enforcement agencies did not file a 2014 federal forfeiture report but reported a December 31, 2013, balance on their 2013 federal forfeiture report. In addition, one agency filed a 2013 federal forfeiture report subsequent to the release of last year's compilation report and reported a December 31, 2013, balance, but did not file a 2014 federal forfeiture report. These agencies are listed in Appendix C.

Conclusions regarding compliance cannot be made for non-reporting law enforcement agencies. This compilation work is not an audit and as such, no verification was performed as to whether these agencies did or did not participate in the federal forfeiture system.

Appendix A
 Compilation of 2014 Federal Forfeiture Reports
 Summary of Information Reported in the 2014 Federal Forfeiture Reports

Name	Level of Participation by Agency Indicated on Federal Forfeiture Report				Total Value of Items Seized and Turned Over to the Federal Forfeiture System	Agency's Equitable Sharing Fund Balance and Activity			
	Submitted a request for forfeited assets	Received federal sharing funds (cash)	Received federal sharing assets (non-cash)	None of the above		Beginning Balance 01-01-14	Receipts	Expenditures	Ending Balance 12-31-14
1 Arnold Police Department	X				\$ 1,388,828	17,714	9		17,723
2 Ballwin Police Department		X				137,718	8,962	11,802	134,878
3 Bellefontaine Neighbors Police Department		X			8,844	23,503	8,844	22,074	10,273 B
4 Belton Police Department	X	X				245,676	74,408	129,163	190,921
5 Berkeley Police Department		X				0	80,000	0	A B
6 Board of Police Commissioners Kansas City, MO	X	X			326,228	7,913,309	728,323	730,515	8,322,699 A
7 Bolivar Police Department				X		20,206	0	0	20,206
8 Bollinger County Sheriff's Office	X				0	546	0	372	174 B
9 Boone County Sheriff's Office		X			24,856	67,416	863	10,617	62,869 A B
10 Bourbon Police Department	X					0			
11 Branson Police Department		X				0	23,490	0	23,490
12 Bridgeton Police Department	X	X				369,688	135,431	81,860	423,259
13 Brookfield Police Department				X		2,011	7	2,018	0
14 Buchanan County Drug Strike Force	X	X			5,230	5,812	5,674	6,086	5,400
15 Buchanan County Sheriff's Office	X	X			0	10,485	0	3,539	6,946 D
16 Butler County Sheriff's Office		X				1,289	1,350	2,210	429 E
17 Callaway County Sheriff's Office				X		11,971	74	3,516	8,529
18 Cameron Police Department				X	0	340	0	0	340 D
19 Cape Girardeau County Sheriff's Office	X	X			22,579		5,510		5,510
20 Cape Girardeau Police Department		X			4,800		300	285	29,506 A
21 Caruthersville Police Department	X		X		5,953	841,445	9,200	340,089	472,506 A B
22 Cedar County Sheriff's Office		X			0	4,158	1,622	3,000	2,780 D
23 Chesterfield Police Department		X			0	1,537,048	153,193	1,625,920	64,321
24 Christian County Sheriff's Office		X				2,358	55,478	31,834	23,634 A E
25 Clayton Police Department	X	X			0		130,902	141,482	22,936 A B
26 Clinton Police Department				X	0	5,575	12	0	5,587
27 Cole County Sheriff's Office		X				3,512	7,358	0	10,870
28 Columbia Police Department	X	X	X			181,431	35,075	51,911	158,952 A E
29 Combined Ozarks Multijurisdictional Enforcement Team (COMET)	X	X			0	349,980	56,119	245,000	161,099
30 Crawford County Sheriff's Office				X		0	0	2,087	0 A B
31 Creve Coeur Police Department				X		9,468	8	739	8,728 A B
32 Crystal City Police Department				X		135	25		160

Appendix A
 Compilation of 2014 Federal Forfeiture Reports
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	Submitted a request for forfeited assets	Received federal sharing funds (cash)	Received federal sharing assets (non-cash)	None of the above		Beginning Balance 01-01-14	Receipts	Expenditures	Ending Balance 12-31-14
33 Daviess County Sheriff's Office						0	10,000	10,000	0
34 Dent County Sheriff's Office		X				0	15,000	3,306	11,694
35 East Central Drug Task Force		X				26,689	15,375	10,282	31,782
36 Eureka Police Department	X		X			8,210	7,596	3,729	12,077 C
37 Excelsior Springs Police Department	X	X			178,500	83,440	188,566	22,062	249,944
38 Festus Police Department		X				20,698	18,411	3,264	35,845 B
39 Florissant Police Department	X	X	X		73,610	184,594	69,863	50,362	204,095
40 Franklin County Sheriff's Office				X		4,807	290		5,097 D
41 Fulton Police Department		X			568		623		43,358 A B E
42 Gilman City Police Department				X		2,014	0		0 A D
43 Glendale Police Department				X	0	4,699	3	2,366	2,336
44 Grandview Police Department		X			0	17,836	4,502	5,650	16,688
45 Greene County Sheriff's Office	X	X			445,887	22,059	80,154	91,768	10,445
46 Grundy County Sheriff's Office					0	132,760	0	44,769	87,991
47 Hanley Hills Police Department	X				0	0	0	0	0
48 Hayti Police Department				X		15,472		11,742	3,730 C
49 Hazelwood Police Department	X	X				12,685	366,417	109,422	269,680
50 Henry County Sheriff's Office				X	0		676	676	0
51 Hickory County Sheriff's Office				X	0	22,937	151	3,456	19,632 D
52 Howell County Sheriff's Office				X		14,785	45	3,000	14,789 A B
53 Independence Police Department		X				458,466	116,585	270,910	304,141
54 Jackson County Drug Task Force	X	X				208,257	4,850	38,800	174,307 B
55 Jackson County Sheriff's Office	X	X			133,685	224,277	133,783	52,911	305,149 B
56 Jasper County Drug Task Force		X				12,007	22,505	1,000	33,512 B
57 Jefferson County Municipal Enforcement Group (JCMEG)	X	X			0	38,974	26	14,145	24,855 C
58 Jefferson County Sheriff's Office	X	X			9,088	182,962	35,184	144,437	73,709
59 Johnson County Sheriff's Office				X	0	5,596	32	0	5,628
60 Joplin Police Department		X				41,663	48,200	2,330	87,533
61 Kansas City International Airport Police Department	X	X				143,287	60,184	42,141	161,330
62 Kirkwood Police Department		X				172,508	85,409	144,905	113,012
63 Laclede County Sheriff's Office				X		838			838 B
64 Lafayette County Sheriff's Office	X	X				0	3,927		3,927

Appendix A
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	Submitted a request for forfeited assets	Received federal sharing funds (cash)	Received federal sharing assets (non-cash)	None of the above		Beginning Balance 01-01-14	Receipts	Expenditures	Ending Balance 12-31-14
65 Lake Area Narcotics Enforcement Group (LANEG)	X	X				41,784	19,519	52,305	8,998
66 Lake St. Louis Police Department				X		4,348		2,669	1,679
67 Lambert - St. Louis International Airport Police Department	X	X				1,975,685	262,392	115,157	2,122,920
68 Lebanon Police Department				X	0	674	0	0	674
69 Lee's Summit Police Department		X				227,835	5,347		233,182 B
70 Lincoln County Sheriff's Office	X	X				40,171	54,000	9,507	84,664
71 Maplewood Police Department	X	X			0	21,441	59,410	51,636	29,215
72 Marthasville Police Department				X			150,000	122,756	27,244 B E
73 Maryland Heights Police Department	X	X				501,469	122,463	135,419	488,513 C
74 Mineral Area Drug Task Force (MADTF)				X	0	14,000	0	0	13,000 A B
75 Missouri State Highway Patrol	X	X			73,681	1,621,588	377,341	1,290,257	708,193 A B
76 Moberly Police Department		X			43,393		19,313		A
77 Monett Police Department	X	X			2,275	2,275	2,275	0	2,275 A B
78 Morgan County Sheriff's Office	X	X				0	3,722	3,722	0
79 Multi-County Narcotics and Violent Crimes Enforcement Unit*	X	X				2,221	143,837	92,915	53,143
80 Municipal Enforcement Group Against Drug Abuse (MEGADA)		X				274,952	4,620	251,700	27,872
81 Mustang Drug Task Force	X	X			31,894	286,513	56,615	96,167	246,961
82 Newton County Sheriff's Office				X		17,150	31		17,181
83 Nixa Police Department		X				142	11,717		11,859
84 Normandy Police Department		X				4,274	14,613	2,879	16,008 B
85 North Missouri (NOMO) Drug Task Force		X				13,679	15,049		28,779 A
86 Northeast Missouri (NEMO) Narcotics Task Force	X	X				988	10,363	2,750	8,601 C
87 Northwoods Police Department	X				0	1,337	0	1,324	1,337 A E
88 O'Fallon Police Department	X	X					304,302	115,513	354,985 A B
89 Overland Police Department			X			114,559	58,766	24,825	148,500 E
90 Ozark Police Department		X				221,500	56,254	94,290	183,464
91 Park Hills Police Department				X		30,006			30,006 B
92 Pemiscot County Sheriff's Office				X		514,021	590	109,464	404,558 A
93 Perryville Police Department		X			15,200	15,200	15,200	2,442	12,758 A B
94 Pettis County Sheriff's Office				X		16,184			16,184 B
95 Phelps County Sheriff's Office	X	X			2,195,995	1,603,980	1,708,548	432,534	2,879,994
96 Platte County Sheriff's Office				X		134,511	1,463	14,169	121,805

Appendix A
 Compilation of 2014 Federal Forfeiture Reports
 Summary of Information Reported in the 2014 Federal Forfeiture Reports

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	Submitted a request for forfeited assets	Received federal sharing funds (cash)	Received federal sharing assets (non-cash)	None of the above		Beginning Balance 01-01-14	Receipts	Expenditures	Ending Balance 12-31-14
97 Pleasant Valley Police Department		X			0	0	3,980	3,569	411
98 Raytown Police Department	X	X			4,308	0	3,446		3,446
99 Richmond Heights Police Department	X	X				111,377	6,042	34,020	83,399
100 Ripley County Sheriff's Office		X			920	508	936	697	747
101 Rolla Police Department	X	X			31,653	8,590	199,411	130,209	77,792
102 Scotland County Sheriff's Office				X	0	2,474	25	0	2,499
103 Sedalia Police Department		X				25,493	25,493	7,610	7,610 A B
104 Shrewsbury Police Department	X				7,473	0			0
105 Sikeston Department of Public Safety	X	X	X		46,830	34,686	22,087	21,111	35,662
106 South Central Drug Task Force	X	X			0	442,670	189,071	437,385	177,104 A B
107 Southeast Missouri (SEMO) Drug Task Force	X	X			208,769	686,023	148,365	192,619	641,769
108 Southwest Missouri (SWMO) Drug Task Force		X				5,718	2,275	5,489	2,504 C
109 Springfield Police Department	X	X				160,893	59,421	155,481	64,833
110 St. Ann Police Department	X	X	X		313,291	0	313,291	299,911	0 A
111 St. Charles County Prosecuting Attorney's Office	X	X				209,458	40,066	99,591	149,933
112 St. Charles County Regional Drug Task Force (SCCRDTF)	X	X				188,418	175,644	69,295	294,767 B
113 St. Charles County Sheriff's Office	X	X			2,001,480	2,605,667	730,803	831,928	2,504,542 C
114 St. Charles Police Department	X	X				200,684	20,722	99,142	122,264
115 St. John Police Department	X	X				83,288	32,676	30,722	85,242 B
116 St. Joseph Police Department				X	5,796				5,796 A B
117 St. Louis County Police Department	X	X			763,194	2,321,462	671,437	598,628	2,394,271
118 St. Louis Metropolitan Police Department	X	X	X		87,356	3,193,082	308,203	1,489,761	2,098,881 A
119 St. Peters Police Department	X	X				124,413	134,237	91,365	166,785 A C
120 Ste. Genevieve County Sheriff's Office	X				1,259,880	195			185 A D
121 Steele Police Department				X		22,211			22,211
122 Sullivan Police Department	X					0			0
123 Sunset Hills Police Department				X		2,942			2,942
124 Taney County Sheriff's Office				X		5,425	21	300	5,146
125 Texas County Sheriff's Office				X			18	1,500	2,647 A B
126 Troy Police Department	X	X	X			2,437	12,115	6,242	3,736 A
127 Vernon County Sheriff's Office				X		581	4	21	564
128 Warren County Sheriff's Office	X	X				1,985	7,553	1,987	7,551

Appendix A
 Compilation of 2014 Federal Forfeiture Reports
 Summary of Information Reported in the 2014 Federal Forfeiture Reports

Name	Level of Participation by Agency Indicated on Federal Forfeiture Report				Total Value of Items Seized and Turned Over to the Federal Forfeiture System	Agency's Equitable Sharing Fund Balance and Activity			
	Submitted a request for forfeited assets	Received federal sharing funds (cash)	Received federal sharing assets (non-cash)	None of the above		Beginning Balance 01-01-14	Receipts	Expenditures	Ending Balance 12-31-14
129 Wayne County Sheriff's Office	X	X			6,228	6,228	6,228	0	6,228 A D
130 Waynesville Police Department		X			5,473	0	5,473	5,266	207
131 Webster Groves Police Department		X				11,514	36,875	43,474	4,915 B
132 Wentzville Police Department	X	X			943	4,577	66		4,643
133 Willard Police Department				X		656			656 B
134 Woodson Terrace Police Department		X				15,522	8,263	12,948	10,837
Total	62	87	9	34	\$ 9,734,688	32,006,978	9,452,591	12,228,223	29,779,126 F

Note: This appendix shows the categories of the federal forfeiture report and what each agency reported. Blanks for any item indicate the agency left that item blank and zeroes indicate the agency reported zero.

Legend:

- * The Multi-County Narcotics and Violent Crimes Enforcement Unit was previously the Franklin County Narcotics Enforcement Unit.
- A The beginning balance plus receipts minus expenditures does not mathematically agree with the ending balance reported.
- B The beginning balance reported as of January 1, 2014, does not agree with the ending balance reported as of December 31, 2013, as shown in Report No. 2014-042, *Compilation of 2013 Federal Forfeiture Reports*, or to the law enforcement agency's revised 2013 federal forfeiture report submitted to our office subsequent to release of the compilation report.
- C The beginning balance reported as of January 1, 2014, does not agree with the ending balance reported as of December 31, 2013, as shown in Report No. 2014-042, *Compilation of 2013 Federal Forfeiture Reports*, but agrees with the December 31, 2013, ending balance reported in the law enforcement agency's revised 2013 federal forfeiture report submitted to our office subsequent to release of the compilation report.
- D The law enforcement agency did not file a report for 2013 but reported a beginning balance as of January 1, 2014.
- E Filed with State Auditor's office subsequent to the statutory reporting deadline of January 31, 2015.
- F Due to footing errors noted in various law enforcement agency reports, the total beginning balance plus total receipts minus total expenditures does not mathematically agree to the total ending balance.

Appendix B
 Compilation of 2014 Federal Forfeiture Reports
 Law Enforcement Agencies Reporting No Participation

Name	Name
1 Adair County Sheriff's Office	61 Fair Grove Police Department
2 Adrian Police Department	62 Fairview Police Department
3 Andrew County Sheriff's Office	63 Fayette Police Department
4 Appleton City Police Department	64 Flordell Hills Police Department
5 Ashland Police Department	65 Fordland Police Department
6 Atchison County Sheriff's Office	66 Foristell Police Department
7 Ava Police Department	67 Forsyth Police Department
8 Bates County Sheriff's Office	68 Fredericktown Police Department (A)
9 Bella Villa Police Department	69 Frontenac Police Department
10 Belle Police Department	70 Gideon Police Department
11 Bel-Nor Police Department	71 Gladstone Department of Public Safety
12 Benton County Sheriff's Office	72 Goodman Police Department
13 Bertrand Police Department (B)	73 Gower Police Department
14 Beverly Hills Police Department	74 Grain Valley Police Department
15 Boonville Police Department	75 Green Ridge Police Department
16 Bowling Green Police Department	76 Hamilton Police Department
17 Braymer Police Department (B)	77 Hannibal Police Department
18 Bucklin Police Department	78 Hardin Police Department
19 Buffalo Police Department	79 Harrisonville Police Department
20 Butterfield Police Department	80 Henrietta Police Department
21 Cabool Police Department	81 Hermann Police Department
22 Caldwell County Sheriff's Office	82 High Hill Police Department
23 California Police Department	83 Hillsboro Police Department
24 Camden County Sheriff's Office	84 Holt Police Department
25 Camdenton Police Department	85 Howard County Sheriff's Office
26 Carl Junction Police Department	86 Humansville Police Department
27 Carroll County Sheriff's Office	87 Iron County Sheriff's Office
28 Carrollton Police Department	88 Jackson County Park and Recreational Rangers
29 Carter County Sheriff's Office	89 Jasper County Sheriff's Office
30 Carthage Police Department	90 Kelso Police Department
31 Cass County Sheriff's Office	91 Kennett Police Department
32 Cassville Police Department	92 King City Police Department
33 Center Police Department	93 Kirksville Police Department
34 Chariton County Sheriff's Office	94 Knox County Sheriff's Office
35 Charlack Police Department	95 Lake Ozark Police Department
36 Chillicothe Police Department	96 Lake Waukomis Police Department
37 Clay County Ranger Division	97 Lamar Police Department
38 Clinton County Sheriff's Office	98 Lancaster Police Department (B)
39 Cole Camp Police Department	99 Laurie Police Department (A)
40 Corder Police Department	100 Lawrence County Sheriff's Office
41 Country Club Hills Police Department	101 Lawson Police Department
42 Country Club Village Police Department	102 Leadington Police Department
43 Crane Police Department (B)	103 Leasburg Police Department
44 Crestwood Police Department	104 Lewis County Sheriff's Office
45 Crocker Police Department	105 Lexington Police Department
46 Curryville Police Department	106 Liberal Police Department
47 Dallas County Sheriff's Office	107 Liberty Police Department
48 Des Peres Department of Public Safety	108 Linn Creek Police Department
49 Dexter Police Department	109 Linn Police Department
50 Dixon Police Department	110 Livingston County Sheriff's Office
51 Doniphan Police Department	111 Lone Jack Police Department
52 Doolittle Police Department	112 Louisiana Police Department
53 Drexel Police Department	113 Macon County Sheriff's Office
54 Dunklin County Sheriff's Office	114 Macon Police Department
55 Dunklin R-5 School District Police Department	115 Madison County Sheriff's Office
56 Edina Police Department	116 Maries County Sheriff's Office
57 Edmundson Police Department	117 Marion County Sheriff's Office
58 El Dorado Springs Police Department	118 Maryville Department of Public Safety
59 Eldon Police Department	119 Mercer County Sheriff's Office
60 Emma Police Department (B)	120 Merriam Woods Police Department

Appendix B
 Compilation of 2014 Federal Forfeiture Reports
 Law Enforcement Agencies Reporting No Participation

Name	Name
121 Milan Police Department	168 Shelby County Sheriff's Office
122 Miller County Sheriff's Office	169 Smithville Police Department
123 Mineral Area College Department of Public Safety (B)	170 Springfield-Branson Airport Police Department
124 Missouri Capitol Police	171 St. Clair County Sheriff's Office (B)
125 Missouri Division of Fire Safety	172 St. Francois County Sheriff's Office
126 Missouri Division of Alcohol and Tobacco Control	173 St. Mary Police Department
127 Missouri State Park Rangers	174 Stewartville Police Department
128 Missouri Department of Social Services - State Technical Assistance Team	175 Stoddard County Sheriff's Office
129 Moline Acres Police Department	176 Strafford Police Department
130 Moniteau County Sheriff's Office (B)	177 Strasburg Police Department
131 Montgomery City Police Department	178 Sullivan County Sheriff's Office
132 Montgomery County Sheriff's Office	179 Summersville Police Department
133 Mound City Police Department	180 Sunrise Beach Police Department
134 Mount Vernon Police Department	181 Sweet Springs Police Department
135 Mountain View Police Department	182 Tarkio Police Department (B)
136 Nevada Police Department	183 Terre du Lac Police Department
137 New London Police Department	184 Thayer Police Department
138 Noel Police Department	185 Three Rivers College Police Department
139 Norborne Police Department	186 Town and Country Police Department
140 Oak Grove Police Department (B)	187 Tracy Police Department
141 Old Monroe Police Department	188 Trimble Police Department
142 Olivette Police Department	189 Truesdale Police Department
143 Oregon County Sheriff's Office	190 Truman State University Police Department
144 Orrick Police Department	191 University of Central Missouri Department of Public Safety
145 Osage Beach Police Department	192 Union Police Department
146 Owensville Police Department	193 Unionville Police Department
147 Pagedale Police Department	194 University of Missouri - Columbia Police Department
148 Parma Police Department (B)	195 University of Missouri - Kansas City Police Department
149 Perry County Sheriff's Office	196 Velda City Police Department
150 Perry Police Department	197 Verona Police Department
151 Pike County Sheriff's Office	198 Versailles Police Department
152 Platte City Police Department	199 Vinita Park Police Department
153 Platte Woods Police Department (B)	200 Wardell Police Department
154 Plattsburg Police Department	201 Warrensburg Police Department
155 Potosi Police Department	202 Warrenton Police Department
156 Putnam County Sheriff's Office	203 Warson Woods Police Department
157 Puxico Police Department	204 Washington University Police Department
158 Reeds Spring Police Department	205 Waverly Police Department
159 Republic Police Department	206 Webster County Sheriff's Office
160 Reynolds County Sheriff's Office	207 Wellington Police Department (B)
161 Riverview Police Department	208 Wellston Police Department
162 Rock Hill Police Department	209 West Plains Police Department
163 Rock Port Police Department	210 Weston Police Department
164 Rogersville Police Department	211 Willow Springs Police Department
165 Saline County Sheriff's Department	212 Winfield Police Department
166 Savannah Police Department	213 Winona Police Department
167 Schuyler County Sheriff's Office	214 Worth County Sheriff's Office

Note: This appendix lists law enforcement agencies that only marked "None of the Above" in their 2014 federal forfeiture report. In addition, officials from the City of Hale reported they did not have local law enforcement in 2014 and that police department is excluded from this list.

Legend:

- (A) The law enforcement agency reported no participation in the federal forfeiture system for 2014, but reported a December 31, 2013, balance on its 2013 federal forfeiture report, as shown in Report No. 2014-042, *Compilation of 2013 Federal Forfeiture Reports*.
- (B) Filed with State Auditor's office subsequent to the statutory reporting deadline of January 31, 2015.

Appendix C

Compilation of 2014 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2014 Federal Forfeiture Report But Previously Reported a December 31, 2013, Balance

		Balance
Name		12/31/13*
1	Barton County Sheriff's Office	\$ 8,888
2	Brentwood Police Department	12,924
3	Buckner Police Department	1,499
4	Clay County Sheriff's Office	33,318
5	Exeter Police Department	2,013
6	Ferguson Police Department	49,524
7	Gasconade County Sheriff's Office	524
8	Jefferson City Police Department	147,342
9	Manchester Police Department	40,498
10	Peculiar Police Department	690,113 A
11	Phelps County Prosecuting Attorney's Office	272,787
12	Poplar Bluff Police Department	33,546
13	Pulaski County Sheriff's Office	7,682
14	St. Robert Police Department	5,721

Legend:

- * As reported by the law enforcement agency in its 2013 federal forfeiture report and shown in Report No. 2014-042, *Compilation of 2013 Federal Forfeiture Reports*.
- A The Peculiar Police Department filed a 2013 federal forfeiture report subsequent to the release of last year's compilation report and reported a December 31, 2013, balance, but did not file a 2014 federal forfeiture report.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Osage County



May 2015

Report No. 2015-034

<http://auditor.mo.gov>

Osage County

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Questionable Purchases and Misuse of County Assets.....	3
2.	Payroll Records, Policies, and Procedures.....	5
3.	Review of Property Taxes.....	8
4.1	Sheriff Procedures - Deposits	8
4.2	Sheriff Procedures - Bonds.....	9
6.1	Capital Assets and Fuel Usage - Capital assets	9

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Osage County

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-125, *Osage County* (rated as Poor), issued in December 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation submitted by county officials and held discussions with county officials. Documentation included the County Clerk's account book, bank statements, receipt and deposit records, payroll records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during March and April 2015.

Nicole R. Galloway, CPA
State Auditor

Osage County

Follow-Up Report on Audit Findings

Status of Findings

1. Questionable Purchases and Misuse of County Assets The county received concerns of questionable purchases and misuse of county assets, and further investigation of these concerns was needed. In addition, the county did not always follow procedures over rock purchases and lacked controls and procedures over surplus property purchases.

1.1 Former Road and Bridge department foreman concerns During 2014, the county received concerns from Road and Bridge department personnel regarding possible misuse of county funds and property by the former Road and Bridge foreman. Items of concern included several loads of rock purchased by the former foreman with county funds at a local rock quarry and hauled by the former foreman in a county dump truck to a residence; and several items purchased by the former foreman with county funds that could not be located at the county, including several items purchased from the Missouri State Agency for Surplus Property (SASP). The County Commission addressed the allegations with the former foreman and he resigned his position on August 7, 2014. At that time, he returned several items to the Road and Bridge department. The County Commission provided certain information to the Prosecuting Attorney; and as of November 30, 2014, no charges had been filed. The Prosecuting Attorney requested additional information that had not been provided.

Based on these concerns, we reviewed the county's procedures over rock and surplus property purchases, and tested some related purchases. We determined the county had controls over rock purchases; and while certain procedures were not followed for some purchases, the county's controls detected some questionable rock purchases. We also determined the county's lack of adequate controls and procedures over surplus property purchases could have resulted in untimely detection of improper purchases or misuse of county assets. We identified some additional missing surplus property items during the audit.

Recommendation The County Commission review records of rock, surplus property, and other Road and Bridge department disbursements, account for items purchased, and identify any additional questionable purchases. The county should continue to work with the Prosecuting Attorney to investigate the questionable rock purchases, improper use of a county truck, and missing property items, and seek criminal prosecution and/or restitution if appropriate.

Status **In Progress**

The County Commission reviewed Road and Bridge department disbursements and did not identify any additional questionable purchases. The Sheriff's department is conducting an investigation of the concerns regarding the former Road and Bridge foreman. Results of the investigation will be provided to the County Commission and the Prosecuting Attorney.



Osage County
Follow-up Report on Audit Findings
Status of Findings

1.2 Rock purchases

The county did not always follow established procedures for rock purchases.

Road and Bridge department controls and procedures for rock purchases identified 21 questionable rock purchases during March, June, and July 2014, totaling \$641. The Road and Bridge department bookkeeper indicated the rock purchases were questioned because they were made by the former foreman whose job duties typically did not include the purchasing or hauling of rock. The County Commission provided the questionable rock invoices and tickets to the Prosecuting Attorney for review. As of September 2014, no further investigation or review of other rock purchases had been performed.

Our review of the county's controls and procedures over rock purchases and testing of several related purchases, noted several instances where delivery tickets from the rock quarry lacked an employee signature and/or documentation of where the rock was delivered. Also, the rock tickets from one quarry for 2 invoices were not attached to the invoices.

Recommendation

The County Commission ensure established controls and procedures are followed for all rock purchases. If questionable or unreasonable rock purchases are noted, the county should promptly and properly follow up on these purchases.

Status

Implemented

The Road and Bridge department strengthened controls over rock purchases by maintaining a spreadsheet of all rock purchases and providing weekly reports of rock applied to county roads to the County Commission. Road and Bridge department personnel indicated they ensure established controls and procedures are followed; and as of March 2015, no questionable rock purchases have been identified since the audit. The County Commission and the County Clerk indicated they review each rock purchase for required documentation. We reviewed two January 2015 rock invoices, noting each purchase was supported by a delivery ticket signed by the Road and Bridge employee and the delivery ticket and/or the 2015 rock spreadsheet documented the county road where the rock was applied.

1.3 Surplus property purchases

The county lacked controls and procedures over items purchased from the SASP, and some items could not be located.

Due to concerns of missing property, the County Commission worked with Road and Bridge department employees to develop a list of missing items. County officials believed all items on the list were purchased by the former Road and Bridge foreman. This list was provided to the Prosecuting Attorney for further follow up. As of September 2014, no further investigation of missing items had been performed.



Osage County
Follow-up Report on Audit Findings
Status of Findings

Prior to receiving concerns from Road and Bridge department personnel, the county had performed no procedures to monitor surplus property purchases. Our review of 25 surplus property items purchased by Road and Bridge department personnel during 2011, 2013, and 2014 noted 9 of the items could not be located by Road and Bridge department employees. Most of these items were identified on the County Commission's list of missing items.

Recommendation

The County Commission establish controls and procedures to monitor and account for items purchased from the SASP and comply with federal regulations.

Status

In Progress

The County Commission implemented a procedure to limit purchases from the SASP. Only one purchase had been made by the Road and Bridge department since the audit. All SASP purchases are reviewed by the County Commission and the County Clerk. Road and Bridge department personnel are developing inventory records and plan to tag applicable property items.

**2. Payroll Records,
Policies, and Procedures**

Despite a recent legal settlement with a former employee, and the implementation of a standard county-wide timesheet, county payroll records and policies and procedures still needed significant improvement.

2.1 Timesheets

In February 2013, the county entered into a legal settlement for \$60,000 with a former Sheriff's deputy for unpaid overtime. Neither the county nor the Sheriff's department maintained timesheets or leave records for department employees during the period covered by the lawsuit. Without these records, the county could not confirm or dispute the accuracy of the overtime claimed. In March 2013, the county implemented a standard county-wide timesheet on which employees are to record time worked and various leave and compensatory/overtime information. However, the county lacked adequate procedures to monitor information recorded to ensure the accuracy of the timesheets.

Timesheets prepared by department bookkeepers for employees of the Sheriff and Road and Bridge departments were not always reviewed before submission to the County Clerk. In addition, numerous timesheets from the Sheriff, Road and Bridge, and 911/Emergency Management departments lacked the required employee and/or supervisor signatures.

Recommendation

The County Commission ensure timesheets submitted to the County Clerk are reviewed for accuracy. The County Commission should work with the County Clerk to ensure timesheets are reviewed and signed by the employee and the employee's supervisor.



Osage County
Follow-up Report on Audit Findings
Status of Findings

Status

Partially Implemented

The County Commission, the County Clerk, the Road and Bridge department foreman, and the Sheriff's department bookkeeper indicated they implemented procedures to ensure the accuracy of timesheets. However, our review of 12 timesheets for the month of February 2015, noted compensatory time earned was incorrectly calculated on all 5 timesheets for employees in these departments who earned compensatory time that month. Neither department personnel, the County Clerk, or the County Commission had identified or corrected these errors.

The County Commission and the County Clerk indicated they ensure all timesheets include proper signatures. However, our review of the 12 timesheets noted some were not properly signed. One timesheet was signed by the County Assessor on behalf of the employee. Two other timesheets reviewed were corrected and reprinted, but were not signed. The County Clerk indicated the timesheets were corrected for errors; however, the employee and supervisor were not asked to sign the corrected timesheet. The newly revised county employee manual, effective in May 2015, requires all timesheets to be signed by the employee and a supervisor.

2.2 Leave and
compensatory time
records

The County Clerk did not maintain centralized records of vacation, sick leave, and compensatory time, or monitor balances for compliance with county policies and/or the Fair Labor Standards Act of 1938 (FLSA).

The new standard timesheet provided for the recording of leave and compensatory time information. However, the information recorded on timesheets was not always accurate or complete and did not always agree to office or department records. Timesheets were submitted to the County Clerk's office and approved by the County Commission, but the County Clerk did not review leave and compensatory time information for accuracy and compliance with county policy or use the information to maintain leave and compensatory time records. As a result, the county lacked an accurate and reliable centralized record of employee leave and compensatory time.

County policy at the time of the audit required officials and department directors to maintain records of leave and compensatory time balances for their employees. However, some offices and departments did not maintain these records, or monitor balances. We identified several errors in employee leave and compensatory time accruals.

Recommendation

The County Commission ensure centralized leave and compensatory time records are maintained by the County Clerk's office and monitored for compliance with the FLSA and county policies.



Osage County
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

The County Clerk implemented centralized records of vacation and sick leave, and compensatory time for all county employees. The County Clerk provides a monthly computerized report of leave balances and activities to each department, and departments are responsible for reviewing the balances of each of their employees for accuracy. The County Clerk monitors the monthly report for compliance with the FLSA and county policies. Our review of 12 timesheets for the month of February 2015, noted leave activities per each timesheet matched the related monthly leave report; and related leave balances complied with the FLSA and county policies, except for the compensatory time errors noted in section 2.1.

2.3 Policies and procedures The county's compensatory time/overtime and leave policies needed improvement.

Employees who worked more than the county's normal 40-hour work period received overtime pay at a rate of time and one-half or earned compensatory time as straight time off. County policy and the FLSA require overtime to be paid or compensatory time awarded at a rate of time and one-half. In addition, the county overtime policy was the same for law enforcement employees as it was for other employees. However, the FLSA provides the county the option of computing overtime for law enforcement employees based on a work period of 7 to 28 days, and overtime pay is required when the number of hours worked exceeds 171 hours in a 28-day period, or similar proportion for shorter work periods. Compensating law enforcement employees based on a 40-hour week instead of 171 hours in a 28-day period resulted in higher payroll costs. Additionally, the county included non-working time (vacation, sick leave, compensatory time taken, and holidays) when calculating employee overtime, even though the FLSA indicates it should not be included.

The county's vacation policy did not adequately address the number of vacation hours earned. The policy provided that full-time employees earned a certain number of vacation days at each employment anniversary date. Because employees work different number of hours in a day, some employees earned more vacation leave than others with the same amount of time employed with the county. Also, some Sheriff's department employees earned sick leave hours at rates higher than provided by county policy.

Recommendation

The County Commission revise personnel policies as needed, adopt overtime and compensatory time policies that comply with the FLSA, and consider revising the compensatory/overtime policy for law enforcement employees in accordance with the FLSA.



Osage County
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

County officials revised the county's employee manual, effective in May 2015. The revised manual includes overtime and compensatory time policies complying with the FLSA. In addition, the revised manual awards employees a set number of hours of vacation each year, based on their years of service.

3. Review of Property
Taxes

Neither the County Clerk nor the County Commission adequately reviewed the financial activities of the County Collector. The account book maintained by the County Clerk was not accurate, did not track the taxes charged to the County Collector, and did not agree to the annual settlements submitted by the County Collector. County Commissioners indicated they relied on the County Clerk's review of the annual settlements before they approved the annual settlements. However, since the account book was inaccurate, it was not possible for the County Clerk to adequately review the annual settlements.

Recommendation

The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Status

Implemented

The County Clerk implemented an accurate and complete account book, effective the year ended February 28, 2015. We reviewed the account book, noting amounts agreed to the County Collector's annual settlement for the year ended February 28, 2015.

4.1 Sheriff Procedures -
Deposits

As noted in our 3 previous audit reports, the Sheriff's bookkeeper did not deposit monies received into the fee account timely.

Recommendation

The Sheriff timely deposit all monies.

Status

Not Implemented

The Sheriff's department continues to make deposits infrequently. Our review of deposits noted only 3 deposits occurred in January 2015 and 4 deposits occurred in February 2015. A review of February 2015 receipt slips and deposits noted each deposit exceeded \$1,000 and included cash held by the Sheriff's department up to 8 days.

4.2 Sheriff Procedures -
Bonds

The Sheriff's department did not account for the numerical sequence of bond forms issued or maintain a log of bond forms issued, and did not always maintain copies of bond forms issued. Our review identified 8 missing bond



Osage County
Follow-up Report on Audit Findings
Status of Findings

forms. Upon review of office records and follow up with the court, Sheriff's department personnel could not locate these bond forms or determine whether the forms had been utilized.

Recommendation

The Sheriff prepare bond forms for all bonds received and establish procedures to account for all bond forms and any associated monies.

Status

Implemented

The Sheriff implemented a log to account for all bond forms. The Jail Administrator ensures each form and related monies are recorded on the log and submitted to the bookkeeper. The bookkeeper matches bond monies received to the bond forms and maintains a file of all forms. The Sheriff indicated he periodically spot checks the forms to the log. Our review of the log and 15 bond forms issued during March 2015 indicated each form was accounted for and properly recorded.

**6.1 Capital Assets and Fuel
Usage - Capital assets**

Procedures and records to account for county property were not adequate. In addition, the county did not have adequate procedures in place to identify and record capital asset purchases and dispositions throughout the year. As a result, the county's capital asset records were not complete and up to date. The County Clerk did not request annual inventories and inventory reports from various county officials and no county officials conducted inventories or submitted inventory information to the County Clerk during 2013. In addition, county assets were not tagged or properly identified as county property.

Recommendation

The County Commission work with the County Clerk and other county officials to ensure complete and accurate inventory records are maintained, purchases and dispositions of assets are tracked, annual physical inventories are conducted, and assets are tagged as county property.

Status

In Progress

The County Clerk began an inventory process in March 2015. Each official and department was requested to perform physical inventories and submit inventory reports to the County Clerk to be maintained as the county's capital asset records. The County Clerk plans to purchase inventory tags for tracking applicable inventory items. The County Clerk indicated this inventory process will be conducted on an annual basis and department heads will be responsible for updating their inventory records as purchases or dispositions occur.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Miller County



June 2015

Report No. 2015-035

<http://auditor.mo.gov>

Miller County

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Financial Condition	3
2.	Sales Tax Procedures	4
3.	Property Tax System Controls and Procedures	5
4.	County Collector Procedures	7
5.	Sheriff Accounting Controls and Procedures	8
6.1	Prosecuting Attorney Controls and Procedures - Segregation of duties	13
6.2	Prosecuting Attorney Controls and Procedures - Receipting, depositing, and transmitting monies.....	13
7.	Public Administrator Salary.....	14

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Miller County

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-109, *Miller County* (rated as Poor), issued in November 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
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 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation submitted by county officials and held meetings with county officials. Documentation provided by the county included the 2015 county budget, bank statements and reconciliations, County Collector annual settlements, receipt and disbursement records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during March 2015.

Nicole R. Galloway, CPA
State Auditor

Miller County

Follow-Up Report on Audit Findings

Status of Findings

1. Financial Condition

As noted in our two prior audits, the financial condition of the Jail Fund and Special Road and Bridge (SRB) Fund remained poor. In addition, the financial condition of the Enhanced 911 (E911) Fund had deteriorated. The amount of General Revenue (GR) Fund and restricted Capital Improvements Sales Tax (CIST) Fund monies used to support these other funds had increased significantly over the past several years. As a result, the GR Fund was also in poor financial condition and the CIST Fund may not have the monies needed to pay off outstanding debt.

We identified the following additional concerns related to these funds:

- The county erroneously reported property tax reductions in 2013, resulting in a \$453,793 over collection in the GR Fund that must be offset against property tax collections in future years. Considering the GR Fund was projected to end 2014 with a \$395,000 cash balance, the GR Fund was in poor financial condition and could no longer afford to transfer monies to other funds.
- The county had a significant amount of debt that further eroded the county's financial condition. If the county continues to use the CIST Fund to cover the negative cash balances in other funds, it risks not having the funds necessary to pay off the debt.
- The county used various lease-purchase agreements, notes, and lines of credit to purchase road and bridge equipment and sheriff vehicles during the year ended December 31, 2013. Rather than paying these debt instruments down or off, the county continued to finance additional purchases through these instruments.

Recommendation

The County Commission perform long-term planning, closely monitor the county's financial condition, and take necessary steps to improve the financial condition of the Jail, Special Road and Bridge, Enhanced 911, and General Revenue Funds. In addition, the County Commission should take advantage of any opportunities to decrease disbursements and maximize revenues.

Status

In Progress

The County Commission and County Clerk indicated they are closely monitoring the financial condition of the county and are taking steps to improve the financial condition of the Jail, SRB, E911, and GR Funds. These funds' total ending balances as of December 31, 2014, were higher than projected in the 2014 budget due to county officials keeping disbursements at or below budgeted amounts.



Miller County
Follow-up Report on Audit Findings
Status of Findings

Specific long-term plans have been put in place to improve the financial condition of the county. For example, the County Commission has a schedule of outstanding debt, payments, and payoff dates that it is using to monitor and reduce debt. Also, as explained in the MAR finding number 2.2 status, the County Commission plans to correct the 2013 property tax over collection by reducing property tax revenues over the next 3 years. This solution will help ensure the reduction of property tax revenues over those years does not further erode the overall financial condition of the county in the current year.

2. Sales Tax Procedures

We identified various concerns related to county sales taxes.

2.1 Capital Improvements
Sales Tax

Some capital improvement sales tax revenue was spent on road and bridge related purposes that were not allowable under state law. In addition, the county could not provide documentation showing how approximately \$2 million of capital improvement sales tax revenues transferred to the Jail Fund and approximately \$1 million transferred to the E911 Fund for the 4 years ended December 31, 2013, were spent in accordance with state law. Although some disbursements from the Jail and E911 Funds were capital improvement related, a significant amount of capital improvement sales tax revenues transferred to these funds were likely spent for purposes that were not allowed under state law.

Recommendation

The County Commission discontinue using capital improvements sales tax monies to cover non-capital improvement related costs and reimburse the CIST Fund for transfers made to the SRB Fund for current and prior years. In addition, the County Commission should determine total allowable capital improvement costs paid out of the Jail and E911 funds from current and prior years and reimburse the CIST Fund for transferred amounts that exceeded allowable costs. The County Commission should implement procedures to ensure capital improvement sales tax monies are tracked and spent in accordance with state law. If a road and bridge capital improvement sales tax is deemed necessary, the County Commission should evaluate possible funding options.

Status

Partially Implemented

The County Commission has discontinued using the capital improvements sales tax monies to cover expenses in the SRB Fund, as recommended, but does not plan to reimburse the CIST Fund for prior transfers to the SRB Fund. In addition, the County Commission believes any costs needed to operate the county buildings are allowable utilization costs and exceeded the transfers into the Jail and E911 Funds during the current and prior years; therefore, the County Commission has continued to make transfers to these funds when necessary and does not plan to reimburse the CIST Fund for any transfers made. The County Commission has not implemented procedures to track these transfers to ensure they are used for allowable purposes. The



Miller County
Follow-up Report on Audit Findings
Status of Findings

County Commission plans to begin such tracking when the next transfer is made by documenting the specific Jail or E911 Fund transactions the transferred monies will cover. The County Commission has evaluated possible funding options for the SRB Fund, but has determined the most feasible way to sustain the fund is to monitor expenses and debt closely and reduce expenses when possible.

2.2 County sales tax

The county did not sufficiently reduce the property tax levy to offset 50 percent of sales tax monies received by \$453,793 during 2013. The County Clerk's annual sales tax reduction calculations were incorrect and the 2013 tax levy reductions were improperly reported to the State Auditor's office.

Recommendation

The County Commission and the County Clerk properly calculate and report property tax rate reductions, adequately reduce property tax levies for 50 percent of sales tax revenue, and develop a plan to correct for the prior year's over collection of property taxes.

Status

In Progress

The County Commission and County Clerk ensured property tax reductions performed during 2014 were properly calculated and reported. However, the County Commission has not begun correcting the \$453,793 property tax over collection. It plans to correct this over a 3-year period, beginning in tax year 2015, by reducing the GR Fund tax levy each year until the over collection is fully corrected.

3. Property Tax System Controls and Procedures

Controls and procedures over the property tax system were not adequate and significant improvement was needed.

3.1 Tax system access

Access to the property tax system was not adequately restricted. The County Collector and his staff were the only personnel in the county with access to the property tax system. They had unlimited access to all information in the system, could make changes to individual tax records, and could delete or void receipt transactions after completion. In addition, County Collector personnel could not generate a report of voided transactions and did not maintain sufficient documentation to support such transactions.

Recommendation

The County Commission and the County Clerk ensure property tax system access is restricted to only allow officials and personnel to access functions necessary for their duties. In addition, the County Collector should maintain documentation of all voided transactions and work with the computer programmer to develop a voided transaction report that can be periodically compared to the supporting documentation of voided transactions.



Miller County
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

The County Collector and his staff are no longer the only personnel with access to the property tax system. Their access has been properly restricted, the County Assessor has read-only access, and the County Clerk has the ability to make changes in the tax system. However, County Collector personnel still cannot generate a report of voided transactions, nor are they maintaining sufficient documentation to support such transactions. The County Collector indicated he will work with the property tax system software vendor to determine if a report of voided transactions can be developed. He believed this report could be implemented by the end of May 2015.

3.2 Addition and abatement
review

The County Clerk and County Commission did not review additions and abatements entered into the property tax system by the County Collector.

The County Assessor prepared court orders for additions and abatements and provided a copy to the County Commission, but the County Commission did not review these documents. The County Assessor also provided a listing to the County Collector's office for entry into the property tax system. A significant control weakness existed because the County Collector was responsible for collecting property taxes and also had system access to change tax records. This control weakness was increased because neither the County Commission nor the County Clerk performed reconciliations of the approved additions and abatements to the actual changes made in the property tax system.

Recommendation

The County Commission and the County Clerk ensure procedures are adequately segregated and all property tax additions and abatements are properly and timely approved and monitored. In addition, the County Commission should change the responsibility for entering the additions and abatements from the County Collector to the County Clerk.

Status

In Progress

The County Commission and the County Clerk have adequately segregated procedures and ensured all property tax additions and abatements are properly and timely approved and monitored. The additions and abatements are initiated in the County Assessor's office, and then entered into the property tax system by County Clerk personnel. The County Commission began reviewing additions and abatements in February 2015; however, this review was not documented in the commission meeting minutes. The County Commission plans to review additions and abatements at least quarterly and will ensure this review is properly documented.



Miller County
Follow-up Report on Audit Findings
Status of Findings

3.3 Review of property taxes

Neither the County Clerk nor the County Commission adequately reviewed the financial activities of the County Collector. The County Clerk did not maintain an account book or other records summarizing property tax charges, transactions, and changes. As of June 2014, the County Collector had not filed annual settlements for the 2 years ended February 28, 2014. Neither the County Clerk nor the County Commission performed procedures to verify the accuracy of the monthly collections reports or other accounting records of the County Collector.

Recommendation

The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's accounting records.

Status

In Progress

The County Clerk began his term in January 2015. He has consulted with other county clerks to determine the best way to set up an account book with the County Collector. However, he has not begun maintaining an account book. He indicated implementation of this recommendation would occur sometime during 2015.

4. County Collector Procedures

The County Collector's accounting and reporting procedures were not sufficient and did not provide adequate assurance that all property tax receipts and disbursements were accounted for properly.

4.1 Annual settlements

As of June 2014, the County Collector had not prepared annual settlements of property taxes for the years ended February 28, 2013, and 2014.

Recommendation

The County Collector prepare and file annual settlements as required by state law.

Status

In Progress

The County Collector completed and filed the year ended February 28, 2013, annual settlement in October 2014, and the year ended February 28, 2014, annual settlement in March 2015. However, as of April 29, 2015, the County Collector had not prepared the year ended February 28, 2015, annual settlement. The County Collector stated he was planning to complete the 2015 annual settlement in May 2015.

4.2 Liabilities

The County Collector did not prepare monthly lists of liabilities for the main collection bank account, and consequently, liabilities were not compared to the reconciled bank balance. At February 28, 2014, there was an unidentified balance of \$20,624 in the County Collector's main account. In



Miller County
Follow-up Report on Audit Findings
Status of Findings

addition, this account had an unidentified balance at December 31, 2013, of \$45,153.

Recommendation

The County Collector prepare detailed monthly lists of liabilities, reconcile the list to the reconciled bank balance, and investigate any differences.

Status

Not Implemented

The County Collector indicated he has taken no steps to prepare a monthly list of liabilities. He believes he has identified \$3,000 of the unidentified amount. In addition, he stated there was a \$45,000 reversal in the computerized system that he believes was posted incorrectly, which affected the office's liabilities. He indicated he plans to start preparing a monthly list of liabilities after the year ended February 28, 2015, annual settlement is filed.

4.3 Inactive bank account

The County Collector maintained an inactive bank account that should have been closed. The account held monies for the homestead preservation tax credit, a property tax credit program for senior citizens and the disabled that expired. The account had a balance of \$1,092 as of December 31, 2013, and has had no activity since January 2011.

Recommendation

The County Collector investigate unidentified balances, dispose of unclaimed monies in accordance with state law, and close the inactive bank account.

Status

Implemented

The County Collector returned these monies to the Department of Revenue in December 2014. We observed copies of the letter and check sent to the Department of Revenue.

**5. Sheriff Accounting
Controls and Procedures**

Despite similar concerns noted in our prior audits, the Sheriff had not established adequate controls and procedures and significant weaknesses continued to exist.

5.1 Segregation of duties

The Sheriff had not adequately segregated accounting duties and did not perform adequate supervisory reviews. One clerk was responsible for receiving, recording, depositing, and disbursing monies, and reconciling the bond bank account. Another clerk was responsible for those same duties for the jail and concealed carry permits (CCW) bank accounts.

Recommendation

The Sheriff adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.



Miller County
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

The Sheriff has established adequate segregation of accounting duties. One clerk handles the Sheriff's bond account and another clerk handles the jail and CCW accounts. In October 2014, the two clerks began reviewing each other's records. Each clerk initials the other clerk's deposit slips to document the review. We observed receipt slips and deposit slips from January 2015 and noted documentation of the reviews performed. In addition, the Sheriff has begun performing supervisory reviews.

5.2 Board of prisoners

The Sheriff's office did not adequately bill, pursue collection of, or track amounts due from other counties for the boarding of prisoners, and was not billing some defendants.

Sheriff's office personnel prepared and sent board bills to other counties, cities, etc. monthly. However, due to a misunderstanding in the Sheriff's office, accounts for defendants processed through the Miller County Circuit Court were sent to the Miller County Treasurer and were not billed to defendants by either the Sheriff's office or the County Treasurer's office. The court billed for some of this prisoner board, and transmitted collections to the County Treasurer and submitted a related report to the Sheriff's office. However, the Sheriff's office did not track which defendants were billed by the court, and payments received by the county were not entered into the Sheriff's computerized system.

We also reviewed the Sheriff's records of outstanding board bills from 2009 through 2012 and determined outstanding board bills totaled approximately \$3.1 million as of December 2013, including 2 local counties with approximately \$742,000 outstanding. However, based on the procedural and record-keeping concerns, the accuracy of these amounts is uncertain.

Recommendation

The Sheriff establish procedures to ensure all amounts owed for prisoner board are properly billed, and implement procedures to track and pursue collection of amounts owed, including entering all payments received into the system.

Status

In Progress

In August 2014, Sheriff's office personnel received printouts from the court of all payments made to the court since 2006 and are currently updating the Sheriff's billing system with this information. Once this work has been completed, Sheriff's office personnel will also update the Sheriff's billing system for prior payments received. Once all records are up-to-date, the office will pursue collection of any unpaid bills. In addition, Sheriff's office personnel are now preparing monthly billings for all board costs not



Miller County
Follow-up Report on Audit Findings
Status of Findings

processed through the Miller County Circuit Court, and board bill receipts are now entered into the computerized system when received.

5.3 Receipts and deposits

The Sheriff had not established proper controls or procedures for receipting and depositing monies to ensure all monies were accounted for properly. We performed a cash count on February 20, 2014, and a detailed review of receipts and deposits for the period March 2013 through May 2013. For 28 of the 57 deposits (49 percent) made from March 2013 to May 2013, the deposited amounts did not agree to the corresponding receipt slips. Sheriff's office personnel could not fully explain the reasons for the discrepancies. Based on the work performed, we were unable to determine if all monies were accounted for and deposited properly.

Our cash count and receipt/deposit review identified various problems that contributed to the inability to reconcile receipt records to deposits. Some of these problems include:

- The cash count of the jail and CCW monies identified cash totaling \$253; however, receipt slips totaled \$330, resulting in an apparent shortage of \$77 in cash deposited.
- Receipt slips were not issued for all monies received and the method of payment was not consistently indicated on the receipt slips or was indicated incorrectly.
- Receipts were not deposited intact. The clerks typically deposited all checks received, but cash receipts were often withheld from deposits for use as a change fund. The cash was not maintained at a set amount and the clerks did not maintain records of the amount of cash withheld from each deposit.
- The same payment was sometimes receipted into more than one receipt slip book, causing receipt slip amounts to exceed deposit totals for some deposits.
- Some payments were receipted after the monies had already been deposited.

Recommendation

The Sheriff ensure receipt slips, which indicate the method of payment, are issued for all monies received, the numerical sequence is accounted for properly, and the composition of receipts is reconciled to the composition of deposits. The Sheriff should also ensure monies are receipted in the correct receipt slip books, and all monies are deposited timely and intact. If a change fund is needed, it should be set at a constant amount and a procedure established to reconcile to this amount every time a deposit is made.



Miller County
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

Sheriff's office personnel are now issuing receipt slips for all monies received and indicating the method of payment. Personnel maintain separate receipt slip books for each account and are ensuring monies are receipted into the correct receipt slip books. We reviewed deposits made in January 2015 by both clerks. For each deposit, we noted the composition of receipts was reconciled to the composition of deposits and the numerical sequence of receipt slips was accounted for independently by the other clerk. Receipts were deposited both intact and timely. The Sheriff no longer has a change fund as of September 2014.

5.4 Bank reconciliations

Sheriff's office personnel did not perform bank reconciliations for the jail account from January 2013 to October 2013, and the bank reconciliation procedures for the CCW and bond accounts were not adequate. Disbursements from the bank accounts were not recorded in the computerized system until after they cleared the bank; therefore, Sheriff's office personnel were not reconciling to an accurate book balance or accounting for any outstanding checks when performing reconciliation procedures.

Recommendation

The Sheriff ensure accounting information is entered into the computerized system timely, bank reconciliations are prepared monthly, and any differences are promptly investigated.

Status

In Progress

In October 2014, Sheriff's office personnel began entering accounting transactions into the computerized system as the transactions occurred. We observed the bank reconciliations available for January 2015 and noted they listed outstanding checks and deposits in transit indicating personnel are no longer waiting to enter accounting transactions until the bank accounts are reconciled each month. However, only the bond and CCW accounts are currently being reconciled monthly. During our March 2015 meeting, Sheriff's office personnel indicated they had started the jail account bank reconciliation for January 2015, but had not completed it. They stated they would begin performing reconciliations on all accounts monthly after completion of the January and February 2015 reconciliations for the jail account.

5.5 Liabilities

Sheriff's office personnel did not prepare monthly lists of liabilities for the 3 bank accounts, and consequently, liabilities were not compared to the reconciled bank balances.

Recommendation

The Sheriff prepare a monthly list of liabilities for each account and compare them to the reconciled bank balances. Any differences should be



Miller County
Follow-up Report on Audit Findings
Status of Findings

promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.

Status

In Progress

Sheriff's office personnel began preparing a monthly list of liabilities in October 2014 in conjunction with the monthly bank reconciliation. The total liabilities as of January 31, 2015, agreed to the January 2015 reconciled bank balances for the bond and CCW accounts. A list of liabilities was prepared for the jail account in January 2015; however, there is currently no reconciled bank balance for the jail account (see section 5.4 above), so the accuracy of this list of liabilities cannot be determined. Office personnel indicated they will begin comparing the list of liabilities to the reconciled bank balance in the jail account once the account has been reconciled.

5.6 Seized property

The Sheriff had not established adequate controls over seized property. The office did not maintain complete and accurate logs that included disposition of seized property, and did not conduct periodic inventories. Office personnel indicated a physical inventory of seized property had not been completed since 2000, and that inventory only covered a portion of the seized property on hand.

Recommendation

The Sheriff maintain complete and accurate inventory records of all items in the evidence room, and perform periodic physical inventories and compare the results to the inventory records. The Sheriff should also perform a complete review of all items and take action to dispose of items no longer needed.

Status

In Progress

In January 2015, the Sheriff implemented a new process for tracking and inventorying items in the evidence room. All items have been given a bar code and scanned into a computerized reporting system. As the items were barcoded, a full inventory was performed. The Sheriff's office has identified a number of items no longer needed, and office personnel plan to work with the new Prosecuting Attorney to dispose of them.

5.7 Accounting records backup

Sheriff's office personnel did not periodically back up the data in the computerized accounting system used to process receipts and disbursements and to prepare reports for all 3 bank accounts. Due to a computer crash in December 2013 and a computer virus in June 2014, the office lost all electronic accounting data. Personnel attempted to recreate the accounting data based on manual records. However, some manual records could not be located, so a \$19,966 adjustment had to be made in the jail account to make the cash balance agree to the bank statement balance.



Miller County
Follow-up Report on Audit Findings
Status of Findings

Recommendation The Sheriff regularly back up computer data and ensure it is stored in a secure off-site location and its recovery is tested on a regular, predefined basis.

Status **In Progress**

The Sheriff's office now contracts with a company to back up all computer data to an off-site location; however, neither the office nor the contractor has tested the recovery of the system. Sheriff's office personnel indicated they would work with the contractor to begin testing on a periodic basis.

6.1 Prosecuting Attorney Controls and Procedures - Segregation of duties The Prosecuting Attorney had not established adequate segregation of duties over accounting functions. The Bad Check Clerk who was responsible for receiving, recording, depositing, and disbursing all monies, and reconciling the Prosecuting Attorney's bank account also had the ability to post adjustments to defendant accounts in the office's computer system without independent approval. In addition, a supervisory review of the accounting records was not performed.

Recommendation The Prosecuting Attorney adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented. Additionally, the Prosecuting Attorney should require supervisory review and approval for all accounting adjustments.

Status **In Progress**

The new Prosecuting Attorney took office in January 2015 and has recently hired two employees, so there are now three employees in the office. Once these new employees are properly trained, the Prosecuting Attorney will ensure accounting duties are adequately segregated and all accounting adjustments are properly approved and reviewed.

6.2 Prosecuting Attorney Controls and Procedures - Receipting, depositing, and transmitting monies The Prosecuting Attorney had not established proper controls or procedures for receipting, depositing, and transmitting monies to the County Treasurer. We noted the following concerns during our review:

- Office personnel did not record the method of payment on the manual one-write receipt ledger, and checks and money orders were not restrictively endorsed immediately upon receipt.
- The Bad Check Clerk did not reconcile the manual one-write receipt ledger with monies posted to the computerized accounting system, and did not account for the numerical sequence of manual and computer-generated receipt slips.



Miller County
Follow-up Report on Audit Findings
Status of Findings

- The Bad Check Clerk did not always deposit bad check and court-ordered restitution receipts timely.
- The Bad Check Clerk did not always transmit bad check fee receipts to the County Treasurer intact or timely. Also, some bad check fees received in September 2013 were transmitted to the County Treasurer before some August 2013 receipts.

Recommendation

The Prosecuting Attorney ensure the method of payment of receipts is recorded on the one-write receipt ledger, checks and money orders are restrictively endorsed immediately upon receipt, and the numerical sequence of all receipt slip numbers is accounted for. The Prosecuting Attorney should also ensure manual receipt records are reconciled to the computerized accounting system and deposits and transmittals are made intact and timely.

Status

Partially Implemented

Prosecuting Attorney personnel are now transmitting bad check fee receipts to the County Treasurer timely. We reviewed the January and February 2015 transmittals and noted they were made on the last business day of the month. In addition, the office plans to eliminate the manual one-write receipt system and issue electronic receipt slips for all payments received. According to Prosecuting Attorney personnel, they plan to implement the remainder of the recommendation when the new office staff are fully trained; however, as of March 2015 they have not started recording the method of payment on the one-write receipt ledger, restrictively endorsing checks and money orders immediately, accounting for the numerical sequence of receipts, or depositing receipts timely.

7. Public Administrator Salary

The County Commission had not set the Public Administrator's salary in accordance with state law, and as a result, was underpaying the Public Administrator \$20,000 annually.

The Public Administrator's salary was incorrectly based on an average of 36 open letters (cases), which resulted in a \$25,000 salary, as specified by Section 473.742, RSMo. However, according to court records, there was actually an average of 43 open cases, which would have resulted in an annual salary of \$45,000. The Associate Circuit Court, Probate Division provided the County Clerk with the number of open cases during the previous 2 years that were assigned to the former Public Administrator (average of 36), rather than the total open cases for the office, which included cases inherited by the former Public Administrator when she took office (which increased the average to 43 in total).



Miller County
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The County Commission should set the Public Administrator's salary in accordance with state law, and consider whether the payment of back pay is appropriate.

Status

Partially Implemented

Based on our recommendation, the County Commission asked the court to review the Public Administrator cases again and recalculate the average open letters (cases) in the 2 years preceding the current Public Administrator's term. The court reevaluated the cases and determined the average open cases for 2012 and 2011 totaled 37.5 cases. Based on this information provided from the court, the County Commission has continued to pay the Public Administrator an annual salary of \$25,000, which is the statutorily required minimum compensation for a salaried Public Administrator handling 26 to 39 cases. However, our interpretation of Section 473.742, RSMo, is all cases open in the 2 years preceding the Public Administrator's term (including open cases inherited by the former Public Administrator when she took office) should be included in the average number of open cases. Therefore, average open cases totaled 43 based on court records during 2012 and 2011.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Leeton



June 2015

Report No. 2015-036

<http://auditor.mo.gov>

City of Leeton

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
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Status of Findings*

1.1	Accounting Controls and Procedures - Segregation of duties	3
1.2	Accounting Controls and Procedures - Receipting, recording, and depositing procedures	3
1.3	Accounting Controls and Procedures - Bank accounts	4
1.4	Accounting Controls and Procedures - Gross receipt taxes	4
2.	Restricted Revenues	5
3.1	Water and Sewer System Controls and Procedures - Adjustments	6
3.2	Water and Sewer System Controls and Procedures - Delinquent accounts	7
3.6	Water and Sewer System Controls and Procedures - Utility deposits	7
3.8	Water and Sewer System Controls and Procedures - Audits	8
4.1	Payroll - Overtime	8
4.2	Payroll - Leave and final paychecks	8
4.4	Payroll - Salary ordinance	9
5.1	Disbursements - Approval process and oversight	9
5.2	Disbursements - Procurement procedures	10
5.3	Disbursements - Conflicts of interest	10
6.	Sunshine Law	10
7.	Budgets	11

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Leeton, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-091, *City of Leeton* (rated as Poor), issued in September 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by city personnel and met with city officials. Documentation included meeting minutes, budgets, bank statements, receipt and deposit records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during April 2015.

Nicole R. Galloway, CPA
State Auditor

City of Leeton

Follow-Up Report on Audit Findings

Status of Findings

1.1 Accounting Controls and Procedures - Segregation of duties

The Board of Aldermen (Board) had not segregated duties or provided for adequate review of the work performed by the City Clerk. The City Clerk was responsible for receiving, recording, and depositing monies; reconciling bank accounts; preparing invoices for payment; and preparing, signing and distributing checks. Additionally, the City Clerk was responsible for utility billings and payroll related duties. Many of these duties would have normally been performed by a City Treasurer and City Collector; however, the city did not have individuals serving in these positions.

Recommendation

The Board of Aldermen consider appointing separate individuals to the position of City Clerk, City Collector, and City Treasurer to adequately segregate duties. If this is not possible, the Board should perform and document review of the City Clerk's work.

Status

In Progress

The Board has segregated some duties and appointed a separate individual to the position of City Treasurer. The City Clerk is still responsible for receiving, recording, and depositing funds. The City Clerk also prepares and distributes checks for payment. The City Treasurer is reconciling the bank accounts, but had not documented the reconciliation or reconciled receipts to deposits at the time of our review. Checks now require the signature of 2 of the 4 Board members. The City Clerk continues to be responsible for all utility billings and related duties. Payroll duties have been adequately segregated.

1.2 Accounting Controls and Procedures - Receipting, recording, and depositing procedures

The city's procedures for receipting, recording, and depositing were poor. The City Clerk did not issue receipt slips for most non-utility monies received. When receipt slips were issued, the city used generic prenumbered receipt slips rather than official prenumbered receipt slips. In addition, the method of payment of non-utility receipts was not always designated on receipt slips. As a result, a reconciliation of the composition of receipts to deposits could not be performed. The City Clerk did not deposit monies collected (utility and non-utility receipts) timely or intact. The City Clerk did not prepare or make a deposit until receiving the 60th utility payment since the last deposit.

Recommendation

The Board of Aldermen require official prenumbered receipt slips be issued for all monies received. The Board should also ensure that all money is deposited intact and timely and the composition of receipts is reconciled to the composition of deposits.

Status

Partially Implemented

Official prenumbered receipt slips are now issued. We reviewed monies received and the related accounting records for the period January 15



City of Leeton
Follow-up Report on Audit Findings
Status of Findings

through January 31, 2015, and noted receipt slips were not issued for some non-utility monies received (\$22,934). As a result, the Board could not determine if monies were deposited intact and the composition of receipts cannot be reconciled to deposits. Monies received (utility and non-utility) were deposited timely during this time period. Utility monies reviewed were deposited intact.

**1.3 Accounting Controls
and Procedures - Bank
accounts**

The City Clerk did not maintain book balances or perform bank reconciliations for 7 bank accounts.

- The city maintained a book balance for 4 of its accounts using check-writing software, but a book balance was not maintained for the City Collector account, water and sewer reserve accounts, or any of the cemetery savings and CD accounts. In addition, bank reconciliations were not performed for these accounts.
- One of the cemetery saving accounts incurred \$270 in service charges and only accrued \$6 in interest during 2013. The large number of bank accounts required additional record keeping. Except for separate accounts required by ordinance or law, some of the remaining bank accounts and CDs could have been consolidated to help simplify city records and reduce the number of accounts that must be monitored and controlled.

Recommendation

The Board of Aldermen ensure bank reconciliations are performed each month and any differences are investigated, and maintain a book balance for all accounts. Further, consider consolidating bank accounts to simplify records and reduce service charges incurred.

Status

In Progress

The Board closed three bank accounts and book balances for all accounts are now maintained. The Board provided bank reconciliation reports for the month of January 2015. However, these reports were not printed until April 1, 2015, and were subsequently signed and approved by the Board. The Board indicated it will maintain documentation of the bank reconciliation reports and timely approve them in the future.

**1.4 Accounting Controls
and Procedures - Gross
receipt taxes**

The city was notified by a wireless telephone company in October 2007 that the telephone company would be distributing gross receipt taxes as part of a legal settlement. Because the city had not placed a gross receipt tax on the ballot for citizens to approve, it was not eligible to retain the monies. The city began receiving gross receipt taxes from wireless telephone companies during 2008, deposited the taxes into an interest bearing savings account since November 2008, and had not disbursed any of these monies. This account had a balance of approximately \$52,700 at December 31, 2013. The



City of Leeton
Follow-up Report on Audit Findings
Status of Findings

city had not taken sufficient actions to determine the proper disposition of these funds, given its lack of authority to retain them. City officials consulted with their legal counsel and the options recommended for handling these monies included returning the monies to the phone companies, retaining the monies after the 5 year statute of limitations has elapsed, or turning the monies over to the state as unclaimed property. Our review indicated the appropriate disposition recommended would be turning these monies over to the Unclaimed Property Fund held by the State Treasurer in accordance with Section 447.532, RSMo.

The Board placed the collection of this gross receipt tax issue on the August 4, 2014, ballot and it passed; therefore, the city can retain future collections of gross receipt taxes.

Recommendation

The Board of Aldermen dispose of gross receipt taxes and the associated interest accumulated prior to August 2014 in accordance with state law.

Status

Not Implemented

These gross receipt taxes are still on hand, and the Board indicated it has no plans to turn these monies over to the State Treasurer's Unclaimed Property Fund.

2. Restricted Revenues

The city had not established adequate procedures to ensure restricted monies were expended only for intended purposes and salaries and other disbursements were properly allocated among funds.

2.1 Tracking and recording restricted revenues

The City Clerk was not properly tracking and recording various restricted monies. State motor vehicle-related revenues, Police Officer Standards Training (POST) fees, Law Enforcement Training (LET) fees, Capital Improvement Sales Tax (CIST) monies, and Law Enforcement Sales Tax (LEST) monies were comingled with general purpose monies rather than accounted for in separate funds. While the receipts of these restricted monies were tracked separately within the General Fund, the disbursements and balances of these restricted monies were not. Also, the city could not demonstrate disbursements were made as allowed by law, ballot, and/or ordinance.

Recommendation

The Board of Aldermen determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of these monies.

Status

Partially Implemented

State motor vehicle-related and CIST monies are now tracked separately within the General Fund; however, LET fees and LEST monies are still



City of Leeton
Follow-up Report on Audit Findings
Status of Findings

comingled with general purpose monies and are not tracked separately. The city received no POST fees in 2014.

2.2 Allocation of salaries and disbursements

The City Clerk allocated personnel salaries between funds, but failed to allocate some corresponding personnel costs, such as health insurance and taxes totaling \$18,659, to all impacted funds in 2013. Our review of General Fund disbursements determined that bulk fuel and contract labor were used for street and utility projects; cleaning services for city hall benefited several departments including police and utilities; and attorney services covered issues pertaining to several departments. These goods and services totaling \$7,175 were paid entirely from the General Fund in 2013, although it is likely a portion of these costs could have been allocated to other funds.

Additionally, the city had no documentation to support the allocation of workers compensation and property and liability insurance totaling \$14,228 between the General, Water, and Sewer Funds for 2013.

Recommendation

The Board of Aldermen ensure payroll costs and shared costs are properly allocated to the applicable city funds and allocations are supported by adequate documentation.

Status

Partially Implemented

Salaries and payroll taxes are allocated based on hours worked for different funds, which is tracked on timesheets. Health insurance is no longer provided. Fuel is allocated to the various funds based upon supporting documentation. The city had not allocated the costs of cleaning services, workers compensation, and property and liability insurance at the time of our follow up meeting; however, the City Treasurer and City Clerk indicated they plan to do this in the future.

3.1 Water and Sewer System Controls and Procedures - Adjustments

The City Clerk made adjustments to customer accounts not allowed by ordinance. City ordinances allowed for adjustments to customer accounts for water leaks, if certain steps were followed, and for misreading of a meter. Our review of adjustments made during April, July, September, and November 2013 identified 3 customer accounts had penalties removed for reasons not covered by city ordinances. The City Clerk also made changes to a local school district account and a local fire district account so that penalties would not be assessed for late payments. There was no documentation the Board approved waiving penalties for the school or fire district, and the fire district made several late payments during 2013.

Recommendation

The Board of Aldermen require someone independent of the utility system review and approve all adjustments, and ensure supporting documentation is retained. In addition, ensure that adjustments are only made in accordance with city ordinances.



City of Leeton
Follow-up Report on Audit Findings
Status of Findings

Status

Partially Implemented

We reviewed adjustments to customer accounts made during January 2015, and determined all adjustments were made in accordance with city ordinance and the reasons for adjustments were adequately documented. However, the City Clerk made all of these adjustments and no independent review and approval was performed.

3.2 Water and Sewer
System Controls and
Procedures - Delinquent
accounts

The City Clerk was not monitoring delinquent utility accounts, and the Board had not developed policies and procedures for pursuing delinquent accounts and monitoring utility account balances. A report of delinquent accounts (active and inactive) as of March 2014, indicated 303 accounts, totaling \$19,791, were over 60 days delinquent, including 188 accounts (totaling approximately \$13,000) more than 5 years old. The Board did not have a process to periodically review this report and evaluate the likelihood of collection, and did not remove accounts considered uncollectable.

Recommendation

The Board of Aldermen establish policies and procedures regarding the collection of delinquent accounts.

Status

In Progress

The Board has implemented procedures to review delinquent accounts each month, but had not established formal policies at the time of our review.

3.6 Water and Sewer
System Controls and
Procedures - Utility
deposits

The City Clerk did not prepare a monthly list of utility deposits on hand and reconcile the list to a deposit reconciliation report or the balance in the City Collector bank account. A list of deposits held as of December 31, 2013, totaled \$6,770 and agreed to the deposit reconciliation report maintained in the system. The City Clerk identified an additional \$613 of refunds due to customers pertaining to the period 1996 through 2012 not listed on the reconciliation report, for total identified liabilities of \$7,383. However, the reconciled bank balance was \$7,233, indicating a \$150 shortage.

Recommendation

The Board of Aldermen maintain adequate records of customer deposits held and periodically reconcile these deposits to the deposit reconciliation report and bank account balance.

Status

Partially Implemented

The City Clerk indicated she started preparing a list of customer deposits in August 2014, and she provided us a list of customer deposits on hand as of March 4, 2015. However, the list had not been reconciled to the deposit reconciliation report or the bank balance.



City of Leeton
Follow-up Report on Audit Findings
Status of Findings

3.8 Water and Sewer
System Controls and
Procedures - Audits

The city did not obtain annual audits of its Water and Sewer Funds.

Recommendation

The Board of Aldermen obtain annual audits of Water and Sewer Funds as required by state law.

Status

In Progress

The city has budgeted for an annual audit of the Water and Sewer Funds in 2015, and the Board indicated it plans to obtain an annual audit of these funds.

4.1 Payroll - Overtime

The city paid significant overtime during 2012 and the first quarter of 2013 that was not approved by the Board or Mayor. City policy stated that overtime was to be kept to a minimum and in June 2013, the Board updated the policy to require authorization of overtime by the Board or Mayor prior to it being incurred. In addition, the Board did not have a process for reviewing and approving timesheets and did not address the overtime issue until 2013. Further, some overtime was recorded on timesheets, but the timesheets were not always signed by the employee or an approving official as required by city policy. In addition, non-working time, such as vacation, sick and holidays, was included as hours worked when calculating overtime, which is not in accordance with city policy and not required by the Fair Labor Standards Act of 1938 (FLSA).

During 2013, the Board did not document approval of payroll payments made to employees totaling \$100,000 and payments made to a contract laborer totaling \$712.

Recommendation

The Board of Aldermen ensure adequate reviews of time records and payroll payments are performed and proper monitoring of overtime to ensure overtime is necessary and approved. In addition, ensure compliance with the city's overtime policy and the FLSA.

Status

In Progress

We reviewed time records and payroll payments for the month of January 2015, and noted adequate reviews of time records and payroll payments were performed, and employees were no longer working excessive overtime. However, some employees were not compensated by the city for a limited number of overtime hours worked.

4.2 Payroll - Leave and
final paychecks

Although the city's personnel policy allowed vacation and sick leave hours to be carried over annually with a maximum balance and vacation leave to



City of Leeton
Follow-up Report on Audit Findings
Status of Findings

be paid out at termination, the Board was not tracking employee leave balances. As a result, there was no documentation to support the final amounts paid to the former City Clerk and former City Superintendent for vacation leave upon their termination. Our calculations determined the city overpaid the City Clerk for 52 hours of vacation leave (\$684) and the City Superintendent for 62 hours of vacation leave (\$1,001).

Recommendation

The Board of Aldermen ensure employee leave balances are properly tracked and monitored. In addition, ensure future final paychecks are supported by proper documentation, are in compliance with city personnel policies, are reviewed and approved by the Board prior to payment, and seek reimbursement of the overpayments.

Status

Partially Implemented

The City Clerk indicated she is the only full-time employee earning leave, and she prepared a spreadsheet of her leave balances, which was reviewed by the Mayor in April 2015. The Board consulted with legal counsel regarding the overpayments made to past employees and has chosen not to seek reimbursement.

4.4 Payroll - Salary ordinance

The city had not updated its ordinances to establish the compensation of employees since 1984.

Recommendation

The Board of Aldermen update the city ordinance that establishes the compensation of employees.

Status

Implemented

The Board adopted an ordinance on April 1, 2015, which establishes the compensation of all employees in the annual budget.

5.1 Disbursements - Approval process and oversight

The Board did not retain a list of bills approved, did not document its approval of individual invoices, and did not approve some non-payroll disbursements prior to payment. In addition, the city did not require invoices to be marked paid or otherwise canceled, and the receipt of goods or services was not documented prior to payment.

Recommendation

The Board of Aldermen ensure all invoices are reviewed and approved by appropriate officials prior to payment and ensure approval of disbursements is documented. In addition, the Board should ensure invoices are marked paid to prevent duplicate payments and require documentation of receipt of goods and/or services prior to payment of invoices.



City of Leeton
Follow-up Report on Audit Findings
Status of Findings

Status	Implemented The Board reviewed and approved a list of disbursements made in January 2015. The January 2015 invoices reviewed were marked paid and documented receipt of goods and/or services.
5.2 Disbursements - Procurement procedures Recommendation	<p>The city did not have a formal bidding policy and did not solicit bids for any goods or services purchased during the 2 years ended December 31, 2013.</p> <p>The Board of Aldermen establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for bids selected.</p>
Status	In Progress The Board indicated it has begun bidding goods and services and provided documentation for the bidding of mowing services in April 2015. However, the Board had not established formal bidding policies and procedures, but indicated it will consider adopting formal bidding policies and procedures in the future.
5.3 Disbursements - Conflicts of interest Recommendation	<p>The Board did not adequately monitor its activities for conflicts of interest and noncompliance with related statutory provisions. The city paid approximately \$1,000 to Mayor Gary King's repair business in 2012 without soliciting bids. In addition, Alderman Binder's son was paid \$712 in 2013 as a contract laborer with no documentation of Board approval.</p> <p>The Board of Aldermen comply with state law regarding transactions with businesses owned by city officials, and ensure such arrangements are properly handled and documented. In addition, the Board should closely examine city transactions to identify and avoid the appearance of or actual conflicts of interest, and ensure members avoid participation in decisions or other situations that could result in the appearance of or actual conflict of interest.</p>
Status	Implemented The Board has not utilized the services of any city officials or their relatives and indicated it does not plan to do so in the future. The Board adopted an ordinance on April 1, 2015, which addressed conflicts of interest and required filing of personal financial disclosures.
6. Sunshine Law	The Board did not always comply with the Sunshine Law. Open meeting minutes did not always record a roll call vote of the Board members to enter into closed session and did not always document the reason for closing the meeting. Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the



City of Leeton
Follow-up Report on Audit Findings
Status of Findings

closed meeting, including reference to a specific section of the law, shall be voted on during an open meeting. These reasons and the corresponding votes to close the meeting should have been documented in the open minutes to demonstrate compliance with statutory provisions.

Recommendation

The Board of Aldermen ensure open meeting minutes properly disclose the votes and reasons for closing a meeting.

Status

Implemented

The Board properly disclosed the votes and reasons for closing meetings during November 2014 through January 2015.

7. Budgets

City budgets did not include all elements required by law and were not accurate, and some budgeted receipts and disbursements were overstated.

The Board approved budgets for the years ended December 31, 2013, and 2012, that did not include a budget message, budgeted amounts for the 2 preceding years, and beginning and ending actual and estimated cash balances.

The Water Fund and Sewer Fund budgets listed labor as a disbursement; however, these labor costs were already included in the General Fund budget. In addition, the 2013 actual amounts recorded as transfers in to the General Fund and transfers out of other city funds on the 2014 budget were not correct. The City Clerk prepared checks that were dated December 31, 2013, and some of these checks were recorded as actual disbursements of 2013 in the 2014 budget, while other checks were recorded as disbursements in the accounting system for 2014.

Recommendation

The Board of Aldermen prepare budgets that are accurate and in compliance with state law.

Status

Partially Implemented

As with previous years' budgets, the 2015 budget did not include a budget message, budgeted amounts for the 2 preceding years, and beginning and ending actual and estimated cash balances. It reported accurate information.



Nicole R. Galloway, CPA
Missouri State Auditor

Schuyler County



June 2015

Report No. 2015-037

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Schuyler County

Sheriff Controls and Procedures	A master listing of all seized property is not maintained. The Sheriff's office does not maintain adequate records over inmate monies nor do office personnel always issue receipt slips immediately upon receipt of monies received after regular office hours. Additionally, checks and money orders are not restrictively endorsed immediately upon receipt, and some fuel and mileage logs for county-owned vehicles were missing.
County Collector Controls and Procedures	The County Collector allows the County Clerk and the County Treasurer to collect property taxes, resulting in inappropriately segregated duties. The County Collector, the Deputy County Collector, the County Treasurer, and the County Clerk use the same password to access a County Collector's office computer.
Information Systems Backup	The Prosecuting Attorney does not back up computer data. The Recorder of Deeds and County Assessor do not store backup files at an off-site location. The County Assessor's office computers contain the databases for the property tax system shared by the County Assessor, County Clerk, and County Collector's offices, leaving those offices at risk if data could not be recovered.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Schuyler County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Sheriff Controls and Procedures.....	4
2. County Collector Controls and Procedures	6
3. Information Systems Backup	7

Organization and Statistical	9
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Schuyler County

We have audited certain operations of Schuyler County in fulfillment of our duties under Section 29.230, RSMo. In addition, Beard-Boehmer and Associates, PC, has been engaged to audit the financial statements of Schuyler County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

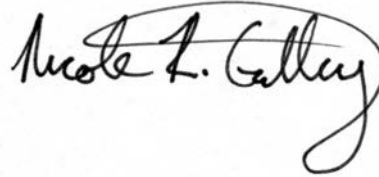
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Schuyler County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Patrick M. Pullins, M.Acct., CISA
Audit Staff:	Jennifer Anderson
	Jill Wilson, MBA
	Ruben Lara

Schuyler County Management Advisory Report State Auditor's Findings

1. Sheriff Controls and Procedures

Controls and procedures related to seized property and inmate monies need improvement. Receipt slips are not always issued for some monies received, and adequate fuel usage records are not maintained. Sheriff records indicate approximately \$31,700 was received for civil and criminal process fees, concealed carry weapon permits, bonds, and other miscellaneous receipts during the year ended December 31, 2014.

The former elected Sheriff resigned effective July 31, 2014. An interim Sheriff was appointed to serve until a special election on November 4, 2014. The current Sheriff took office after certification of the special election results on November 7, 2014. Recommendations are directed to the current Sheriff since he is in a position to work with the County Commission and implement changes.

1.1 Seized property

As noted in our prior audit report, the Sheriff's office has not established adequate controls over seized property. A master listing of all seized property is not maintained. Seized property is documented in each case file and office personnel performed a physical inventory of the seized property rooms in February 2015; however, without a master listing of the seized property items, it is not possible to ensure all items were accounted for in the inventory.

Considering the sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the stored items. Inventory control records should be maintained, periodic physical inventories performed, and the results compared to the inventory records to ensure seized property is accounted for properly.

1.2 Inmate monies

The Sheriff did not maintain adequate records over inmate monies. During a cash count on January 6, 2015, we noted cash totaling \$158 in 2 envelopes for one inmate in the office safe. The cash balance per the inmate's transaction ledger was \$14, resulting in a difference of \$144.

Sheriff personnel indicated one envelope was maintained for the inmate's booking money and the other envelope for commissary money. The Sheriff indicated inmate money should be recorded on the inmate's transaction ledger, the money put in the inmate's envelope, and the envelope put in the office safe. Monies are used to purchase commissary items. However, monies were kept in 2 envelopes instead of one and the inmate's transaction ledger did not include all transactions or monies from both envelopes and also included other transactions. A ledger entry should be made for all inmate transactions including the receipt of monies and disbursement of those monies. Upon release, office personnel return any remaining monies to the applicable inmate.



Schuyler County Management Advisory Report - State Auditor's Findings

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the Sheriff should ensure office personnel follow the established procedure of maintaining one envelope for each inmate's monies and ensure the transaction ledger includes all activity documenting the inmate's balance, receipts, and disbursements.

1.3 Receipting procedures

Office personnel do not always issue receipt slips immediately upon receipt of monies received after regular office hours. County jailers or dispatchers are responsible for issuing receipt slips when the secretary is not in the office; however, the secretary sometimes has to issue receipt slips after she returns to the office for monies they received. In addition, checks and money orders are not restrictively endorsed immediately upon receipt, but are endorsed when deposits are prepared.

Failure to implement adequate receipting and endorsement procedures increases the risk that loss, theft, or misuse of monies received will go undetected. To adequately safeguard receipts and reduce this risk, procedures should ensure receipt slips are written immediately for all monies received and all receipts are restrictively endorsed upon receipt.

1.4 Fuel usage

Office personnel began keeping fuel and mileage logs for county-owned vehicles in September 2014; however, some monthly vehicle logs were missing since that time. During the year ended December 31, 2014, the Sheriff's office spent approximately \$19,800 on fuel.

Mileage and fuel logs are necessary to document the appropriate use of vehicles and to support fuel charges. Failure to review fuel use and reconcile to fuel purchased could result in loss, theft, and misuse of fuel going undetected.

Recommendations

The Sheriff:

- 1.1 Maintain a master listing of all items in the seized property rooms, perform periodic physical inventories, and compare the results to the inventory records.
- 1.2 Maintain records indicating balances, receipts, and disbursements made by the inmate and reconcile the balances to the monies held.
- 1.3 Ensure receipt slips are timely issued for all monies received and ensure all checks and money orders are restrictively endorsed upon receipt.
- 1.4 Ensure fuel use and mileage logs are maintained and retained for all county-owned vehicles, and these logs are reviewed for accuracy



Schuyler County
Management Advisory Report - State Auditor's Findings

and reconciled to fuel purchases. Any significant discrepancies should be investigated.

Auditee's Response

The Sheriff provided the following responses:

- 1.1 Since taking office in November 2014, I have begun to implement these procedures. A master inventory of evidence is now maintained. A physical inventory was performed in February 2015 and will be conducted annually in the future. The results of the physical inventory will be compared to the inventory records.*
- 1.2 The Sheriff's office no longer accepts or maintains monies for inmates for commissary purchases, because there is now a commissary vendor. Payments are made directly to the vendor and not to the Sheriff's office; therefore, records of inmate balances are no longer necessary. The only money received from inmates is the money in the inmate's possession at the time of booking. This money is not available for commissary use.*
- 1.3 All employees have been trained in proper receipting procedures and now issue receipt slips at all times. Checks and money orders are restrictively endorsed immediately upon receipt.*
- 1.4 Fuel and mileage logs are now required for all vehicles. Fuel logs are reconciled to fuel purchases (receipts) monthly. The fuel and mileage logs have been modified since I took office to better document fuel usage. Additionally, new fuel cards have been acquired with better controls over fuel usage.*

2. County Collector Controls and Procedures

Other county officials are collecting property taxes for the County Collector. In addition, the County Collector has not established adequate password controls to reduce the risk of unauthorized access to computers and data.

2.1 Segregation of duties

The County Collector allows the County Clerk and the County Treasurer to collect property taxes during busy periods or when County Collector personnel are not available. Receipts collected by the County Clerk and the County Treasurer cannot be determined because they use the same computer workstation used by County Collector personnel for processing collections (see section 2.2). In addition, the County Clerk and County Treasurer are not covered under the County Collector's bond.

The County Clerk's statutory duties include reviewing the County Collector's annual settlement to ensure it is complete and accurate. When the County Clerk collects property taxes, this negates the segregation of



Schuyler County Management Advisory Report - State Auditor's Findings

duties intended by the review of the annual settlement. The statutory duties of the County Clerk and the County Treasurer do not include collecting property taxes for the County Collector. Without adequate segregation of duties, there is an increased risk of loss, theft, misuse, or errors occurring and going undetected. Additionally, allowing county officials not covered by the County Collector's bond to perform duties of the County Collector puts the county at an increased risk that a claim against the bond could be denied.

2.2 Password controls

The log in and password for one of the County Collector's workstations with access to property tax records is shared by the County Collector, the Deputy County Collector, the County Treasurer, and the County Clerk. As a result, accountability for receipts collected cannot be established and the risk of loss, theft, misuse, or errors is greatly increased.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords are shared among employees, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

Recommendations

The County Collector:

- 2.1 Discontinue allowing the County Clerk and County Treasurer to collect monies for the County Collector's office.
- 2.2 Require unique passwords for each employee that are confidential to prevent unauthorized access to computers and data.

Auditee's Response

The County Collector provided the following response:

I agree with the recommendations and have taken steps to implement them.

3. Information Systems Backup

The Prosecuting Attorney does not back up computer data. The Recorder of Deeds and County Assessor do not store backup files at an off-site location. The County Assessor's office computers contain the databases for the property tax system shared by the County Assessor, County Clerk, and County Collector's offices, leaving those offices at risk if data could not be recovered.

Preparation of backup data, preferably on a daily or at least weekly basis, and off-site storage would provide increased assurance county data could be recreated if necessary. Failure to store computer backup data at a secure off-



Schuyler County
Management Advisory Report - State Auditor's Findings

site location results in the backup data being susceptible to the same damage as the data on the computer.

Recommendation

The Prosecuting Attorney should ensure computer data is backed up periodically. In addition, the Prosecuting Attorney, Recorder of Deeds, and County Assessor should ensure computer backup data is stored at a secure off-site location.

Auditee's Response

The Prosecuting Attorney provided the following response:

Data is now backed up and taken off-site.

The Recorder of Deeds provided the following response:

The recommendation has been implemented. All data is now being backed up and taken off-site.

The County Assessor provided the following response:

This recommendation has been implemented. Backup of data has always been performed. We were under the belief that the software vendor was remotely backing up office data. The backup files are now being taken off-site.

Schuyler County

Organization and Statistical Information

Schuyler County is a county-organized, third-class county. The county seat is Lancaster.

Schuyler County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 30 full-time employees and 5 part-time employees on December 31, 2014.

In addition, county operations include the Senior Citizens' Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Rodney Cooper, Presiding Commissioner	\$	21,800
Jim Werner, Associate Commissioner		19,800
Jeff Lindquist, Associate Commissioner		19,800
Linda Blessing, Recorder of Deeds		30,000
Bree Shaw, County Clerk		30,000
Lindsay Gravett, Prosecuting Attorney		38,000
Joe Wuebker, Sheriff (1)		5,499
Luis Perez, Sheriff (1)		9,918
Josh Dole, Sheriff (1)		21,583
Karmen Burt, County Treasurer		30,000
Douglas B. Norman, County Coroner		8,500
Ronald L. Morgan, Public Administrator		15,000
Tammy R. Steele, County Collector, year ended February 28,	30,000	
Gary Stump, County Assessor, year ended August 31,		29,667

- (1) Josh Dole resigned as Sheriff effective July 31, 2014. Luis Perez served as interim Sheriff until a special election held November 4, 2014. Joe Wuebker took office after certification of the election results on November 7, 2014.

Restitution Funds

As noted in our prior audit, weaknesses in internal controls in the County Collector's office allowed the former County Collector to steal \$568,974 from the office. On December 19, 2011, Kathy Roberts pled guilty in federal court to one felony count of mail fraud. She was sentenced to 33



Schuyler County
Organization and Statistical Information

months in federal prison and ordered to pay restitution of \$568,974. On June 6, 2012, she pled guilty in state court to felony stealing and was placed on 5 years' probation.

The county established two funds to account for the restitution due from the former County Collector. The Collector Bond Recovery Fund was established to accept and disburse \$242,937 received from the bonding company that insured the former County Collector. These monies have been distributed to the taxing entities and the fund has been closed. The Collector Restitution Fund was established to accept and disburse the monthly restitution payments due from the former County Collector. These monies will be disbursed to taxing entities as appropriate. As of December 31, 2014, the county had received \$788 and none of it had been disbursed.



Nicole R. Galloway, CPA
Missouri State Auditor

Howard County



June 2015

Report No. 2015-038

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of Howard County

Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney has not established adequate segregation of accounting duties. The office does not prepare accurate bank reconciliations, maintain running check register balances, prepare lists of liabilities, or reconcile liabilities to the adjusted bank balance. Office personnel do not generate or prepare monthly lists of unpaid bad checks and restitution, and are not proactive in identifying and following up on cases with unpaid amounts.
Sheriff's Controls and Procedures	The Sheriff has not established adequate segregation of accounting duties and does not document his review of accounting records. The Sheriff has not established adequate procedures to identify amounts due for serving civil papers, and no follow up is performed on unpaid amounts.
Public Administrator's Disbursements	The Public Administrator did not obtain documentation for some monies provided to wards and for other disbursements from ward bank accounts. During the period between June 1, 2013, to May 31, 2014, 60 checks totaling \$5,690 were written to one ward for personal expenses; however, the Public Administrator did not have the ward sign a receipt indicating these monies had been received. Twelve checks totaling \$1,200 were issued to a grocery store on behalf of the ward; and although the Public Administrator requires documentation from the ward to support the items purchased, no documentation was on file for 4 of these checks.
Road and Bridge Sales Tax	Despite similar concerns in the prior audit, the county does not separately account for and track road and bridge capital improvement sales tax receipts and their disbursement in accordance with state law.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Howard County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Prosecuting Attorney's Controls and Procedures	4
2. Sheriff's Controls and Procedures	5
3. Public Administrator's Disbursements	6
4. Road and Bridge Sales Tax	7

Organization and Statistical	9
Information	



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Howard County

We have audited certain operations of Howard County in fulfillment of our duties under Section 29.230, RSMo. In addition, Beard-Boehmer and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Howard County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

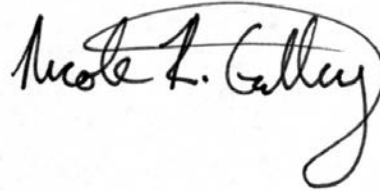
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Howard County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Lavonda K. Murray, M.Acct. Colton Kruep

Howard County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the current Prosecuting Attorney's office need improvement. The current Prosecuting Attorney took office in January 2015. The Prosecuting Attorney's office collected bad check restitution, criminal restitution, fees, and delinquent taxes totaling approximately \$72,000 during the year ended December 31, 2014.

1.1 Segregation of duties

The Prosecuting Attorney has not established adequate segregation of accounting duties. One administrative assistant is responsible for receipting, recording, depositing, disbursing monies collected, and preparing bank reconciliations. There is no independent and/or supervisory review of accounting records, other than the Prosecuting Attorney indicated he reviews related case information when he signs checks.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement a documented independent or supervisory review of accounting records.

1.2 Bank reconciliations and liabilities

The Prosecuting Attorney's administrative assistant does not prepare accurate bank reconciliations. The bank reconciliation prepared for January 2015 did not include three outstanding checks totaling \$495, and the adjusted bank balance was not reconciled to a book balance because a running check register balance is not maintained. In addition, office personnel do not prepare a list of liabilities or reconcile liabilities to the adjusted bank balance. We prepared a list of liabilities at January 31, 2015, and identified liabilities totaling \$3,809, which was \$498 less than the corrected reconciled bank balance of \$4,307. The identified liabilities primarily consisted of 2 cases. One case with a balance of \$3,713 should have been disbursed in December 2014, and the second case with a balance of \$74.50 should have been disbursed in July 2014.

Preparing accurate monthly bank reconciliations and maintaining a running check register balance helps ensure records are accurate and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the reconciled cash balance is necessary to ensure records are in balance, monies are available to satisfy all liabilities, and monies are disbursed timely. Differences must be adequately investigated and explained. Various statutory provisions provide for the disposition of unidentified monies.

1.3 Accounts receivable

Office personnel do not generate or prepare monthly lists of unpaid bad checks and restitution, and are not proactive in identifying and following up on cases with unpaid amounts.



Howard County
Management Advisory Report - State Auditor's Findings

A complete and accurate list of unpaid bad checks and restitution would allow office personnel to more easily review amounts due, take appropriate steps to ensure amounts due are collected, and determine if any amounts are uncollectible.

Recommendations

The Prosecuting Attorney:

- 1.1 Adequately segregate accounting duties to the extent possible or ensure independent or supervisory reviews of accounting records are performed and documented.
- 1.2 Prepare complete and accurate monthly bank reconciliations, maintain a running balance in the check register, reconcile the list of liabilities to the reconciled cash balance monthly, and promptly investigate any differences. After sufficient efforts are made to resolve differences, any remaining unidentified monies should be disposed of in accordance with state law.
- 1.3 Establish procedures to monitor and collect accounts receivable.

Auditee's Response

The Prosecuting Attorney provided the following responses:

- 1.1 *I will implement a procedure to review receipts and deposits and verify reconciliations on a monthly basis. This review will be documented.*
- 1.2 *I have implemented procedures to prepare accurate monthly bank reconciliations, maintain a running balance in the check register, and prepare and reconcile lists of liabilities to the reconciled cash balance on a monthly basis. Most of the differences noted in the audit finding have been disbursed.*
- 1.3 *I have prepared a list of accounts receivable and will continue to update it as needed. I have implemented procedures to follow up on unpaid amounts.*

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office collected bonds, board bills, concealed carry weapon permit fees, civil paper service fees, and other fees totaling approximately \$116,000 during the year ended December 31, 2014.

2.1 Segregation of duties

The Sheriff has not established adequate segregation of accounting duties and does not document his review of accounting records. The Sheriff's office clerk is responsible for receipting, recording, depositing, and disbursing monies from the Sheriff's bank account. Neither the Sheriff nor other office personnel perform a documented review of accounting records.



Howard County Management Advisory Report - State Auditor's Findings

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review of accounting records.

A similar condition was noted in prior audit reports.

2.2 Civil paper service fees

The Sheriff has not established adequate procedures to ensure all accrued costs are identified and pursued. A list of all amounts due is not maintained and no follow up is performed on unpaid amounts. Beginning in November 2014, the Sheriff's office bills for and receives fees and mileage for serving civil papers. The Sheriff's office clerk completes a fee sheet indicating fee and mileage due for all papers served and unpaid fee sheets are kept together. Previously, these monies were billed and received by the Circuit Court.

To ensure amounts owed are collected timely, the Sheriff should maintain a complete and accurate list of all civil paper service fees and mileage due and properly follow up on all unpaid amounts. By not monitoring accrued costs, these costs could remain uncollected and result in lost revenue.

Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties to the extent possible or ensure independent or supervisory reviews of accounting records are performed and documented.
- 2.2 Establish procedures to track, monitor, and pursue collection of civil paper service fees and mileage.

Auditee's Response

The Sheriff provided the following written responses:

- 2.1 *After the office clerk finishes with her accounting duties, the Sheriff reviews the records (one-write ledger, deposit slips, and disbursements) and documents the review on a monthly basis.*
- 2.2 *We have started a running list of all papers that are served that shows how much we earned; how much they owe; when the bill was mailed out (if they owe money); and payments received.*

3. Public Administrator's Disbursements

The Public Administrator did not obtain documentation for some monies provided to wards and for other disbursements from ward bank accounts. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Associate Circuit Court, Probate Division, and was responsible for the financial activity of 41 individuals as of December 31, 2014.



Howard County Management Advisory Report - State Auditor's Findings

Our review of disbursements and related records for 2 wards noted adequate supporting documentation was not retained for many checks written from one ward's account during the annual settlement period June 1, 2013, to May 31, 2014:

- The Public Administrator did not have the ward sign a receipt indicating monies had been received for various personal expenses. Sixty checks, totaling \$5,690, were written to the ward for personal expenses. In addition, the Public Administrator issued one check for \$65 to herself and noted in the file that she cashed the check and gave the monies to the ward for phone and gas expenses. For certain checks issued to the ward, the Public Administrator indicated she requests the ward provide copies of receipt slips or invoices to support items purchased, but the ward does not always provide them. No documentation was on file for 12 of the 35 checks for which it was requested.
- Twelve checks totaling \$1,200 were issued to a grocery store on behalf of the ward. The Public Administrator indicated she writes a check to the store for \$100 each month, the ward purchases a \$100 store-issued gift card with the check, and uses the gift card to purchase groceries from the store. The Public Administrator indicated the ward is required to submit receipt slips to support the items purchased; however, no documentation was on file for 4 of these checks.

To ensure payments are valid and proper and reduce the risk of loss, theft, or misuse of funds, the Public Administrator should obtain documentation for monies provided to wards and also maintain adequate supporting documentation for all disbursements.

Recommendation

The Public Administrator ensure documentation is obtained for monies provided to wards and also ensure disbursements are supported by adequate documentation.

Auditee's Response

The Public Administrator provided the following response:

I have implemented a procedure to have the ward sign a copy of each check written to the ward or to the grocery store on behalf of the ward. I am working with the wards to ensure documentation is submitted when required and will attach the documentation to the copy of the related check.

4. Road and Bridge Sales Tax

As noted in the prior report, the county does not separately account for and track road and bridge capital improvement sales tax receipts and disbursements in accordance with state law. The county collected approximately \$271,000 from this sales tax during the year ended December 31, 2014.



Howard County
Management Advisory Report - State Auditor's Findings

In April 1992, county voters approved a 1/2-cent road and bridge capital improvement sales tax. The ballot stated the sales tax would be used for "the general operating expense incurred by the Road and Bridge Fund, including but not limited to the following: road rock, salaries, fuel expense, equipment purchases, and bridges and culverts, etc." Section 67.700, RSMo, requires deposit of this money into a special trust fund and it to be used solely for designated capital improvement purposes. However, the county deposits these receipts into the Special Road and Bridge Fund and does not separately account for its usage, and has not identified capital improvement purposes funded. Without depositing this money into a separate fund or separately accounting for how it was spent, the county is unable to demonstrate compliance with state law.

Recommendation

The County Commission establish procedures to separately account for road and bridge capital improvement sales tax receipts and disbursements as required by state law.

Auditee's Response

The County Commission provided the following written response:

The Howard County Commission concurs with the recommendation of the State Auditor's office and will begin separately tracking road and bridge capital improvement sales tax receipts and disbursements.

Howard County

Organization and Statistical Information

Howard County is a county-organized, third-class county. The county seat is Fayette.

Howard County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 47 full-time employees and 21 part-time employees on December 31, 2014.

In addition, county operations include the Health Department, the Senate Bill 40 Board, and four levee districts.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
William Lowell Eaton, Presiding Commissioner	\$	27,080
Richard Conrow, Associate Commissioner		25,080
Howard McMillan, Associate Commissioner		25,080
Charles J. Flaspohler, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Kathyrne Harper, County Clerk		38,000
Deborah Riekhof, Prosecuting Attorney		45,000
Mike Neal, Sheriff		42,000
Susan Keyton, County Treasurer		38,000
Frank Flaspohler, County Coroner		11,000
Lisa Asbury, Public Administrator		38,000
Sharon Himmelberg, County Collector (2), year ended February 28,	44,748	
John (Woody) McCutcheon, County Assessor, year ended August 31,		38,389
Nathanael E. Kohl, County Surveyor (3)		

(1) Compensation is paid by the state.

(2) Includes \$6,748 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Lewis County



June 2015

Report No. 2015-039

<http://auditor.mo.gov>

Lewis County

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Sheriff Controls and Procedures	3
2.	Commissary Controls and Procedures	4

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Lewis County

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-103, *Lewis County* (rated as Fair), issued in November 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed documentation provided by the Sheriff and held discussions with him to verify the status of implementation for the recommendations. Documentation provided by the Sheriff included bank statements and reconciliations, receipt and disbursement records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during April and May 2015.

Nicole R. Galloway, CPA
State Auditor

Lewis County

Follow-Up Report on Audit Findings

Status of Findings

1. Sheriff Controls and Procedures	Controls and procedures in the Sheriff's office needed improvement.
1.1 Segregation of duties	<p>The Sheriff had not adequately segregated accounting duties for the fee account, and did not perform adequate supervisory reviews. Additionally, the Office Administrator was an approved signer on the Sheriff's fee account and only one signature was required.</p> <p>The Sheriff did not document his occasional review of bank reconciliations or other accounting records. In addition, there was not adequate oversight of receipting, depositing, or disbursement procedures to ensure monies were properly and timely recorded, deposited, and disbursed.</p>
Recommendation	The Sheriff adequately segregate accounting duties or ensure independent or supervisory reviews of accounting records are performed and documented.
Status	<p>In Progress</p> <p>The Sheriff indicated he is unable to adequately segregate duties due to the limited staff available. However, the Sheriff reviews accounting records prepared by the Office Administrator and the Deputy Sheriff. During the time period January through April 2015, the Office Administrator was on medical leave and the Sheriff handled accounting duties related to the fee account. The Sheriff is reviewing the records of the commissary account. We reviewed the January 2015 bank reconciliation prepared for the commissary account and noted the Sheriff had initialed and dated the account ledger noting his review on February 12, 2015. The Sheriff indicated he will document his review of the fee account in the future.</p>
1.2 Receipting and depositing	<p>Controls and procedures over receipting and depositing monies were not sufficient. As a result, there was less assurance monies received were deposited.</p> <p>The Office Administrator did not issue receipt slips timely for some monies received, and did not always deposit receipts intact and timely. The Office Administrator did not issue receipt slips for monies received until the monies were included in a deposit. In addition, monies received for civil paper service fees were not recorded or deposited until completion of the civil paper process.</p>
Recommendation	The Sheriff issue receipt slips for all monies when received and ensure deposits are made timely and include all monies on hand at the time a deposit is prepared.



Lewis County
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

During our follow up visit in April 2015, we determined no change in procedures had occurred. However, following our discussion of these issues with the Sheriff, he agreed to implement these recommendations in May 2015. The Sheriff indicated during a subsequent discussion that effective May 1, 2015, the Office Administrator began issuing receipt slips for all monies upon receipt and depositing all monies on hand at the time of deposit. We did not have the opportunity to review the new procedures.

1.3 Bonds

Controls and procedures for receipting and recording bond monies were not sufficient.

Deputies and jailers typically collected bond monies and transmitted these monies to the Office Administrator for processing. However, bond forms were not prenumbered, copies of bond forms were not always retained, and receipt slips were not issued when these monies were received. In addition, there was no documentation to support the transmittal to the Office Administrator.

Recommendation

The Sheriff issue prenumbered bond forms for all bond monies received and account for the numerical sequence of bond forms. The Sheriff should also ensure the transmittal of bond monies between staff is documented.

Status

Partially Implemented

The Sheriff contacted the software vendor to determine if the jail management system could generate a listing of all bonds posted. The Sheriff indicated the system currently cannot generate a listing, but the software vendor is working on a solution. The Sheriff also indicated the booking checklist had been updated to include a step to ensure a copy of the completed bond sheet (form) is in the jail file and the original bond sheet and money is placed in the lockbox in the front office.

However, prenumbered bond forms and receipt slips are not issued when bond monies are received. Additionally, the Sheriff has not put procedures in place to document the transmittal of bond monies between Sheriff office employees.

2. Commissary Controls and Procedures

Controls and procedures over the commissary items and telephone cards needed improvement.

2.1 Commissary account

Sheriff's office personnel did not prepare a monthly list of liabilities to reconcile to the available cash balance for the Sheriff's commissary account. Records of commissary profits were not maintained, making it difficult to determine the actual amount of profits maintained in the account.



Lewis County
Follow-up Report on Audit Findings
Status of Findings

We requested the Office Administrator prepare a list of liabilities for the Sheriff's commissary account as of December 31, 2013. The list of liabilities totaled \$178 while the reconciled bank balance was \$6,237, resulting in an overage of \$6,059; however, there was no documentation to confirm the remaining \$6,059 was commissary profits.

The Sheriff also maintained amounts assumed to be profits from commissary sales outside the county treasury and used these monies to purchase items for the benefit of prisoners and the Sheriff's office.

During 2013, the Sheriff used commissary monies totaling \$3,649 to purchase prison supplies, building repairs, and inmate medical services. The County Commission did not approve these purchases, and the Sheriff's office did not handle these purchases through the normal county procurement and budget process.

Recommendation

The Sheriff prepare a monthly list of liabilities for the commissary account, compare it to the available cash balance, and promptly investigate and resolve differences. In addition, maintain complete and accurate records that allow for the tracking of profit and loss on all commissary sales. The Sheriff should work with the County Commission and County Treasurer to establish the Inmate Prisoner Detainee Security Fund and ensure existing and future commissary profits are deposited to this fund.

Status

In Progress

The Sheriff prepared a list of inmate account balances totaling \$122 as of March 31, 2015. The balance of the commissary account was \$2,313 on that date. On April 1, 2015, the Sheriff transferred \$1,800 from the commissary account to the County Treasurer to be placed in the Inmate Prisoner Detainee Security Fund, which the county established in January 2015. The Sheriff indicated he wanted to keep approximately \$500 in the account.

The Sheriff is working with the commissary vendor to establish a system where inmates' friends and family deposit monies directly with the vendor so the inmates can purchase commissary items from the vendor. Once this new system is established, the Sheriff's office will no longer handle commissary funds and the vendor will forward commissary profits to the County Treasurer.

2.2 Commissary items and telephone cards

Sheriff's office commissary procedures needed improvement. During the year ended December 31, 2013, the Sheriff's office spent approximately \$11,782 from the commissary account for various items and telephone cards to sell in the commissary. However, the Sheriff's office did not maintain a running inventory of commissary items and telephone cards or conduct periodic physical inventory counts.



Lewis County
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Sheriff maintain inventory records of commissary items and telephone cards and reconcile the records to purchases, sales, and periodic physical inventory counts.

Status

In Progress

As noted in the finding 2.1 status, the Sheriff is working with the office's commissary vendor and has requested that the vendor provide commissary items and telephone cards to the inmates that had previously been provided by the Sheriff's office. Once this occurs, the office will no longer maintain a commissary inventory.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Lewis County Collector and Property Tax System



June 2015

Report No. 2015-040

<http://auditor.mo.gov>

Lewis County Collector and Property Tax System

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings

1.	County Collector Controls and Procedures	3
2.	Property Tax System Controls and Procedures	6



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
County Collector
Lewis County, Missouri

We have conducted follow-up work on audit report findings contained in Report No. 2014-104, *Lewis County Collector and Property Tax System* (rated as Poor), issued in November 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
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 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed documentation provided by county officials and the computer software vendor and held discussions with the officials to verify the status of implementation for the recommendations. Documentation provided by the county included bank statements and reconciliations, county collector annual settlements, receipt and disbursement records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during April and May 2015.

Nicole R. Galloway, CPA
State Auditor

Lewis County Collector and Property Tax System

Follow-Up Report on Audit Findings

Status of Findings

- | | |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. County Collector Controls and Procedures | Despite similar concerns noted in our 3 prior audit reports, significant weaknesses continued to exist throughout the former County Collector's time in office. |
| 1.1 Receipt dates and payment number sequence | The County Collector's office did not always use the actual date of receipt when recording payments and did not account for the numerical sequence of receipt numbers (payment numbers) assigned by the computerized property tax system. |

The computerized property tax system sequentially assigned a payment number for all monies received through the County Collector's office. However, the system allowed users to backdate payments received in the system, resulting in payment numbers being out of order. In addition, payment numbers could be deleted from the system after a receipt had been printed without an audit trail. These control weaknesses allowed for possible manipulation of receipt data.

Recommendation

The County Collector work with the computer software vendor to establish controls to account for the numerical sequence of payment numbers assigned by the computerized property tax system, maintain an audit trail of changes made in the property tax system, and prevent the editing of payment transaction information after a receipt slip has been printed.

Status

Implemented

The County Collector worked with the computer software vendor to update the tax software to maintain an audit trail of changes made to property tax records as well as an audit trail of any payment numbers or deposit numbers edited or deleted from the property tax system. In addition, the County Collector has implemented a process to account for the numerical sequence of all payment numbers assigned by the property tax system. We contacted the computer software vendor to verify the changes made to the property tax system and observed the audit trail in the computer system for certain transactions.

- | | |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.2 Receipting, depositing, and disbursing | The County Collector did not have adequate procedures for receipting and depositing monies and did not reconcile receipts to deposits and disbursements, resulting in differences going undetected and uncorrected. |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The County Collector did not deposit receipts intact. The County Collector and the Deputy County Collector could each have separate work sessions open at the same time and could select which payments to include in deposits, so they could hold postdated checks for taxpayers when necessary.

Receipts were reported on the tax register based on the receipt date entered into the property tax system rather than the actual date of receipt and the monthly tax register was used to prepare the monthly disbursement



Lewis County Collector and Property Tax System
Follow-up Report on Audit Findings
Status of Findings

settlement. Payments backdated to a prior month or postdated to a subsequent month would not be included in the current month's tax register or distributed.

Recommendation

The County Collector ensure daily tax registers are printed and reconciled to daily collections and deposits. In addition, deposits should be made intact.

Status

Implemented

The County Collector has implemented new procedures for depositing collections. All checks received are deposited by the County Collector at the end of each day. Separate daily deposits are prepared at the end of each day for cash collections by drawer. After deposits have been prepared, the County Collector prints a deposit report by date posted that documents all payments included in the deposits that day. In addition, a tax register is generated by date paid and reconciled to the deposit report and the amounts deposited. If any differences are noted between these reports, an explanation is filed with the daily deposit report and report reconciliations. We reviewed daily deposit reports for March 2015 and April 1 through April 15, 2015, and noted any differences between the tax register and the daily deposit report were appropriately explained.

1.3 Bank reconciliations

We noted the following concerns during our review of the former and current County Collector's bank reconciliations.

- The former County Collector had not prepared bank reconciliations or prepared lists of liabilities since January 2008. The current County Collector opened a new bank account on November 1, 2013, and since that date the old account was not used for routine activity. The balance in the former County Collector's bank account on February 28, 2014, was \$54,604; however, without a corresponding list of liabilities the County Collector did not know what the account balance should have been or how the monies should have been distributed.

We reviewed the former County Collector's records and identified liabilities of \$37,847 and excess distributions of \$16,132 at February 28, 2014, resulting in a \$32,889 unexplained difference between the bank balance and total liabilities.

- The current County Collector did not reconcile the new bank account timely. As of August 2014, the current County Collector had not performed bank reconciliations or identified liabilities for 5 months.

Recommendation

The County Collector reconcile bank balances to a list of liabilities monthly, and ensure any differences are investigated and promptly resolved. In addition, the County Collector should attempt to identify and distribute



Lewis County Collector and Property Tax System
Follow-up Report on Audit Findings
Status of Findings

funds held in the dormant bank account, disburse any remaining unidentified balance in accordance with state law, and close the account.

Status

In Progress

As of May 20, 2015, the County Collector has completed bank reconciliations through October 31, 2014, and generated a list of liabilities monthly to materially support the bank reconciliations. We reviewed the October 31, 2014, bank reconciliation and noted a \$29.76 unreconciled difference between bank and book balances. This unreconciled difference had remained the same since the May 2014 reconciliation and the County Collector indicated she is still trying to resolve this difference. The County Collector has also attempted to prepare bank reconciliations for November and December 2014; however, she is still working to resolve large differences for these months.

The County Collector has not identified or distributed any funds held in the dormant bank account; however, the County Collector indicated an intern from a local college will be working in her office this summer and she plans to have the intern assist her with identifying funds held in the dormant account, so these monies can be distributed and the account closed.

1.4 Non-sufficient funds checks

The County Collector did not have adequate procedures in place to ensure non-sufficient funds (NSF) checks were collected, adjustments were made to the distribution of tax collections, and NSF checks were reversed in the property tax system to reflect amounts still owed by taxpayers.

Recommendation

The County Collector ensure a policy is established for the collection of NSF checks and accounting records accurately document the status of accounts involving bad checks.

Status

Implemented

The County Collector indicated her office has implemented procedures for the collection of NSF checks. According to the County Collector, the taxpayer will be given 10 days to resolve NSF checks. If the taxpayer has not resolved the NSF check within this time frame, the payment will be reversed in the accounting records and the NSF check will be forwarded to the Prosecuting Attorney for collection.

1.5 Segregation of duties

The County Collector had not segregated accounting duties. All employees received and recorded monies in the property tax system and were responsible for preparing deposits for receipts they collected. The former County Collector did not review employee deposits or compare receipt records to deposits to ensure all monies receipted were deposited. The



Lewis County Collector and Property Tax System
Follow-up Report on Audit Findings
Status of Findings

current County Collector stated she performed undocumented reviews of some deposits prepared by office staff.

Recommendation

The County Collector segregate accounting duties to the extent possible or ensure a supervisory review of accounting records is performed and documented.

Status

Implemented

The County Collector is reviewing and initialing all deposits prepared by office staff. She is also reconciling daily tax registers to daily deposit reports to ensure all monies received have been deposited. We reviewed daily deposits along with daily tax registers and deposit reports for March 2015 and noted these procedures were being performed.

**2. Property Tax System
Controls and Procedures**

We identified significant weaknesses in controls and procedures over the county's property tax system.

2.1 Annual settlements

The former County Collector did not prepare annual settlements for the year ended February 28, 2013, and the year ended February 29, 2012. Additionally, as of August 1, 2014, the current County Collector had not finalized the annual settlement for the year ended February 28, 2014.

Recommendation

The County Collector should prepare and file timely annual settlements.

Status

Implemented

The annual settlement for the year ended February 28, 2014, was approved by the County Commission on September 2, 2014. The County Collector finalized her annual settlement for the year ended February 28, 2015, and filed a copy with County Clerk's office on April 16, 2015. The County Commission approved the annual settlement on Monday, April 27, 2015, and the County Collector mailed a copy of the approved annual settlement to the Department of Revenue on April 27, 2015.

**2.2 Additions and
abatements**

Controls over property tax additions and abatements were not adequate. There was no independent comparison of property assessment changes made by the County Assessor to the related changes in the property tax system made by the County Clerk. In addition, the County Collector had the ability to enter additions and abatements into the computer system.

The County Assessor's office recorded changes to property assessments on manual forms. These forms were forwarded to the County Clerk's office, where additions and abatements were entered into the property tax system and sequentially numbered orders of assessment changes were prepared for County Commission approval. However, the County Clerk did not generate a monthly report of additions and abatements that could be reconciled to



Lewis County Collector and Property Tax System
Follow-up Report on Audit Findings
Status of Findings

individual court orders approved by the County Commission. Errors made by the County Clerk when entering some property tax additions and abatements into the system were not detected timely, contributing to the delay by the current County Collector in preparing the annual settlement for the year ended February 28, 2014.

Recommendation

The County Commission should ensure all tax book additions and abatements are properly recorded, approved, and charged to the County Collector. The County Commission should also ensure property tax system access rights are limited to only what is needed for users to perform their job duties and responsibilities.

Status

In Progress

The new County Clerk is in the process of implementing procedures for the reconciliation of assessment changes initiated by the County Assessor through court orders to monthly reports of additions and abatements generated from the property tax system. We reviewed the report of additions and abatements obtained from the property tax system for March 2015 and compared it to a spreadsheet of additions and abatements maintained by the County Clerk for March 2015 and determined total tax assessments agreed on both records. We also compared court orders 05-15 through 20-15 to the spreadsheet and property tax system reports and determined that individual court orders agreed to amounts entered into the property tax system and the spreadsheet.

Beginning with April 2015 court orders, the County Clerk will present individual court orders, her monthly spreadsheet of additions and abatements, and the monthly report of additions and abatements from the property tax system to the County Commission for review and approval at the end of the month. In addition, the County Clerk and County Collector both indicated they will begin reconciling their records at the end of each month.

Upon finalization of the annual settlement in April 2015, the County Collector's access rights to change valuations were removed.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Webster County



June 2015

Report No. 2015-041

<http://auditor.mo.gov>

Webster County

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Fuel Usage and Monitoring	3
2.2	County Procedures - Written agreements	5
3.	Property Tax System Controls and Procedures	5
4.	County Collector Controls and Procedures	7
5.1	Public Administrator Controls and Procedures - Annual settlements, inventories of assets, and death notices.....	9
6.	Prosecuting Attorney Controls and Procedures	9
7.	Recorder of Deeds Controls and Procedures	11
8.1	Sheriff Controls and Procedures - Receipting and transmitting	13

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Webster County

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-095, *Webster County* (rated as Poor), issued in October 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
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 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by county officials and held meetings with county officials. Documentation provided included fuel billings, various property tax reports, bank statements, receipt and deposit records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during April and May 2015.

Nicole R. Galloway, CPA
State Auditor

Webster County

Follow-Up Report on Audit Findings

Status of Findings

1. Fuel Usage and Monitoring

County officials had not established effective monitoring procedures for vehicle and equipment fuel use, and did not perform effective reviews of fuel billings.

Similar weaknesses were noted in our prior county audit report (Report No. 2010-27), in which we reported the county terminated a county employee in 2009 who admitted to stealing county fuel, but did not sufficiently correct these weaknesses after the theft occurred. More recently, the County Commission terminated a road and bridge department employee in February 2011, who admitted to stealing an estimated \$5,200 of county fuel. The County Commission required restitution and it was paid in full. However, a review of procedures during this audit showed the County Commission still did not sufficiently correct weaknesses related to monitoring of fuel use and reviewing fuel billings.

In our Report No. 2014-045, *Webster County Procurement Procedures and County Clerk*, we reported improper credit card purchases by the former Administrative Assistant to the County Clerk. We identified the former Administrative Assistant's name listed as a buyer on fuel card statements for periods several months after his termination date. As a result, we expanded our review of fuel procedures to include the period January 2012 through November 2013, and identified the following concerns.

County review and payments

The County Clerk and County Commission did not perform adequate reviews of fuel records prior to payments being made. As a result, the county made duplicate payments totaling at least \$10,932 in 2013 and \$29,396 in 2012. The vendor credited the county's account for the overpayments. In addition, the county did not always pay fuel card billings timely, resulting in late fees totaling \$2,225 during the year ended December 31, 2012.

The County Clerk and County Commission did not periodically review the fuel card user list to ensure it only included authorized users. We reviewed the fuel card user list as of November 2013, and identified 8 former county employees still included on the fuel card user list, including the former Assistant Administrator, who was terminated on July 26, 2013. The former Assistant Administrator had issued himself a fuel card without approval of the County Clerk and County Commission.

Sheriff's fuel cards and records

The Sheriff's office maintained 23 vehicles, and fuel was obtained from bulk fuel tanks and also purchased using fuel cards and credit cards. We identified various concerns as follows.

- Employees sometimes shared fuel card PIN numbers. Additionally, Sheriff's office employees did not always accurately enter the vehicle odometer reading and, as a result, fuel card statements did not reflect



Webster County
Follow-up Report on Audit Findings
Status of Findings

accurate vehicle mileage. Also, manual fuel logs maintained by the Sheriff's office did not include all fuel purchases from local gas stations and these logs were not reviewed or used to reconcile fuel used to fuel purchased. Some fuel logs could not be located at the time of our review.

- The Sheriff did not adequately review monthly fuel card billing statements. Some purchases noted on the fuel card statements appeared questionable.
- The Sheriff's office did not adequately account for all fuel cards. The fuel card online system showed 31 fuel cards assigned to the Sheriff's office; however, the Chief Deputy could only account for 17 of those cards. Two of the 14 unaccounted for fuel cards were assigned to vehicles that had been sold. In addition, the Sheriff had not adequately evaluated the number of fuel cards needed for his office. Of the 31 fuel cards, 12 had no activity in 2013 (9 of which were among the 14 unaccounted for cards).

Road and bridge mileage
and fuel records

The road and bridge department maintained 48 vehicles and motorized pieces of equipment. The county used a computerized fuel control system to dispense fuel from the bulk tanks. Reports of fuel dispensed from the bulk fuel tanks were not reconciled to fuel purchases or to mileage and equipment logs maintained.

In addition, 17 fuel cards were used by 29 road and bridge department employees to complete work related to a grant project being administered by the City of Springfield. These fuel cards were used to purchase fuel at local gas stations. Fuel card purchases were not reconciled to mileage and equipment logs maintained by the road and bridge department. The county was subsequently reimbursed for fuel costs by the city.

Recommendation

The County Commission and County Clerk should work with the road and bridge department and Sheriff's office to establish adequate procedures and records to effectively monitor fuel use for completeness and reasonableness. In addition, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated. Also, the County Commission and County Clerk should implement procedures to ensure bills are paid accurately and timely to avoid late fees, and periodically review the fuel card user list to ensure only authorized users are included.

Status

Partially Implemented

During the time period reviewed (February 2015), fuel use was reconciled to fuel purchases for the road and bridge department and Sheriff's office. The fuel bill reviewed (March 31 bill closing date) included previous



Webster County
Follow-up Report on Audit Findings
Status of Findings

balances due. The county paid the previous balance due 2 weeks later when supporting documentation and related approvals were obtained. No late fees were assessed. The County Clerk's office implemented a new procedure requiring elected officials to document their approval of the odometer readings for vehicles in their respective offices; however, the County Assessor's office and road and bridge department failed to document their review of odometers for the time period reviewed. A documented review of the fuel user card list had not been performed at the time of our review.

2.2 County Procedures - Written agreements

The County Commission did not obtain written agreements for the distribution of county aid road trust monies and capital improvement sales tax monies to the Seymour Special Road District. In addition, the Sheriff had not entered into written agreements with surrounding counties and cities for the boarding of prisoners.

Recommendation

The County Commission and Sheriff enter into written agreements with other political subdivisions as appropriate, and ensure the agreements are signed by all parties and specify the services to be rendered and the manner and amount of compensation to be paid.

Status

Partially Implemented

The County Commission indicated the county does not intend to enter into written agreements with the Seymour Special Road District. The Sheriff sent written agreements on March 17, 2015, to 4 surrounding counties for the board of prisoners; however, they have not yet been signed and returned. The Sheriff indicated he does not typically hold city prisoners for long periods of time.

3. Property Tax System Controls and Procedures

County officials had not implemented adequate controls and procedures over the property tax system. Although some of these problems were noted in our previous 3 audit reports, and the County Clerk and County Commission indicated they would implement the recommendations, little progress had been made.

3.1 Tax books

The County Clerk did not prepare or verify the accuracy of the current or delinquent tax books prepared by the property tax system vendor.

Recommendation

The County Clerk prepare the current and delinquent tax books, or verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts.

Status

Not Implemented

The County Clerk did not prepare or verify the accuracy of the 2015 tax books prior to charging the County Collector with the property tax amounts.



Webster County
Follow-up Report on Audit Findings
Status of Findings

The County Clerk indicated he will discuss this issue with the new County Collector and consider doing this in the future.

3.2 Review of activity

Neither the County Commission nor the County Clerk adequately reviewed the financial activities of the County Collector. The County Clerk maintained a spreadsheet summarizing property tax collections each month; however, the spreadsheet did not include charges, additions and abatelements, protested amounts, and city collections. In addition, the County Clerk and County Commission did not adequately review and approve the County Collector's annual settlement. The County Clerk indicated he discussed the annual settlement with the County Commission; however, there were no procedures in place for the commission's review and approval.

Recommendation

The County Clerk maintain an accurate and complete account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Status

Not Implemented

The account book maintained by the County Clerk is not complete. Charges, additions, abatelements, city tax collections, and protested taxes are not included on the account book. Because the account book is not complete, the County Commission was not able to use it to review the accuracy and completeness of the County Collector's annual settlements. The County Clerk indicated he is working on including charges, additions, and abatelements in the account book.

3.3 Additions and abatelements

The County Commission and County Clerk did not review and approve property tax additions and abatelements. The County Assessor made changes to the property tax system for additions and abatelements, and manual court orders or other records were not prepared and compared to actual changes made to the property tax system. As a result, additions and abatelements, which constituted changes to the amount of taxes the County Collector was charged with collecting, were not properly monitored and errors or irregularities could have gone undetected.

Recommendation

The County Commission and County Clerk review and approve additions and abatelements and compare court orders or other supporting records to actual changes made to the property tax system.

Status

Partially Implemented

The County Commission reviewed a report of changes generated from the property tax system showing additions and abatelements made by the County Assessor for March 2015, and plans to continue periodically reviewing and



Webster County
Follow-up Report on Audit Findings
Status of Findings

approving such changes. However, there was no comparison of reported property tax system changes to supporting manual records from which the process is initiated.

4. County Collector
Controls and Procedures

As similarly noted in our prior audit reports, improvement was needed in accounting controls and procedures of the County Collector's office.

4.1 Segregation of duties

The County Collector had not adequately segregated accounting duties and independent or supervisory reviews of accounting records were not performed.

Recommendation

The County Collector segregate accounting duties to the extent possible or ensure adequate independent or supervisory review of accounting and bank records are performed and documented.

Status

In Progress

Both the County Collector and the Deputy Collector are receipting and recording tax payments. The Deputy Collector prepares the deposit while the County Collector reviews the deposit; however, his review is not documented. An outside contractor is assisting the Deputy Collector in preparing the bank reconciliations, and the County Collector indicated he reviews the reconciliations; however, his review is not documented. The County Collector indicated he will document his reviews in the future.

4.2 Receipting, recording,
and depositing

Procedures for receipting, recording, and depositing needed improvement.

- County Collector's office personnel did not always record the method of payment accurately in the property tax system, and the composition of receipts recorded in the property tax system was not reconciled to the composition of deposits. We identified numerous instances where the composition of receipts in the property tax system differed from the composition of the deposit.

In addition, overpayments and subsequent refunds were not properly reflected in the property tax system and on daily collection reports; and the property tax system reduced the total cash amount on the daily collection report by the amount of refunds. As a result, the total amount recorded for cash did not agree to the total amount deposited.

- Property tax receipts were not always deposited timely.
- Fees received for issuing duplicate tax receipts were held, not deposited, and were used to make change throughout the year.



Webster County
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The County Collector record the method of payment accurately, deposit monies intact and timely, and reconcile the composition of receipts to the composition of deposits. The County Collector should also consider working with the tax system programmer to implement changes to the system that will allow overpayments and refunds to be properly recorded in the property tax system.

Status

Partially Implemented

The County Collector took office March 1, 2015, and, as a result, had not had time to implement many of the recommendations by the time of our follow up.

During the time period reviewed (March 2 through March 13, 2015), the method of payment was not always recorded accurately, cash refunds continued to be provided to customers, and as a result, monies were not deposited intact and timely. The composition of receipts recorded on the daily collection report was not reconciled to the composition of receipts recorded on the audit journal page totals or to the composition of deposits. The office no longer collects duplicate tax receipt fees, and all duplicate tax receipt fees on hand were turned over to the County Treasurer in March 2015. The County Collector indicated no changes have been made to the property tax system. The County Collector indicated he will continue to take steps to implement our recommendations.

4.3 Bank reconciliation and liabilities

The County Collector did not compare the reconciled bank account balances to existing liabilities.

Recommendation

The County Collector reconcile bank balances to a list of liabilities monthly, and ensure any differences are investigated and resolved.

Status

Partially Implemented

The County Collector took office March 1, 2015, and, as a result, had not had time to implement many of the recommendations by the time of our follow up.

The County Collector indicated he is working to reconcile all bank account balances. As of March 31, 2015, the County Collector's primary bank account had been reconciled and had an unidentified balance of \$6,072, but the unidentified balance had not been investigated at the time of our review. In addition, the other bank accounts had not been reconciled at the time of our review.



Webster County
Follow-up Report on Audit Findings
Status of Findings

5.1 Public Administrator
Controls and Procedures
- Annual settlements,
inventories of assets,
and death notices

The Public Administrator did not always file annual settlements timely and did not always file inventories of assets and notify the court of the death of a ward timely. In addition, the Associate Circuit Court, Probate Division did not perform sufficient reviews of the activity of cases assigned to the Public Administrator. The Public Administrator did not provide documentation such as invoices, canceled checks, and all months' bank statements to the Associate Circuit Court, Probate Division when filing annual settlements. As a result, the court's review of the annual settlement and related documentation was limited to the last monthly bank statement (the only bank statement submitted to the court by the Public Administrator).

Recommendation

The Public Administrator ensure annual settlements are filed timely. The Associate Circuit Judge should establish procedures to adequately monitor the activity of cases assigned to the Public Administrator, and require supporting documentation such as invoices, canceled checks, and all bank statements be filed with the court.

Status

Implemented

The annual settlements we reviewed were prepared and filed timely with the court. The Public Administrator now files all bank statements and canceled checks for each estate with the Associate Circuit Court, Probate Division, at the time annual settlements are filed, and files invoices when requested by the Associate Circuit Judge.

6. Prosecuting Attorney
Controls and Procedures

Improvement was needed in the accounting controls and procedures of the Prosecuting Attorney's office.

6.1 Segregation of duties

As noted in the prior audit report, the Prosecuting Attorney had not established adequate segregation of accounting duties or review and approval procedures. In addition, all personnel in the office had the ability to record adjustments to the computerized accounting system without obtaining independent approval, and adequate documentation of such adjustments was not retained.

Recommendation

The Prosecuting Attorney segregate duties to the extent possible, implement appropriate review and monitoring procedures, and require someone independent of receiving and recording monies to review and approve all adjustments.

Status

In Progress

The Prosecuting Attorney has adopted a written policy outlining the accounting duties and review and approval procedures of his office. All clerks in the office can manually receipt monies and the Office Specialist posts receipts to the system. The new policy requires office personnel to initial the manual receipt slips issued and for the Prosecuting Attorney to



Webster County
Follow-up Report on Audit Findings
Status of Findings

review and initial the receipt slips at least biweekly. During the time period reviewed (February 15 through February 28, 2015), all manual receipt slips were initialed by a clerk; however, the Prosecuting Attorney only initialed 18 of 31 manual receipt slips reviewed. The Prosecuting Attorney indicated he plans to document his review on all manual receipt slips in the future.

No adjustments were made from February 15 through February 28, 2015. The Prosecuting Attorney indicated he has adopted adjustment procedures. Any requested adjustments must be submitted to the Prosecuting Attorney for approval, with an explanation and any appropriate documentation. After approving adjustments, the Prosecuting Attorney has authorized the Office Specialist to make them. At the end of each month, a report of all adjustments will be prepared and provided to the Prosecuting Attorney, at which time he will match the requested adjustments with the adjustments made.

6.2 Receipting, recording, and transmitting

Procedures for receipting, recording, and transmitting monies needed improvement. The Prosecuting Attorney's office utilized 3 separate receipting systems (2 computerized and 1 manual) to track bad check restitution and fees, and court ordered restitution.

Manual receipts

Office personnel issued unofficial manual receipt slips for bad check restitution and fees, court ordered restitution, delinquent tax payments, and child support payments. Multiple receipt books were used concurrently and the numerical sequence of receipt slips was not accounted for properly. In addition, office personnel did not always indicate the method of payment, did not reconcile the composition of payments received to the composition of deposits, and did not always timely post manual receipt slip information to the computerized accounting systems.

Computerized receipting systems

Clerks concurrently used two computerized accounting systems during 2012 and 2013 to receipt monies collected, and neither of the computerized accounting systems provided a complete record of all monies received and processed. In addition, the numerical sequence of computerized receipt numbers was not accounted for properly. Receipts were not reconciled to transmittals.

Recommendation

The Prosecuting Attorney ensure a complete record of all monies received is maintained and monies are recorded promptly in the accounting systems. In addition, the Prosecuting Attorney should ensure the numerical sequence of receipt numbers are accounted for properly, official prenumbered receipt slips are issued for all receipts and reconciled to the accounting systems, and the composition of receipts is reconciled to the composition of transmittals.



Webster County
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

An Office Specialist was hired in February 2015, and accounts for the numerical sequence of manual and electronic receipt numbers, posts and reconciles receipts to the accounting system the same day received or the following day, ensures a complete record of all monies received is maintained, and reconciles the composition of receipts to the composition of transmittals. The Prosecuting Attorney indicated he plans to have the Office Specialist run a transaction report at the end of each month for his review. The Prosecuting Attorney also indicated he plans to stamp the new prenumbered receipt slips "Webster County Prosecuting Attorney" and manual receipt slips are now being issued for online payments.

6.3 Accounts receivable

The Prosecuting Attorney's office did not generate a monthly list of unpaid bad checks and restitution, and was not proactive in identifying cases with unpaid receivables. Improvement was needed to better monitor and pursue collection of unpaid receivables.

Recommendation

The Prosecuting Attorney establish procedures to monitor and collect accounts receivables.

Status

In Progress

An accounts receivable report is not currently generated. In March 2015, office personnel started going through each case file in an attempt to determine unpaid balances. The Prosecuting Attorney indicated he plans to have the Office Specialist print a report each month of unpaid bad checks and restitution. Both the Prosecuting Attorney and Assistant Prosecuting Attorney plan to review a portion of the report.

7. Recorder of Deeds
Controls and Procedures

Improvement was needed in the accounting controls and procedures of the Recorder of Deed's office.

7.1 Segregation of duties

The Recorder of Deeds had not established adequate segregation of accounting duties or review and approval procedures.

Recommendation

The Recorder of Deeds segregate accounting duties to the extent possible or ensure adequate independent or supervisory review of accounting and bank records are performed and documented.

Status

In Progress

The Recorder of Deeds indicated the Deputy Clerk still receives, records, and deposits all monies and prepares the bank reconciliation and month end reports. The Recorder of Deeds also indicated that he reviews the deposits before they are taken to the bank; however, he only documented his review



Webster County
Follow-up Report on Audit Findings
Status of Findings

on one of the deposits made during the month of February 2015. The Recorder of Deeds indicated he would better document his review in the future.

7.2 Bank reconciliations

The Deputy Clerk did not perform bank reconciliations or maintain a running check register balance. The Deputy Clerk only compared the bank balance to end of the month reports. We identified a small difference between the reconciled bank balance and book balance as of December 31, 2012.

Recommendation

The Recorder of Deeds prepare monthly bank reconciliations, maintain running balances in the check register, and reconcile bank balances to liabilities monthly. Any differences between accounting records and reconciliations should be investigated and resolved.

Status

Partially Implemented

A monthly bank reconciliation was prepared for February 2015. However, a running balance in the check register was not maintained, and a small difference still existed between the reconciled bank balance and book balance as of February 28, 2015.

7.3 Computer system controls

The Recorder of Deeds did not account for the numerical sequence of transaction numbers assigned by the computerized accounting system. According to the Deputy Clerk, if a customer did not want a receipt slip, she turned the printer off to ensure a receipt slip was not printed. Once the transaction was processed, the Deputy Clerk turned the printer back on and opened a new transaction to ensure the computerized accounting system was in sync with the printer, and then deleted that transaction number from the computerized accounting system. During October 1 through December 31, 2012, 2,052 transaction numbers were issued and 169 (8 percent) transactions were deleted and not accounted for.

Recommendation

The Recorder of Deeds ensure adequate controls are in place to allow for proper accountability of all transactions numbers.

Status

In Progress

The Recorder of Deeds now generates reports of all transaction numbers issued (including those deleted) for his review at the end of each month. However, he did not document his review on the February 2015 report provided to us for follow up. The Recorder of Deeds indicated he will document his review in the future.



Webster County
Follow-up Report on Audit Findings
Status of Findings

8.1 Sheriff Controls and
Procedures - Receipting
and transmitting

Receipting and transmitting procedures needed improvement. Jailers did not issue receipt slips for bond monies collected for other political subdivisions, documentation was not maintained to support the transmittal of bond monies to the Webster County Circuit Court, and bond forms were not prenumbered.

Recommendation

The Sheriff issue receipt slips for all bond monies collected, ensure the transmittal of bond monies between the Sheriff's office and Circuit Court is documented, and issue prenumbered bond forms.

Status

In Progress

During the time period reviewed (February 15 through February 28, 2015), receipts slips were issued for all bond monies collected and documentation of the transmittal of bond monies to the Webster County Circuit Court was maintained. Bond forms are still not prenumbered; however, the Sheriff indicated he plans to begin using prenumbered forms.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Village of Country Club

June 2015

Report No. 2015-042



<http://auditor.mo.gov>

Village of Country Club

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
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Status of Findings*

1.	Street Repair and Funding	3
2.	Wastewater System.....	5
3.1	Disbursements - Written contracts.....	7
3.3	Disbursements - Board approval.....	7
3.6	Disbursements - Late fees, finance charges, and sales tax.....	7
4.1	Accounting Records and Procedures - Segregation and oversight.....	8
4.3	Accounting Records and Procedures - Bank reconciliations	8
4.5	Accounting Records and Procedures - Receipting and depositing procedures.....	9
5.	Budgets	9
6.2	Ordinances and Sunshine Law Issues - Closed meetings	10

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Chairperson
and
Members of the Board of Trustees
Village of Country Club, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-105, *Village of Country Club* (rated as Poor), issued in November 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the village about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the village, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we met with village officials and reviewed documents provided to us. Those documents included Board of Trustee meeting minutes, village contracts, bank reconciliations, receipt slips and deposits, and annual budgets. This report is a summary of the results of this follow-up work, which was substantially completed during May 2015.

Nicole R. Galloway, CPA
State Auditor

Village of Country Club

Follow-Up Report on Audit Findings

Status of Findings

1. Street Repair and Funding The village had not used available restricted monies to adequately repair its streets and did not retain the original ballot language for a 1/2 cent sales tax leading to confusion as to the proper use of these monies. In addition, the village had not developed a formal maintenance plan.

1.1 Restricted street monies Village streets were in poor condition and village officials had not established a separate fund for, nor had they separately tracked the balance of, restricted street monies. Restricted street monies include motor-vehicle related fees from the state as well as a village sales tax. The motor vehicle-related fees are restricted by the Missouri Constitution to road and street related purposes, and it is unclear whether the sales tax revenue is legally restricted (see section 1.2), although based on the village officials actions, it appears the intent was to restrict the sales tax. These monies are deposited in the General Fund and the unspent portions are not identified or restricted.

After residents expressed concerns, village officials consulted with their independent financial statement auditor and prepared spreadsheets for 2008 through 2013 to show how these restricted revenues were spent. Some items and amounts allocated on these spreadsheets raised concerns and did not appear allowable and/or reasonable. These spreadsheets were prepared to demonstrate that motor vehicle-related fees and the sales tax revenues had been spent for street related purposes, but adequate documentation was not maintained to support how the percentages were determined and if the percentages were reasonable.

Recommendation The Board of Trustees determine the balance of restricted street monies and establish a separate fund or a separate accounting of these monies as required by state law. In addition, if disbursements are to be allocated to the Street Fund, the methods used for the allocations should be supported by adequate documentation.

Status **Implemented**

In November 2014, the Board of Trustees (Board) voted to restrict \$284,800 of the December 31, 2014, General Fund balance for streets. A separate accounting of street monies is now maintained. The Board Chairperson indicated there are no plans to allocate disbursements in the future.

1.2 Sales tax The village did not retain the actual ballot language supporting the passage of a 1/2 cent sales tax voted on during the April 6, 1999, election. Without this information it was unclear what the voters actually approved. This led to debates amongst village officials and citizens related to the proper use of these monies.

Spreadsheets showing allocations of restricted street revenues prepared by village officials included these sales tax revenues, indicating the Board's



Village of Country Club
Follow-up Report on Audit Findings
Status of Findings

intent to spend these funds on street-related purposes. The Board did not seek a legal opinion on the potential restrictions on these sales tax revenues and it was unclear if the current Board intended for these revenues to be restricted. Because it was unclear what ballot language village residents voted on and approved, it was not known if use of these monies was restricted.

Recommendation

The Board of Trustees seek a legal opinion regarding restrictions on the uses of the sales tax, solicit citizen input on the issue, and determine how these monies will be handled in the future. In addition, ensure permanent records are properly retained and preserved.

Status

Partially Implemented

No legal opinion was obtained regarding restriction on the uses of the sales tax and no specific meeting or public hearing was held to obtain citizen input on the matter. However, the Board held several budget work sessions during November and December 2014 to discuss this issue and evaluate how much general revenue monies would be restricted for street purposes and how these monies would be accounted for in the future. The Board Chairperson indicated these work sessions were open to the public and citizen input was welcomed. In December 2014, the Board passed a resolution, effective January 1, 2015, to document its intent for the sales tax to be restricted for street repairs in the future. The Board learned the original copies of ballots have been maintained by Andrew County in the past, but county policy was to destroy those ballots after 5 years. The Board is working with Andrew County to ensure the village receives original ballot information for future ballot measures and plans to retain this information.

1.3 Street maintenance plan The village had not developed a formal annual maintenance plan for village streets. Village streets were in very poor condition and a relatively small amount of money had been spent to repair/replace them since 2008. As of April 2014, the village had selected an engineering firm to evaluate the condition of the roads and assess the improvements needed.

Recommendation

The Board of Trustee establish a formal annual maintenance plan for village streets.

Status

Implemented

A Street Assessment and Inventory of Pavement Conditions report on all village streets was prepared by the engineering and surveying company hired in 2014. The Board Chairperson indicated village officials are using this report to prioritize maintenance projects for 2015. The village is in the process of preparing bid specifications to repair the 8 highest priority roads.



Village of Country Club
Follow-up Report on Audit Findings
Status of Findings

2. Wastewater System

The village had not developed a repayment schedule to repay its General Fund for expenses paid during the construction of the new wastewater treatment plant. Village officials also did not approve all construction change orders and overpaid a construction contract. In addition, adequate procedures had not been developed to collect delinquent customer wastewater accounts.

2.1 Loans

It was unclear when the General Fund will be reimbursed for funds paid on behalf of, or transferred to the Wastewater Treatment Plant (WWTP) Fund, to pay for wastewater treatment plant project expenses.

On March 9, 2010, the Board approved resolution 2010-001 stating it would reimburse the General Fund for wastewater treatment plant project disbursements. As of December 31, 2013, \$150,164 had been spent on wastewater treatment plant disbursements from the General Fund. The village did not have a payment plan or time frame for repayment of the loan from the General Fund to the WWTP Fund. Village officials indicated the village planned to repay a portion of the loan with any monies remaining in the wastewater treatment plant construction account. As of January 31, 2014, approximately \$57,000 remained unspent in this account.

Recommendation

The Board of Trustees develop and implement a loan repayment schedule for amounts due to the General Fund from the WWTP Fund.

Status

Implemented

The Board passed a resolution in December 2014 requiring 3 equal transfers of \$50,055 from the WWTP Fund to the General Fund in 2014, 2015, and 2016. The 2014 transfer occurred in December.

2.2 Construction disbursements and change orders

Village officials did not properly monitor wastewater treatment plant construction expenses, resulting in an overpayment of \$25,664 to a contractor. In addition, the Board did not approve a change order made to the initial construction contract for the wastewater treatment plant project. These changes resulted in additional costs to the project.

Recommendation

The Board of Trustees request reimbursement of the overpayment to the construction contractor. In addition, the Board should ensure adequate monitoring of project costs is performed and documented on future projects and change orders are approved.

Status

Implemented

The village received reimbursement of \$25,664 from the contractor in November 2014. No additional projects have been performed by the village.



Village of Country Club
Follow-up Report on Audit Findings
Status of Findings

2.3 Delinquent accounts

The village had not developed adequate procedures regarding handling and accounting for delinquent wastewater accounts. As a result, a significant amount of wastewater fees had not been collected since collection began in August 2013 and the delinquent account balances continued to grow monthly.

Village Ordinance No. 476 states the village will contact the provider to shut off services if bills become more than 30 days past due. However, the village had not initiated shut off procedures for any delinquent customers nor attempted to collect on these delinquent amounts.

Recommendation

The Board of Trustees follow village ordinance shut off procedures for delinquent wastewater accounts and establish policies and procedures regarding the collection of delinquent accounts.

Status

In Progress

The Board approved hiring a collection agency in November 2014 to collect delinquent accounts for customers who have moved from the village. The village has also amended its contract with the City of St. Joseph to require sending of late notices to current customers with delinquent accounts. A write off and collection policy was adopted in November 2014 and the Board Chairperson indicated the village is currently working with its water provider to implement the provider's required procedures before the company shuts off water of a customer whose sewer payments are delinquent.

2.4 Restricted surcharge

Village officials had not established a separate fund for, nor have they separately tracked the balance of, the restricted surcharge added to wastewater bills. By ordinance, the village added a \$10 surcharge to wastewater bills. These surcharges were comingled with other wastewater revenues in the WWTP Fund. The balance of unspent surcharges was not tracked and the village had no mechanism to determine if the surcharge collections were spent for sewer maintenance in accordance with the village ordinance. During the year ended December 31, 2013, the village collected \$51,443 in surcharges.

Recommendation

The Board of Trustees determine the balance of restricted wastewater monies and establish a separate fund or a separate accounting of these monies as required by village ordinance.

Status

Implemented

The Board decided to begin 2015 with a \$0 balance of restricted wastewater monies and has developed a separate accounting for these monies.



Village of Country Club
Follow-up Report on Audit Findings
Status of Findings

3.1 Disbursements - Written contracts	<p>The village did not have a written contract with, or charge a fee to, the local fire protection district for services provided for the district. In addition, the village did not have written contracts with the Andrew County Circuit Court to process the village's traffic tickets, a mowing company, or the village's attorney.</p>
Recommendation	<p>The Board of Trustees enter into written agreements defining services provided and benefits received.</p>
Status	<p>Implemented</p> <p>The Board approved contracts with the local fire protection district and village attorney in April 2014, and has established a contract with the mowing company for 2015. The village did not establish a contract with Andrew County Circuit Court to process traffic tickets, but received a letter from the Andrew County Circuit Clerk indicating the hourly pay for the deputy clerk handling village tickets. The village employs the deputy clerk on a part-time basis and pays her for 5 hours work per week through the village payroll.</p>
3.3 Disbursements - Board approval	<p>The village paid some disbursements electronically through its bank's bill payment system without Board approval. The Board generally reviewed and approved disbursements during Board meetings by reviewing a list of disbursements prepared by the Village Clerk, however, there were instances where electronic payments were not included in the list and approved by the Board.</p>
Recommendation	<p>The Board of Trustees ensure all invoices are reviewed and approved by appropriate officials prior to payment.</p>
Status	<p>Implemented</p> <p>The village has hired an accountant to handle many of its accounting functions, including preparation of checks. The Board Chairperson or another Board member reviews all invoices at the accountant's office prior to signing checks. We reviewed all April 2015 payments and invoices and the Board Chairperson has signed off on each invoice. Paying bills electronically has been discontinued.</p>
3.6 Disbursements - Late fees, finance charges, and sales tax	<p>The Village Clerk did not ensure bills were paid timely resulting in the village incurring late fees and finance charges. In addition, the village did not ensure all vendors were notified of the village's sales tax exemption status resulting in unnecessary expenses.</p>
Recommendation	<p>The Board of Trustees implement procedures to ensure bills are paid timely and all vendors are aware of the village's sales tax exempt status. In</p>



Village of Country Club
Follow-up Report on Audit Findings
Status of Findings

addition, the village should attempt to recover any unnecessary sales tax paid.

Status

Implemented

We reviewed all disbursements for April 2015 and noted the village paid all invoices timely and incurred no late charges. The village requested and received approximately \$3,100 in sales tax refunds from various vendors in 2014 and the Board Chairperson indicated all current vendors are aware of the tax exempt status of the village.

4.1 Accounting Records
and Procedures -
Segregation and
oversight

The Board had not segregated accounting duties and there was not adequate independent oversight of the work performed by the Village Clerk.

Recommendation

The Board of Trustees segregate accounting duties to the extent possible and ensure a documented supervisory review of the accounting records is performed.

Status

Implemented

The village hired an accountant in 2015 to perform many of the accounting duties, including deposit preparation, check preparation, and bank reconciliations. The Board receives reports of all financial activity, along with bank reconciliations, on a monthly basis. The Village Clerk prepares a log of all monies received, which is transmitted to the accountant, along with the monies that need to be deposited. The accountant is responsible for ensuring all monies received are deposited, and provides a copy of the deposit receipt to the Village Clerk periodically.

4.3 Accounting Records
and Procedures - Bank
reconciliations

The Village Clerk did not perform bank reconciliations for any of the village's 6 bank accounts and did not maintain a running checkbook balance for these accounts.

Recommendation

The Board of Trustees ensure monthly bank reconciliations are prepared for all bank accounts and running checkbook balances are maintained.

Status

Implemented

Copies of the April 2015 bank reconciliations for all accounts were provided for our review and running checkbook balances are now maintained and agreed to the reconciled balances of the accounts.



Village of Country Club
Follow-up Report on Audit Findings
Status of Findings

4.5 Accounting Records
and Procedures -
Receipting and
depositing procedures

Receipt slips were not always issued for payments received. Receipt slips were generally written for walk-in payments only. In addition, receipt slips did not always document the method of payment received, and the composition of receipts was not reconciled to the composition of the deposit. Furthermore, receipts were not always deposited timely.

Recommendation

The Board of Trustees ensure receipt slips are issued for all monies received and the numerical sequence of receipt slips is accounted for properly. The method of payment should be documented and the composition of receipts reconciled to the composition of deposits. Additionally, the Board should ensure receipts are posted to the accounting system and deposited timely.

Status

Partially Implemented

We reviewed April 2015 receipts and deposits. Village personnel issued receipt slips for all monies received and the numerical sequence was accounted for. The method of payment was not recorded for many of the receipt slips issued and the accountant had to mark the method of payment on those receipt slips. The Board Chairperson indicated a temporary clerk was employed during April 2015 and a new clerk was hired in May 2015 and she will be instructed to ensure the method of payment is marked on receipt slips issued. The accountant reconciled the composition of receipts to the composition of deposits for April 2015, but did not post the receipts to the system or make deposits timely. He made three separate deposits on April 20, 2015, which included all receipts from the beginning of the month.

5. Budgets

Village budgets were not complete and prepared in compliance with state law. In addition, public hearings were not held concerning their adoption.

- The 2014 and 2013 budgets did not contain a budget message, actual receipts and disbursements for the 2 preceding years for comparison purposes, or amounts related to the debt of the village. In addition, beginning available resources and estimated ending available resources were not included in these budgets but are needed to present a complete financial plan for village finances.
- A budget was not prepared for the WWTP Fund in 2013, the plant's first year of operation, and in the 2014 budget, the wastewater treatment plant activity was included in the General Fund budget.
- For the 2014 and 2013 budgets, village officials did not hold a public hearing to obtain resident input.

Recommendation

The Board of Trustees prepare complete budget documents for all village funds in accordance with state law and ensure a public hearing is held to obtain input from village residents.



Village of Country Club
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

We reviewed the 2015 budget and determined it was complete and included all elements required by state law. While a separate public hearing on the budget was not held, several public budget work sessions were held during November and December 2014 where citizens could provide input.

6.2 Ordinances and
Sunshine Law Issues -
Closed meetings

Some topics discussed and voted on in closed meetings were not allowable or were not subsequently disclosed in open meetings in accordance with the Sunshine Law.

Recommendation

The Board of Trustees ensure meeting minutes publicly disclose the final disposition of applicable matters discussed in closed meetings. In addition, only allowable topics should be discussed in closed meetings.

Status

Implemented

We reviewed the minutes of the 6 closed Board meetings held between October 2014 and April 2015. We did not identify any unallowable topics being discussed in closed meetings, and noted final disposition of matters discussed was disclosed as required.



Nicole R. Galloway, CPA
Missouri State Auditor

Adair County



June 2015

Report No. 2015-043

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Adair County

County Management Procedures	The county does not always follow established policies for reimbursements to employees for personal cell phones, meal expenses, or leave accruals and maximum leave balances. The County Commission and the Presiding Judge did not solicit bids for renovations to the third floor courtroom hallway, and the County Commission approved payment for some of the renovation costs before the work was performed. Support for salaries that are paid from multiple funds was not sufficient. The county does not have written contracts with 3 attorneys that provide legal services for the county Juvenile Court, and the Court Services Administrator entered into 4 written contracts without discussing them with the County Commission. The county incurred the cost of fuel for providing a county-owned vehicle to a state-employed deputy Circuit Court clerk, and the county reimbursed a state-employed court reporter 10.5 cents per mile while the court reporter was also reimbursed 37 cents per mile by the state.
County Controls	The county has not documented the property tax levy reduction required for a percentage of sales taxes collected per Section 67.505, RSMo. The county's main account has numerous old outstanding checks and the County Treasurer has not established procedures to periodically reissue or dispose of these checks. The Public Administrator, Recorder of Deeds, Prosecuting Attorney, and County Collector have not established adequate password controls to reduce the risk of unauthorized access to office computers and data.
Sheriff Controls and Procedures	The Sheriff does not have procedures in place to properly identify month-end liabilities and compare these liabilities to the reconciled bank account balance for the general fee account. Also, the Sheriff's office does not account for the numerical sequence of receipt slips, compare receipt amounts to deposits, or maintain an accurate computerized accounts receivable list.
County Collector's Commission	The County Collector, as noted in our prior audit, is improperly withholding and personally retaining an additional 1.5 percent commission on railroad and utility taxes pertaining to cities. For taxes distributed in February 2014, this commission totaled \$1,225.
County Assessor's Receipting Procedures	The County Assessor does not always transmit receipts timely, properly account for the numerical sequence of receipt slips issued, or reconcile the composition of receipt slips to the monies transmitted to the County Treasurer.
Public Administrator's Receipts	The Public Administrator's deputy clerks do not issue receipt slips or maintain a log for monies received in the mail, and only issue manual receipt slips when an individual brings a payment to the office. A cash count performed on December 16, 2013, identified 12 receipts totaling \$1,243 on hand that had not been receipted.

Senate Bill 40 Board Real Estate Transactions	The Senate Bill 40 Board did not obtain a formal appraisal for the purchase of a building for use as a new administration headquarters or an updated appraisal for the sale of the Board's existing headquarters. As a result, there is no assurance the Board paid or received fair market value for these transactions.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Adair County

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory	
Report - State Auditor's	
Findings	
1. County Management Procedures.....	7
2. County Controls	14
3. Sheriff Controls and Procedures.....	16
4. County Collector's Commission.....	18
5. County Assessor's Receipting Procedures.....	19
6. Public Administrator's Receipts	20
7. Senate Bill 40 Board Real Estate Transactions	20

Organization and Statistical	22
Information	

Appendix - Auditee's	24
Response for MAR No. 1	
and 2	



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Adair County

We have audited certain operations of Adair County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Adair County for the 2 years ended December 31, 2013. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. The objectives of our audit were to:

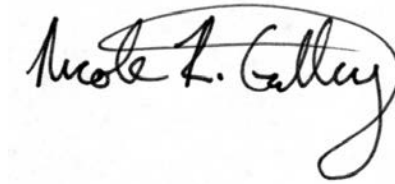
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Adair County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Tessa Rusatsi
	Keisha Williams
	Naomi Nganga
	Christopher A. McClain

Adair County

Introduction

Background

The purpose of this section is to explain the relationship between Adair County and the Adair County Circuit Court and various issues that pertain to both the county and the circuit court, and the handling of those issues by the State Auditor's office (SAO). The same information is being included in Report No. 2015-043, *Adair County*, and Report No. 2015-044, *Second Judicial Circuit, Adair County*.

The Second Judicial Circuit consists of Adair County as well as Knox and Lewis Counties. The Second Judicial Circuit consists of one circuit judge and three associate circuit judges. The circuit judge hears cases in all three counties in the circuit and the associate circuit judges hear cases in their respective counties. The scope of our audit only includes the operations of the Second Judicial Circuit, Adair County. The circuit court operation is funded both with state and county resources and operations are managed utilizing both state and county employees.

The Office of the State Courts Administrator (OSCA) is responsible for providing administrative, business and technology support services to the courts. The OSCA conducts periodic Judicial Information System (JIS) reviews of circuit courts. It most recently conducted a review of the Adair County Circuit Court during 2012 (report issued February 29, 2013), and a follow up of that review in November 2013. The review identified numerous procedural and control problems, and the follow up determined the majority of the recommendations were either not implemented or partially implemented, with only a few recommendations implemented.

The SAO has authority to conduct court audits. In conjunction with the regularly scheduled audit of Adair County for calendar year 2013, the SAO also conducted an audit of the Adair County Circuit Court. The SAO completed the audits and met with county and court officials in October 2014 to discuss the draft audit reports and obtain auditee responses for inclusion in the audit reports.

Disputes exist between the counties in the circuit and the Presiding Judge, resulting in the need for outside parties to evaluate arrangements and make rulings, settlements, and judgments to guide/govern the budgetary arrangements and operations of the Adair County Circuit Court. Disputes also exist within the court regarding appointing authority responsibilities and administrative functions of the court. There continues to be ongoing legal proceedings involving current and former court personnel and officials.

On February 12, 2014, the County Commissioners of Adair and Lewis Counties (as part of the Second Judicial Circuit) filed a petition for review with the Judicial Finance Commission (JFC) regarding the 2014 budgeted operational costs of the court, as allowed by Section 50.640, RSMo. The



Adair County Introduction

parties disputed the reasonableness of budget requests by the Circuit Court for the drug court, the juvenile justice center, court administration, the Circuit Clerk's budget, and the budget for the circuit's court reporter. The JFC concluded "the dispute had been exacerbated by poor relationships and lack of trust between the parties, but that it would be best for all concerned to resolve this protracted and expensive litigation through settlement." After several rounds of mediation, further disputes and disagreements about the wording of the settlement agreement led the parties to submit post-hearing filings with the JFC on September 10, 2014.

In an October 2014 decision, the JFC determined the Circuit Court budget request to be unreasonable. Many of the matters raised by the counties in their filings were outside the scope of the JFC, such as the classification of certain employees as state employees rather than county employees, and the JFC declined to consider them. The JFC found that all but one component of the Circuit Court's budget request were reasonable. However, because the JFC does not consider the individual budget requests in isolation, the JFC ruled the Circuit Court's budget request in its entirety to be unreasonable. The JFC found that because the Circuit Court asked that money be appropriated from the general revenue of the counties to fund fringe benefits for state employees, when another source of funding was available, the entire budget request of the Circuit Court was unreasonable. The Presiding Judge appealed that decision. The Adair County Commission and the Presiding Judge then engaged in further mediation under the supervision of a specially appointed Court, and reached a settlement agreement resolving all but one issue in dispute between the parties, resulting in the voluntary dismissal of the Presiding Judge's appeal of the JFC's decision.

The remaining issue in dispute was the classification of 6 Juvenile Office/Juvenile Court employees. On December 16, 2014, in Case No. 14AR-CV00603, Judge Gary Oxenhandler rendered a judgment approving the settlement agreement between the County Commission and the Presiding Judge, and holding the 6 employees at issue are to be classified and designated as employees of the county for the purposes of the payment of salary, health insurance, retirement plan, and fringe benefits. The Presiding Judge has since filed a motion to enforce the settlement agreement, and a hearing has been set for June 17, 2015. It was during the timeframe the SAO was working with county and court officials to obtain responses and finalize the audit reports, that these various rulings, settlements, and judgments became available. Because finding number 1 in the county audit report pertains to both the county and the court, responses were obtained from multiple county and court officials.

In addition, issues addressed in the county and court audit reports include the period of time during which the Presiding Judge amended the court consolidation agreement. The Presiding Judge, Associate Circuit Judge, and



Adair County Introduction

Circuit Clerk entered into a consolidation agreement effective June 1, 2008, giving appointing and administrative authority to the Circuit Clerk. On May 2, 2013, the Presiding Judge amended the consolidation agreement of the clerical functions of the Adair County Circuit Court. The changes included relieving the Circuit Clerk of her appointing authority and giving the Presiding Judge sole authority to hire, discipline, discharge, or terminate deputy clerks in the Circuit Clerk's office. In addition, other changes included the Presiding Judge becoming responsible for the establishment and implementation of policies and procedures for the operation of the clerical and all other functions of the Circuit Clerk's office, maintaining control over the funds budgeted for the offices of the Circuit Clerk and judges, and having the discretion to assign authority to a duly appointed representative. Effective April 1, 2014, the Court en Banc amended the consolidation agreement to shift these responsibilities from the Presiding Judge to the Adair County Associate Circuit Judge. As a result, appointing and administrative authority over the Circuit Court has shifted from the Circuit Clerk to the Presiding Judge to the Adair County Associate Circuit Judge during the audit period and over the course of the audit process. The changes in appointing and administrative authority over the Circuit Court made it appropriate to obtain responses from multiple court officials.

Because various rulings, settlements, and judgments discussed earlier resolved some issues addressed in finding number 1 in the county audit report, recommendations are no longer needed. These findings identify important concerns and relevant corrective actions and remain in the report; however, recommendations are not provided and the associated responses from various county and court officials are omitted. Also, responses provided to the SAO for county audit report findings number 1 and 2 and Circuit Court audit report findings number 1 through 4 were voluminous and came from multiple officials. The responses were largely unresponsive to the specific recommendations, did not clearly convey plans for corrective action, and inappropriately comment on other officials and/or the audit process as opposed to focusing on remedies. Thus, auditee responses have been modified to present portions specifically addressing recommendations and to omit portions evaluated as ineffective for inclusion - those commenting on other officials or the audit process, or providing additional information not specific to the findings. However, full auditee responses without edit, including those pertaining to now deleted recommendations, are presented in the audit report appendix.

Adair County

Management Advisory Report

State Auditor's Findings

1. County Management Procedures

We found significant weaknesses in county management procedures and controls over personnel policies, contracts, bidding, disbursements, and vehicles.

1.1 County policies

The county does not always follow established policies for reimbursements to employees or leave accruals and maximum balances.

Cell phones

The county reimbursed some employees for using personal cell phones for county purposes, but had no formal reimbursement policy on file to support amounts paid. The County Commissioners indicated the county's informal policy was to reimburse a maximum of \$40 each month for the use of an employee's personal cell phone. County records showed the Presiding Judge's secretary was reimbursed with county funds a total of \$1,085 for 8 months during 2013 (approximately \$136 per month), or \$765 more than the maximum allowed by the county's informal policy. The other 8 employees that received cell phone reimbursements were reimbursed \$40 per month. The county discontinued reimbursing for personal cell phone use effective January 2014.

In addition, during our review of invoices for the use of electronic tablets we noted the county incurred \$70 in overage charges and \$30 in late payment fees for the year ended December 31, 2013. Service plans have not been periodically reviewed to ensure the most appropriate plan for the amount of usage is utilized. The County Commissioners indicated bills were not always provided to the county by the Court Services Administrator to allow for timely payment. The Court Services Administrator could not explain reasons for the late payments.

County employee meals

Even though the County Commissioners had concerns regarding noncompliance with established policies, the county reimbursed 2 county employees for meal expenses at the state per diem rate instead of the county rate. County policy states employees will be reimbursed for actual meal expenses not to exceed \$40 per day, and must have receipts for verification. However, the county reimbursed employees at the state per diem rate without requiring receipts to support the reimbursement claims. For example, the Drug Court Case Manager was reimbursed \$45 a day for 4 days while attending a conference in Washington, D.C., from July 14, 2013, through July 17, 2013. The manager was reimbursed a total of \$343 during 2013, using the state per diem rate and without the required meal receipts. Also, the Circuit Court Administrator was reimbursed \$89 for meals during 2013, at the state per diem rate and without the required meal receipts. While amounts reimbursed do not vary significantly from county rates, the county should not reimburse expenses incurred without proper supporting documentation and in noncompliance with county policy.



Adair County
Management Advisory Report - State Auditor's Findings

Vacation and sick leave

Even though the County Commissioners had concerns regarding noncompliance with established policies, the county allowed some employees to earn vacation and sick leave at the state rate and accumulate leave balances in excess of amounts established by policy.

County employees earn vacation leave at a rate of 1.53 hours to 6.15 hours bi-weekly based on the years of service and sick leave is earned at a rate of 2.31 hours per pay period. A review of employee records identified 6 employees that incorrectly accrued vacation and sick leave time at the state leave accrual rates. These employees work for the Adult Drug Court and Juvenile Justice Center and are considered county employees by the County Commission. They are fully paid from county funds and receive other county benefits, such as health insurance coverage and participation in the county's retirement plan. Our calculation determined as of March 14, 2014, that by accruing vacation and sick leave at the state rates, these employees have earned 1,273 vacation hours and 2,392 sick leave hours more than would have been accrued using county rates. In addition, 2 of the 6 employees had accumulated vacation leave and 3 of the 6 employees had accumulated sick leave that exceeded the county's allowable maximum by a total of 307 hours and 1,152 hours, respectively, as of March 14, 2014.

Conclusion

The County Commission and Presiding Judge disagreed regarding the level of funding the county should provide toward court operational costs. The County Commission had expressed uncertainties regarding when to apply county versus state reimbursement rates and leave accrual rates, and potential problems due to inconsistent application of policies among county employees. The uncertainty seemed to occur because some employees working for the Adult Drug Court and Juvenile Justice Center were classified and paid as county employees, but considered part of the court system by the Presiding Judge. In some cases the Presiding Judge directed the county as to what expenses were to be paid from the county's General Revenue Fund and the Presiding Judge or Juvenile Justice Center Administrator directed the county as to what leave rates to apply.

Compliance with established county policies is necessary to ensure reimbursements for expenses by county employees are applied consistently and to avoid potential future conflicts. Also, incurring additional charges as a result of exceeding service plan limits can be avoided by periodically reviewing usage and selecting the most appropriate service plan. Further, timely payments to vendors eliminates late charges and ensures taxpayer monies are used efficiently.



Adair County
Management Advisory Report - State Auditor's Findings

1.2 Hallway renovation

The Presiding Judge, who initiated the project, and the County Commission did not solicit bids for renovations to the third floor courtroom hallway. Also, the County Commission paid some of the renovation costs before the work was performed. In December 2012, the county paid a vendor \$3,260 (for demolition) and \$3,030 (for renovation) for work not started until June 2013. The Circuit Clerk, at the request of the Presiding Judge, submitted the demolition and renovation estimates to the County Clerk for payment. The County Clerk did not approve the payment because the work had not been completed. According to the County Clerk and documents provided, the same estimates were later re-submitted by the Circuit Clerk with "estimate" covered using correction fluid and the payment was approved by the County Commission.

The county paid this vendor \$14,192, which is \$7,902 more than the original estimate of \$6,290. The County Commission, Presiding Judge, and Circuit Clerk all indicated they were unaware bids had not been solicited for the work to be performed. Further, the Presiding Judge stated he submitted the invoices for payment prior to the work being performed because the project was originally included in the 2012 budget. The project was completed in September 2013 at a total cost of \$17,183. The amount paid on this project during 2013 (\$10,893) exceeded the budgeted amount of \$5,000.

In addition, the Presiding Judge indicated vendor estimates for the demolition and restoration of the hallway were likely split into 2 separate estimates to avoid bidding requirements or avoid questions regarding the lack of bids by making the related payments for each \$4,500 or less.

Section 50.660, RSMo, requires the advertisement for bids for any purchases of \$4,500 or more, from any one person, firm, or corporation during any period of 90 days. Advertisement for bids is also required in the case of contracts or purchases involving an expenditure of \$6,000 or more. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. In addition, payments should not be made prior to receipt of goods or performance of services.

1.3 Allocation of salaries

Support for salaries paid from multiple funds was not sufficient.

- The Juvenile Services Administrator was assigned additional duties associated with the Adult Drug Court in August 2010 resulting in his title changing to Court Services Administrator. In May 2013 more duties were added, which include overseeing the Circuit Clerk's office. Despite performing multiple duties for different departments, the Court



Adair County Management Advisory Report - State Auditor's Findings

Services Administrator's entire salary continues to be paid from the Juvenile Justice Fund. The Court Services Administrator completes a timesheet, but does not track time spent on different duties. He estimated he works 75 percent of the time for the Juvenile Justice Center and 25 percent of the time as Court Services Administrator. County records show he was paid \$61,239 for the year ended December 31, 2013.

- The county does not ensure salaries paid for work performed is properly documented and supported by contract terms. The Prosecuting Attorney contracted with an individual, beginning July 1, 2012, to work as the Adult Drug Court Case Manager. The case manager's salary is paid from the county Prosecuting Attorney's Administration Fund using drug court grant monies transferred from the General Revenue Fund and other monies transferred from the Juvenile Justice Fund. The contract provides for \$22,653 to be paid for drug case management services; however, the Adult Drug Court Case Manager is paid an annual salary including benefits of \$48,333. This individual also performs work for the Juvenile Justice Center; however, the contract does not address services to be performed or compensation to be paid associated with these duties. In addition, the case manager's timesheet does not document hours worked for the Adult Drug Court and/or the Juvenile Justice Center. The difference between the annual salary and the amount provided for in the contract of \$25,680 is paid from monies transferred from the Juvenile Justice Fund.

To ensure the accuracy of hours worked, time recorded should be documented for each job performed. In addition, the county should allocate expenditures to county funds based upon specific criteria, such as the number of hours worked by each employee, and retain documentation to support these allocations. In addition, employment contracts should contain sufficient documentation of job duties to be performed.

1.4 Contracts

We noted the following issues concerning contracts:

- The county does not have written contracts with 3 attorneys chosen to provide legal services for indigent parents with children in the county Juvenile Court. According to county records, the attorneys were paid a total of \$18,830 for the year ended December 31, 2013.
- The Court Services Administrator entered into 4 written contracts without discussing them with the County Commission. The contracts are with attorneys that provide legal services to indigent parents of children in Juvenile Court. Two of the current County Commissioners stated they did not authorize the Court Services Administrator to enter into the 3 contracts that were executed since they were elected to the commission. The other contract began before the election of any of the



Adair County Management Advisory Report - State Auditor's Findings

current commission members. The total paid to attorneys for the 4 contracts was \$106,166 during the year ended December 31, 2013. These payments are made from the county's Juvenile Justice Fund; thus, it is important the county be made aware of the obligations for budgetary purposes.

Written contracts, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Further, the County Commission should review and approve contracts that impact county funds and related budgets.

1.5 Fuel expenses

The county incurred the cost of fuel for providing a county-owned vehicle to the Juvenile Justice Center for a state-employed deputy Circuit Court Clerk to travel to another county. A deputy Circuit Court clerk was sent periodically to Monticello in Lewis County to provide assistance at that county's court. The round trip mileage from Kirksville to Monticello is approximately 105 miles. Court records indicated the court clerks made 28 trips for a total of 2,940 miles during the year ended December 31, 2013. This practice ended in 2014.

Paying for the transportation costs of state employees that perform work unrelated to Adair County is not a prudent and necessary use of taxpayer monies by the county. Further, neither the county or juvenile vehicle policies provides for use of county-owned vehicles by state employees.

1.6 Court reporter mileage

The county reimbursed the court reporter, a state employee, 10.5 cents per mile while the court reporter was also reimbursed 37 cents per mile by the state. The county could not provide an explanation as to why the extra amount was paid. The county's policy reimburses employees 50 cents per mile and does not include reimbursements to state employees. Per county records the court reporter received mileage reimbursement of \$526 from the county during the year ended December 31, 2013.

Section 485.090, RSMo, requires that the reimbursement of necessary travel expenses for official court reporters of a judicial circuit shall be paid out of the state treasury. Additionally, the state court travel policy states "the state allowance represents full compensation for the costs of operating a vehicle."

Recommendations

- 1.1, 1.3,
1.4, &
1.6 No recommendations are provided for reasons explained in the Background section.



Adair County
Management Advisory Report - State Auditor's Findings

The County Commission:

- 1.2 And Presiding Judge obtain bids in accordance with state law and discontinue prepaying for work not performed.
- 1.5 Consider requesting reimbursement from other entities for the use of county assets and revise vehicle policies to address usage by state employees.

Auditee's Response

The County Commission provided the following responses:

- 1.2 *The County Commission will recommend the Presiding Judge obtain bids in accordance with State law and discontinue prepaying for work not yet performed.*
- 1.5 *The County Commission will consider requesting reimbursement from other entities for the use of County assets and revise vehicle policies to address usage by State employees.*

The Presiding Judge provided the following responses:

- 1.2 *The County Commission approved certain renovations on the third floor lobby area of the Courthouse, and the logistics of locating and engaging a contractor were conducted by the Circuit Clerk. Since the work was divided into phases encompassing demolition and construction components, each of which fell below the threshold requiring competitive bidding, no bids were required. Subsection 2 of Section 50.660, RSMo provides that "Notwithstanding the provisions of subsection one of this section to the contrary, advertising shall not be required in any county in the case of contracts or purchases involving an expenditures of less than six thousand dollars." The Circuit Clerk did submit bills for prepayment because the project had been included in her 2012 budget. These were paid by the County. Perhaps a better practice would have been to include it in the following year's budget, but prepayment is not an uncommon practice in the construction industry. Since this project involved renovations to a common area of the Adair County Courthouse, it probably should have been a project undertaken and supervised by the County Commission.*

The Presiding Judge has complied with statutory bid requirements and any prepayment for work was made by the County at the request of the circuit clerk from the circuit clerk's budget.

- 1.5 *The County is not incurring the cost of fuel nor providing a county-owned vehicle for deputy circuit clerks to travel to another county. At one time, deputy circuit clerks from Adair County were assigned*



Adair County
Management Advisory Report - State Auditor's Findings

to Lewis County to assist the Lewis County Circuit Clerk with her workload since her office is understaffed. During that time, vehicles and fuel purchased solely from the operation revenue of the Circuit Court, which includes Lewis County, and not from county tax or general revenue, were used to transport those deputy clerks to and from Lewis County. Further, for the reason discussed above, use of these vehicles is not controlled by County policy.

The Circuit Court has not used County assets for any other entities. Vehicles used by Court employees, whether paid by the Circuit Court or by the State, have been purchased by the Circuit Court solely from the Court's operational revenue, and not from County general revenue.

The Circuit Clerk provided the following response:

- 1.2 *In the fall of 2012-the Presiding Judge approached the Circuit Clerk and requested that I contact the vendor. The Presiding Judge indicated that he wanted to talk with the vendor concerning removing the ceiling panels from the hallway outside the Division One courtroom. I called the vendor and asked him to come by and talk with the Presiding Judge. The vendor came to my office in the Adair County Courthouse in late October or early November 2012 and I escorted him to the Presiding Judge's office and returned to my office.*

The middle of December 2012, the vendor delivered to my office two documents numbered 1675 and 1676 for amounts totaling \$6,290. I took those documents to the Presiding Judge and he directed me to take those documents to be submitted to Adair County for payment from the Circuit Clerk's budget. The end of December, Adair County Clerk Sandy Collop personally returned those documents to my office and said the county wasn't going to make payments from documents titled Estimates. I took those same documents to the Presiding Judge and he ordered me to "white-out" the word Estimates, place my initials and date at the top of each document and resubmit them to the county for payment from the 2012 budget.

The county then issued the checks to the vendor and delivered the checks to my office. I took the checks to the Presiding Judge and he told me to call the vendor to pick up the checks.

At no time did I have any conversation with the vendor on the work to be completed at the courthouse. The project, bids, amount of material, etc. was between the vendor and the Presiding Judge and/or the Court Services Administrator.



Adair County
Management Advisory Report - State Auditor's Findings

2. County Controls

Procedures related to the county sales tax rollback, outstanding checks, and computer security controls need improvement.

2.1 County sales tax

The county has not documented the property tax levy reduction required for a percentage of sales taxes collected per Section 67.505, RSMo. For many years the county has chosen to set the general revenue tax levy at zero. Since the tax rate ceiling is zero, and the County Commission has determined the General Revenue Fund tax levy to be zero, a sales tax reduction rollback has not been calculated.

In 2008, the county certified a voluntary reduction equal to the county's tax rate ceiling of .3609 and the SAO followed Section 137.073.5(4), RSMo (amended in 2008), which provides a voluntary reduction taken in a non-reassessment year (even year) results in a reduced tax rate ceiling during the subsequent reassessment year (odd year), causing the tax rate ceiling to be zero. Thus, for 2010 through 2013, the county has not indicated a sales tax reduction or a voluntary reduction when certifying the tax rate to the SAO and certified the tax rate ceiling, sales tax reduction, voluntary reduction, and actual tax levy for the General Revenue Fund as zero.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected and the county is required to estimate the annual property tax levy to meet the reduction requirement and provides for an adjustment for actual sales tax collections of the preceding year that are more or less than the estimate for the preceding year.

If the county continues to have a General Revenue Fund tax levy of zero and to show compliance with Section 67.505, RSMo, the County Commission and County Clerk should document when establishing the tax rate levy their understanding of the sales tax rollback requirement and the county's intention to not reinstate its tax rate ceiling in order to show a sales tax reduction and a voluntary reduction to result in a tax levy of zero. If the county, in the future, decides to assess the tax rate levy at something other than zero, the county will need to reinstate its tax rate ceiling as allowed by Section 137.073, RSMo.

2.2 Outstanding checks

The county's main account has numerous old outstanding checks and the County Treasurer has not established procedures to periodically reissue or dispose of these checks. As of December 31, 2013, 83 checks totaling \$9,998 had been outstanding for over a year with the oldest check dating back to 2002.

Procedures to periodically dispose of old outstanding checks are necessary to prevent the accumulation of this money and ensure it is appropriately disbursed to the payee or as otherwise provided by state law.



Adair County
Management Advisory Report - State Auditor's Findings

2.3 User passwords

The Public Administrator, Recorder of Deeds, Prosecuting Attorney, and County Collector have not established adequate password controls to reduce the risk of unauthorized access to office computers and data. Employees in these offices are not required to change passwords periodically to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since these employees do not change passwords periodically, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of unauthorized access to and use of computers and data.

Recommendations

The County Commission:

- 2.1 Should document during the tax rate setting process its understanding of the sales tax rollback requirements and compliance with the statutory requirements.
- 2.2 Work with the County Treasurer to establish procedures to routinely investigate outstanding checks. The County Treasurer should void and reissue old outstanding checks to payees that can be readily located. If the payee cannot be located, the amount should be disbursed in accordance with state law.
- 2.3 Work with county officials to require employees change passwords periodically to prevent unauthorized access to computers and data.

Auditee's Response

The County Commission provided the following responses:

- 2.1 *The County Commission and County Clerk will attempt to document its understanding of the sales tax rollback requirements. The County will work annually with the State Auditor's Office to determine the appropriate handling of the property tax levy issues as same relates to the tax roll back under Section 67.505, RSMo.*
- 2.2 *The County Commission will attempt to work with the County Treasurer to establish procedures to routinely investigate outstanding checks.*
- 2.3 *The County Commission will contact the Public Administrator, Recorder of Deeds, Prosecuting Attorney, and County Collector and suggest they establish adequate password controls to reduce the risk of unauthorized access to office computers and data.*



Adair County
Management Advisory Report - State Auditor's Findings

The County Treasurer provided the following response:

- 2.2 *We will review state checks at year end and dispose of them according to state law.*

The Public Administrator provided the following response:

- 2.3 *We will evaluate the need for changing passwords.*

The Recorder of Deeds provided the following written response:

- 2.3 *We will consider the recommendation for changing passwords.*

The Prosecuting Attorney provided the following response:

- 2.3 *The Adair County Prosecuting Attorney's office accepts the finding that there was no requirement to update/change passwords on a regular basis. While passwords are required to access our computers, they were not being changed nor did the system require them to be changed.*

Moving forward, the Adair County Prosecuting Attorney's office will establish protocol to ensure that passwords for access to computers are changed on a regular basis.

The County Collector provided the following response:

- 2.3 *We will change passwords every six months.*

3. Sheriff Controls and Procedures

3.1 Liabilities listing

Accounting controls and procedures need improvement. The Sheriff's office processed approximately \$96,000 in civil fees, board bills, concealed carry weapon permits, and other receipts during the year ended December 31, 2013.

The Sheriff does not have procedures in place to properly identify month-end liabilities and compare these liabilities to the reconciled bank account balance for the general fee account. At our request, the Sheriff's Finance Coordinator prepared a liabilities list for the account as of December 31, 2013. Identified liabilities were \$435 less than the general fee account balance of \$7,828. As a result, the Sheriff has accumulated excess monies in the account and cannot identify to whom or what entity they belong.

A monthly list of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected timely, and sufficient cash is available for the payment of all liabilities.



Adair County
Management Advisory Report - State Auditor's Findings

3.2 Receipting and depositing procedures

The Sheriff's office does not account for the numerical sequence of receipt slips or compare receipt amounts to deposits. As a result, there is less assurance monies are properly handled and deposited.

Manual receipt slips are issued from 2 separate receipt slip books located at the front desk and in the jailer's office. In addition, electronic receipt slips are issued for monies collected from inmates at booking or monies collected on behalf of inmates. The Finance Coordinator does not retrieve receipt slip books or generate lists of receipts issued and compare this information to deposit details to both account for receipt slips and ensure monies were appropriately deposited. We reviewed inmate deposits for December 2013 and identified 28 electronic receipt slips were not accounted for properly.

To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure the numeric sequence of receipt slips are accounted for properly and receipt records are compared to deposits.

3.3 Accounts receivable

The Sheriff's office does not maintain an accurate computerized accounts receivable list. According to the computerized records, accounts receivable totaled \$44,570 as of December 31, 2013, of which \$36,800 was outstanding for more than a year. Our review determined the accounts receivable balance is overstated due to procedural errors when processing payments. For example, payments received for a \$927 December 2013 board bill and a \$70 February 2011 board bill were not applied to the corresponding receivable balances, and the original invoices were still shown as unpaid. Manual receipt slips are issued for payments received, but are not reconciled to the computerized records. As a result, these account balances are inaccurate and the total accounts receivable balance is overstated.

Computerized and manual records should be periodically reconciled to help ensure accounts and balances are current and accurate, and all monies due to the Sheriff's office are collected. Discrepancies between each set of records could create uncertainty regarding the validity of the amount due to the Sheriff's office.

Similar conditions previously reported Recommendations

Similar conditions to sections 3.1 and 3.2 were noted in our prior audit report.

The Sheriff:

- 3.1 Prepare a monthly list of liabilities for the general fee account, reconcile the list to the reconciled bank balance, and investigate any differences.



Adair County
Management Advisory Report - State Auditor's Findings

- 3.2 Account for the numeric sequence of receipt slips issued to ensure all receipts are included when preparing the deposit and investigate any missing receipt slips.
- 3.3 Correct procedural errors that cause the accounts receivable list to be overstated.

Auditee's Response

The Sheriff provided the following responses:

- 3.1 *The Sheriff will ensure a monthly list of liabilities is prepared for all bank accounts and reconciled to the bank balance and will document his review and approval before they are filed. This will be done for each account (Fees, Bonds, and Inmate Accounts) at the end of each month when bank statements are reconciled, and approved by the Sheriff.*
- 3.2 *The Sheriff's office will ensure the numerical sequence of receipt numbers is accounted for when each deposit is prepared. In addition, the Sheriff's Office is working to integrate all receipts issued into one computer system. A report will be run with a list of receipts, verifying numerical sequence, to ensure all receipts are accounted for and none are missing. This will be accomplished via an existing accounting system until a better method can be determined.*
- 3.3 *We have contacted a QuickBooks Counselor (CPA) who is assisting us in the mechanics of correcting the errors in accounts receivable inputs without causing additional errors in the banking accounts. We will begin making corrections with fiscal years 2014 and 2013 and work backwards. Some of the older years may be written off.*

4. County Collector's Commission

As noted in our prior audit, the County Collector is improperly withholding and personally retaining an additional 1.5 percent commission on railroad and utility taxes pertaining to cities. This commission totaled \$1,225 on railroad and utility taxes for the year ended February 28, 2014.

The collection of railroad and utility taxes is a part of the County Collector-Treasurer's statutorily required duties, and he should not receive additional compensation for collecting these taxes. The County Collector is required by Section 151.180, RSMo, to collect all railroad taxes. The County Collector properly withholds a 1 percent commission on these taxes and pays this amount to the county's General Revenue Fund as provided by Section 151.280, RSMo. Section 153.030, RSMo, requires utility taxes to be levied and collected in the same manner as railroad taxes. However, the County Collector also withholds and personally retains a 1.5 percent commission from railroad and utility taxes collected for cities. The County



Adair County
Management Advisory Report - State Auditor's Findings

Collector has written agreements with 4 cities for property tax collection services, which provide for him to personally retain a 1.5 percent commission on current city tax collections. Because the collection of railroad and utility taxes is a statutorily required duty, these contract terms conflict with state law and the County Collector should not receive this additional compensation.

Recommendation

The County Collector should discontinue withholding and retaining additional commissions on the cities' portion of railroad and utility taxes and consider making repayment to the cities.

Auditee's Response

The County Collector provided the following response:

The contract language allows for the County Collector to charge and collect the additional 1.5 percent commission.

5. County Assessor's Receipting Procedures

The County Assessor's office issues manual receipt slips for monies received from the sale of maps, subscriptions to online data, and copies. The County Assessor processed receipts totaling \$2,265 during the year ended December 31, 2013. We noted the following problems:

- The County Assessor does not always transmit receipts timely. For example, monies collected in February and April 2013 totaling \$79 were held and turned over to the County Treasurer at the end of March and May, respectively. In addition, monies collected in June and July 2013 totaling \$56 were held and transmitted to the County Treasurer in August 2013.
- The County Assessor does not properly account for the numerical sequence of receipt slips issued. We noted 10 receipt slips issued out of numerical order and 3 missing receipt slips. For example, receipt number 189277 was issued on May 25, 2013; however, the preceding and succeeding receipt slips were dated August 12, 2013. The County Assessor could not provide an explanation and there was no documentation indicating why the receipt slips were issued out of order or are missing.
- The County Assessor does not reconcile the composition of receipt slips to the monies transmitted to the County Treasurer. We noted discrepancies between receipt slips issued and amounts transmitted. For example, total receipts transmitted to the County Treasurer exceeded receipt slip totals by \$27 for the year ended December 31, 2013.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be transmitted timely and intact, the numerical sequence of receipt slips accounted for, and receipt records should be reconciled to transmittals.



Adair County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Assessor transmit all monies received timely and intact, account for the numerical sequence of receipt slips issued, and reconcile receipt slips to the transmittal.

Auditee's Response

The County Assessor provided the following response:

We are now accounting for the numeric sequence of receipt slips, reconciling them to the turnover, and turning receipts over to the County Treasurer weekly.

6. Public Administrator's Receipts

The Public Administrator's receipting procedures are not adequate. The Public Administrator had 111 wards with assets totaling \$660,000 at December 31, 2013.

The deputy clerks do not issue receipt slips or maintain a log for monies received in the mail, and only issue manual receipt slips when an individual brings a payment to the office. As a result, there is less assurance all monies received are accounted for properly. A cash count performed on December 16, 2013, identified 12 receipts totaling \$1,243 on hand that had not been receipted.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, issue receipt slips for all monies received.

Recommendation

The Public Administrator ensure pre-numbered receipt slips are issued for all monies received or, at a minimum, a log is maintained for all monies received.

Auditee's Response

The Public Administrator provided the following response:

We are recording all payments received on a manual receipt log.

7. Senate Bill 40 Board Real Estate Transactions

The Senate Bill 40 Board (Board) did not obtain a formal appraisal for the purchase of a building for use as a new administration headquarters or an updated appraisal for the sale of the Board's existing headquarters. As a result, there is no assurance the Board paid or received fair market value for these transactions.

On June 14, 2013, the Board unanimously approved the purchase of the building for \$275,000 and closed the purchase on July 13, 2013. The Board's Assistant Director said the Board obtained an informal appraisal from an out-of-town company that performs building inspections, which indicated the building was valued between \$312,000 and \$327,000. She also stated no local professionals performed appraisals on commercial real estate property and it would have been cost prohibitive to have a formal appraisal prepared.



Adair County
Management Advisory Report - State Auditor's Findings

In August 2013, the Board voted to advertise the sale of its current building. The building and property was last appraised at \$140,000 in June 2010. The Assistant Director said the Board did not obtain a recent appraisal because the market had not changed since 2010. The Board received sealed bids and accepted a bid for \$156,000 in May 2014.

Good business practice requires major real estate purchases or sales be formally and independently appraised to ensure prices are reasonable.

Recommendation

The Senate Bill 40 Board obtain appraisals before purchasing and selling real estate.

Auditee's Response

The Senate Bill 40 Board provided the following response:

The Senate Bill 40 Board obtained an appraiser's opinion of the fair market value. The Board discussed the valuation also noting that appraisals of commercial property in this area are difficult and not always indicative of fair market value because of the scarcity of meaningful comparable properties. The Board agrees that in the future they will obtain full market valuations if any real estate sale or purchases occur through independent sources.

Adair County

Organization and Statistical Information

Adair County is a county-organized, third-class county. The county seat is Kirksville.

Adair County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 89 full-time employees and 22 part-time employees on December 31, 2013.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2014	2013
Stan Pickens, Presiding Commissioner	\$	30,697
Carson Adams, Associate Commissioner		28,608
Mark Thompson, Associate Commissioner		28,608
Pat Shoush, Recorder of Deeds		43,346
Sandra Collop, County Clerk		43,346
Matt Wilson, Prosecuting Attorney		116,859
Robert T. Hardwick, Sheriff		48,046
Lori J. Smith, County Treasurer		43,346
Brian C. Noe, County Coroner		14,623
Rhonda Noe, Public Administrator		43,346
David O. Erwin, County Collector (1), year ended February 28,	65,078	
Donnie Waybill, County Assessor, year ended August 31,		43,346
David W. Borden, County Surveyor (2)		

(1) Includes \$21,599 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

Financing Arrangements

In June 2000, the county entered into a lease purchase agreement with a not-for-profit organization to finance the construction and furnishings of the juvenile justice center. Principal and interest payments are funded through the maintenance of effort monies paid proportionately by Adair, Lewis, and Knox Counties. The county refinanced the lease in June 2011. The lease is



Adair County Organization and Statistical Information

scheduled to be paid off in 2020. The remaining principal outstanding at December 31, 2013, was \$910,100. Interest remaining to be paid over the life of the agreement totals \$147,490.

Adair County

Appendix - Auditee's Response for MAR No.1 and 2

The following comments were provided by the County Commission and County Clerk:

November 3, 2014

The following are Adair County's responses to "Adair County Management Advisory Report State Auditor's Findings" presented to the Adair County Commission and Adair County Clerk on October 20, 2014. The Missouri State Auditor's arrived in Adair County on December 3, 2013 to begin the audit and departed on April 10, 2014. The report was presented by Chris Vetter, CPA, Audit Manager, State of Missouri, Office of the State Auditor and Steven J. Re', CPA, Senior Auditor, State of Missouri, Office of the State Auditor.

Response to:

1. County Management Procedures

1.1 County policies –

Cell phones:

At the request of Judge Steele, via payment requests signed by him, Judge Steele's secretary, was reimbursed a total of \$1,085. These requests were paid out of Judge Steele's Court Administration Fund. Judge Steele has stated on many occasions that the County has to accept his budget and the County does not have the authority to make changes to his budget. These bills were presented and paid due to Judge Steele's "authority" to approve reimbursements for anything he presented for payment. Upon phone records being obtained by a Researcher hired to investigate irregularities, it was discovered that in August, 2009 the plan was changed from a Wide Area Family Plan to a National Family Plan with the addition of another phone number. The reimbursement request increased from \$44.78 to \$135.59. In many cases, the complete billing statement had never been presented to the County for payment even though it had been requested. The County was not consulted regarding the reason for the addition to the cell phone plan.

According to the State Auditor's office, it was discovered through Judge Steele that electronic tablets had also been added to the phone bill without the knowledge of the County Commission.

Overage usage and resulting charges should be addressed by the elected official responsible for the device. If bills are not presented to the County Clerk's office on a timely basis, late payment fees could also be assessed.

The above information was provided to the State Auditors during their time spent in the County.

County employee meals:

The County did have concerns regarding noncompliance with the established policy for County employees. It should be noted that the employment status (State or County) of the employees referred to in this section has not yet been determined. Judge Steele has maintained that these individuals should be treated as State employees using Operating Rule 7 as his determination. Therefore, he said they were not required to present receipts to support their reimbursement claims. The Drug Court Case Manager's request for payment was presented on a State of



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

Missouri reimbursement claim form. Such reimbursement claim forms have been questioned in the past. The County Clerk's office was informed that they did not have the authority to question the reimbursements due to Judge Steele's justification using Operating Rule 7.

Vacation and sick leave:

The County did have concerns regarding some employees earning vacation and sick leave at the State rate. It should be noted that the employment status (State or County) of the employees referred to in this section has not yet been determined. Judge Steele has maintained that these individuals should be treated as State employees using Operating Rule 7 as his determination. As a result, some of the 6 employees have accumulated vacation leave and sick leave in excessive amounts. Litigation continues regarding the ruling of their employment status. The County has tried to work with the Circuit Court to establish policies that define which positions are County or State paid, plus vacation and sick leave rates. The issue remains unresolved.

The above information was provided to the State Auditors during their time spent in the County.

1.2 Courthouse renovation -

The County Commission did not initiate the project for renovations to the third floor courtroom hallway and therefore, did not solicit bids for the work to be performed. The County Clerk's office retains on file all bid procurements when the County Commission has involvement with the project.

Expenses are paid from an invoice submitted by a vendor. Estimates are not paid. The request for payment in the amount of \$6,290.00 was accepted into the County Clerk's office after it had been revised using whiteout and no longer contained the word "estimate." The Circuit Clerk said Judge Steele insisted the "bill" paid in 2012 because he had budgeted for the expense in that year.

The above information was provided to the State Auditors during their time spent in the County.

1.3 Allocation of salaries -

The Court Services Administrator completes a timesheet, but does not track time spent on different duties. Adair County's legal counsel has requested of the court system, on more than one occasion, the allocation of salary for the Court Services Administrator. This information has never been received by legal counsel or by the County. The Court Services Administrator's time sheet is approved by Judge Steele.

The County is not clear if work performed as the Adult Drug Court Case Manager is supported by contract terms. The case manager's salary is paid from the county Prosecuting Attorney's Administration Fund using drug court grant monies transferred from General Revenue and other



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

monies transferred from the Juvenile Justice Fund. The contract provided for \$22,653 to be paid for drug case management services, however, the Adult Drug court Case Manager was paid an annual salary including benefits of \$48,333. The difference was paid from monies transferred from the Juvenile Justice Fund. The contract does not address services to be performed or compensation to be paid for work associated with the Juvenile Justice Center. The case manager's timesheets do not document hours worked for the Adult Drug and/or the Juvenile Justice Center.

The Adult Drug Court Case Manager's timesheet is approved by the Prosecuting Attorney.

1.4 Contracts -

Written contracts for legal services were entered into by the Court Services Administrator without discussion with the County Commission or their permission. Other legal services were also performed without written contracts. The Commission is currently seeking legal counsel to determine who, if anyone other than the County Commission, has the authority to enter into contracts for the County. The County Commission would be in favor of reviewing and approving contracts that impact County funds and related budgets, if they are aware of the contract before services begin. The issue remains unresolved.

1.5 Fuel expenses -

The County has incurred the cost of fuel for providing a County-owned vehicle to a State-employed deputy Circuit Court clerk to travel to another County. This occurred without knowledge or permission of the County Commission. We agree that paying for the cost of providing transportation of State employees to perform work unrelated to Adair County, is not a prudent or necessary use of taxpayer's monies by the County. The County will amend their vehicle policy to prohibit County-owned vehicles to be utilized by State employees.

1.6 Court reporter mileage -

The County will no longer reimburse the court reporter, a State employee for mileage. Adair County will abide by Section 485.090, RSMo that requires reimbursement of necessary travel expenses for court reporters be paid out of the State treasury. The State court travel policy states "the State allowance represents full compensation for the costs of operating a vehicle."



Recommendations/Auditee's Response:

The County Commission:

1.1:

will attempt to review the County's policies for reimbursements to ensure they are clearly defined and followed. They will continue to attempt through legal counsel to work with the Presiding Judge to clarify policies and procedures regarding court and County employees.

1.2:

will recommend the Presiding Judge obtain bids in accordance with State law and discontinue prepaying for work not yet performed.

1.3:

will recommend the Presiding Judge ensure salaries are allocated between job duties and supported by adequate documentation after determination of the employment status of the six employees referred to in section 1.1 County policies.

1.4:

will attempt to enter into written contracts which clearly define services to be provided and compensation paid. In addition, the County Commission will attempt to approve all contracts which bind the county.

1.5:

will consider requesting reimbursement from other entities for the use of County assets and revise vehicle policies to address usage by State employees.

1.6:

will review County policies concerning the reimbursement of mileage expenses to State employees.

2. County Controls

2.1 County Sales tax -

The County has certified to the State Auditor's office the tax levy for the General Revenue Fund as zero using the same procedures for many years. The County works closely with the State Tax Commission to insure the tax levy procedure is followed correctly. We will contact the State Tax Commission for guidance on your current recommendation of certifying Adair County's General Revenue tax levy to zero using a different formula.

2.2 Outstanding checks – Lori has given response to auditors



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

2.3 User passwords -

It will be suggested to the Public Administrator, Recorder of Deeds, Prosecuting Attorney, and County Collector to establish adequate password controls to reduce the risk of unauthorized access to office computers and data.

Recommendations/Auditee's Response:

The County Commission:

2.1:

and County Clerk will attempt to document its understanding of the sales tax rollback requirements.

2.2:

will attempt to work with the County Treasurer to establish procedures to routinely investigate outstanding checks.

2.3:

will contact the Public Administrator, Recorder of Deeds, Prosecuting Attorney, and County Collector and suggest they establish adequate password controls to reduce the risk of unauthorized access to office computers and data.

IN CONCLUSION:

While the County of Adair welcomes the four year audit that is performed by the Missouri State Auditor's office, we are dismayed by their findings. You stated Adair County has significant weaknesses in County management procedures and controls over personnel policies, contracts, bidding, disbursements, and vehicles. The Auditor's office is aware that the County has been in litigation for over one year with Judge Steele and his Court System concerning everything that the Auditor's office has noted as a finding in their Management Advisory Report of County policies including but not limited to cell phones, County employee meals, and vacation and sick leave.

We agree that the lack of clarity regarding the employment status of some employees and the inconsistent treatment of employees regarding vacation and sick leave is unacceptable. However, the County and the Court have tried unsuccessfully to work together regarding employment status of employees (County or State), to compensate, reimburse expenses, and award leave as appropriate.

The auditor's office has failed to take into consideration that Adair County has exercised the only course as set forth by Missouri law to challenge budget disputes with the Judiciary. On October 8, 2014, the



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

Judicial Finance Commission unanimously concluded that the 2014 Circuit Court budget requests to Adair County to be unreasonable. Therefore, many of the issues you have chosen as findings have now been addressed. Other issues still need to be resolved, however, and Adair County continues to work with legal counsel to obtain closure of these issues. We are attaching the ruling of the Judicial Finance Commission on October 8, 2014.



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

The following additional comments were provided by the County Commission and County Clerk:

1-30-15

Additional Responses to the Missouri State Auditor's Draft Audit for year 2012-2013

Section 1.1 Cell phones. The County completed the litigation in which it was engaged related to "cell phones" used in the Court's offices. Under the settlement and Judgment order entered in Steele v. Adair County, Adair County Circuit Court Case No. 14AR-CV00603, the expenses of the Circuit Court are no longer included with the County budget per Sec. 9 of the Settlement Agreement "the 2nd Circuit takes over all administration of the 2nd Circuit programs . . . and such administration shall be under the 2nd Circuit Court's federal identification number and not in any way associated with Adair County . . .". Thus there will be no future discrepancies arise.

Section 1.1 County employee meals. The County completed the litigation in which it was engaged related to "employee meals" used in the Court's offices. Under the settlement and Judgment order entered in Steele v. Adair County, Adair County Circuit Court Case No. 14AR-CV00603, the expenses of the Circuit Court are no longer included with the County budget per Sec. 9 of the Settlement Agreement "the 2nd Circuit takes over all administration of the 2nd Circuit programs . . . and such administration shall be under the 2nd Circuit Court's federal identification number and not in any way associated with Adair County . . .". Thus there will be no future discrepancies arise.

Section 1.1 Vacation and sick leave. The County completed the litigation in which it was engaged related to "vacations and sick leave" used in the Court's offices. Under the Judgment order entered in Steele v. Adair County, Missouri, Adair County Circuit Court Case No. 14AR-CV00603, the six (6) subject positions of the Circuit Court "are classified and designated as employees of Adair County for purposes of payment of salary, health insurance, retirement and fringe benefits . . . but all of these financial requirements will be satisfied . . . Not by General County tax revenue." Thus there will be no future discrepancies arise.

Section 1.1 Conclusion. Under the settlement and Judgment order entered in Steele v. Adair County, Adair County Circuit Court Case No. 14AR-CV00603, the expenses of the Circuit Court are no longer included with the County budget and the designated positions of the subject employees are County positions. Thus there will be no future discrepancies arise.



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

Section 1.3 Allocation of salaries. The County completed the litigation in which it was engaged related to "allocation of salaries" used in the Court's offices. Under the settlement and Judgment order entered in Steele v. Adair County, Adair County Circuit Court Case No. 14AR-CV00603, the expenses of the Circuit Court are no longer included with the County budget per Sec. 9 of the Settlement Agreement "the 2nd Circuit takes over all administration of the 2nd Circuit programs . . . and such administration shall be under the 2nd Circuit Court's federal identification number and not in any way associated with Adair County . . .". Thus there will be no future discrepancies arise.

Section 1.4 Contracts for services. The County completed the litigation in which it was engaged related to "contracts for services" used in the Court's offices. Under the settlement and Judgment order entered in Steele v. Adair County, Adair County Circuit Court Case No. 14AR-CV00603, the expenses of the Circuit Court are no longer included with the County budget per Sec. 9 of the Settlement Agreement "the 2nd Circuit takes over all administration of the 2nd Circuit programs . . . and such administration shall be under the 2nd Circuit Court's federal identification number and not in any way associated with Adair County . . .". Thus there will be no future discrepancies arise.

Section 1.6 Mileage reimbursement. The County completed the litigation in which it was engaged related to "mileage reimbursement" used in the Court's offices. Under the settlement and Judgment order entered in Steele v. Adair County, Adair County Circuit Court Case No. 14AR-CV00603, the expenses of the Circuit Court are no longer included with the County budget per Sec. 9 of the Settlement Agreement "the 2nd Circuit takes over all administration of the 2nd Circuit programs . . . and such administration shall be under the 2nd Circuit Court's federal identification number and not in any way associated with Adair County . . .". Thus there will be no future discrepancies arise.

Section 2.1 Property Tax Levy. The County will work annually with the State Auditor's Office to determine the appropriate handling of the property tax levy issues as same relates to the tax roll back under Sec. 67.505 RSMo.



The following comments were provided by the Presiding Judge:

**RESPONSE OF PRESIDING JUDGE RUSSELL E. STEELE TO
2014 AUDIT REPORT – ADAIR COUNTY**

A. Introduction

The Circuit Court strives to use the best available practices and procedures to fulfill its responsibilities to the public and to ensure the safe, secure, effective, and efficient use of the public's resources. While it is impossible to achieve perfection, that is always the goal. The Court and its staff take those responsibilities seriously and welcome merit-based audit recommendations. That is the case with this audit. However, as more specifically set forth below, while this Audit Report asserts that this audit was conducted in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, a careful review and analysis of those *Standards* and this Audit Report lead to the conclusion that many aspects of this audit were not, in fact, conducted in accordance with the *Government Auditing Standards*. The analysis that leads to this conclusion is set forth below.

This audit is a performance audit. Under *Government Auditing Standards* Section 2.10, performance audits are defined as audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Compliance audit objectives relate to an assessment of compliance with criteria established by provisions of laws, regulations, contracts, or grant agreements, or other requirements that could affect the acquisition, protection, use, and disposition of the entity's resources and the quantity, quality, timeliness, and cost of services the entity produces and delivers. As provided in Section 6.03 of the *Government Auditing Standards*, performance audits that comply with generally accepted government auditing standards, must obtain reasonable assurance that evidence is sufficient and appropriate to support the auditors' findings and conclusions in relation to the audit objectives. Under Section 6.05, the findings, conclusions, recommendations, or assurance should not be improper or incomplete as a result of evidence that is not sufficient and/or appropriate, or intentional omissions or misleading information. Section 6.15 requires that there should be an understanding of the law applicable to the objectives, which often provides the criteria for evaluating performance. Sections 6.56, 6.57, 6.60, 6.67, and 6.71 require that findings and conclusions have a reasonable basis supported by sufficient and appropriate evidence. Evidence is not sufficient or not appropriate when using the evidence carries an unacceptably high risk that it could lead to an incorrect or improper conclu-



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

sion, or the evidence does not provide an adequate basis for addressing the audit objectives or supporting the findings and conclusions. Such evidence should not be used as support for findings and conclusions. Section A7.02 provides additional guidance and indicates that the audit report be accurate and complete. To be accurate, it must be supported by sufficient, appropriate evidence with key facts, figures, and findings being traceable to the audit evidence. The report should be complete, which means that the report contains sufficient, appropriate evidence needed to satisfy the audit objectives and promote an understanding of the matters reported. It also means that the report states evidence and findings without omission of significant relevant information related to the audit objectives.

As more specifically discussed below, the Audit Report does not comply with the *Government Auditing Standards* (1) by including findings or conclusions which are not based on sufficient, appropriate evidence against criteria; (2) by including findings and conclusions that are contrary to applicable law; and (3) by failing to provide a report that is accurate or complete. This failure to comply with the *Government Auditing Standards* renders many of the findings and recommendations in the Audit Report invalid.

The Second Judicial Circuit consists of Adair, Knox, and Lewis counties. It is organized pursuant to Section 478.077 RSMo. The Circuit Court is a constitutional entity and the Presiding Judge is responsible for the administration of the Court. See *22nd Judicial Circuit v. Jones*, 823 S.W.2d 471 (Mo.banc 1992). The Presiding Judge of the Circuit Court is authorized by Article 5, Section 15 of the Missouri Constitution, Section 478.240 RSMo, and Section 211.351 RSMo to appoint necessary court personnel, including juvenile court personnel. These employees are employees of the circuit court and not of the counties comprising the circuit. See *Hill v. 24th Judicial Circuit*, 765 S.W2d 329 (Mo.App. 1989). Under Section 478.240 RSMo, all judicial employees are under the specific authority and control of the Presiding Circuit Judge, not the County Commission. See *Hill v. 24th Judicial Circuit*, *supra*.

The Missouri Supreme Court has consistently held that, except for the management of the fiscal affairs of the county, county commissions possess no powers except those conferred by statute. See *Kuyper v. Stone County Commission*, 838 S.W.2d 436, 439 (Mo.banc 1992); and *State ex rel. Lack v. Melton*, 692 S.W.2d 302, 305 (Mo.banc 1985). The county commission's primary role, as it relates to the judiciary, is as its budget authority, with the limited role of appropriating general revenue to help fund the operations of the courts. There is no statutory au-



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

thority for the county commission to control spending decisions of the circuit court outside of the budget process, or to establish policies or procedures to which the circuit court must comply. The county commission has no authority to limit or control the expenditure of funds appropriated for the circuit court or to refuse to honor pay warrants for any appropriated expenditure that is within the limits and for the purposes approved in the appropriation order. The presiding circuit judge may hire personnel as he deems necessary without the approval or consent of the County Commission. *Kuyper* at 440. As the Supreme Court noted, in *Melton*, “We are of the opinion that the legislature did not intend . . . to subjugate the autonomy of the [elected official’s] office to the political whims of the county commission via an ‘advice and consent stratagem.’” *Melton* at 305 (cited with approval in *Kuyper*, at 439-440). As the Supreme Court went on to hold, in *Kuyper*, “Once appropriations are fixed and the appropriation order entered, the commission may not control the spending decisions of the [elected official] made within appropriations to that office.” *Id.* at 440. This logic applies not only for appropriated expenditures, but for other policies and procedures of the judiciary, absent specific statutory authority granted to the county commission. Many of the Audit Report’s findings, conclusions and recommendations wholly ignore this well-defined limitation on the authority of the County Commission to control expenditures or impose or enforce its policies upon the Circuit Court.

One of the principal errors in the Audit Report is the assumption, without explanation or citation of any legal authority, that Circuit Court personnel are county employees that are subject to county policies. Such an assumption ignores well established legal principles set forth above which confirm the status of the Second Judicial Circuit as a unique constitutional entity distinct from the counties which it encompasses, including Adair County, and the status of its employees as employees of the Circuit Court, not of any individual county within the Circuit. The Circuit Court has its own policies and procedures, including personnel policies, and is entitled to apply them independently of the County’s policies. No statutes or cases support the Auditor’s contrary assumption, and to apply such an assumption disregards basic principles of constitutional separation of powers and has led to erroneous findings and conclusions in the Audit Report. Further, not only are the findings and conclusions not supported by the law, they are also not based upon evidence that was provided to the audit staff, or which was otherwise available.

Further, the Audit Report fails to consider or include any discussion of the Settlement Agreement entered into between the Adair County Commission and the Presiding Judge in 2014.



This Agreement modifies the fiscal relationship between the parties and confirms the autonomy and independence of the Second Judicial Circuit.

As more specifically discussed below, the Audit Report does not comply with the *Government Auditing Standards* (1) by including findings or conclusions which are not based on sufficient, appropriate evidence against criteria; and (2) by including findings and conclusions that do not utilize proper criteria and are contrary to applicable law. This failure to comply with the *Government Auditing Standards* in regard to many of the findings and recommendation in the Audit Report renders them invalid.

Responses will be provided to specific Sections of the Audit Report below.

B. Responses to Specific Sections

1. County Management Procedures

1.1. County policies. The findings and recommendations in Subsection 1.1 are based on the flawed premise that Circuit Court judicial personnel are subject to the policies and procedures of Adair County. That concept has been rejected by the appellate courts, as cited above. Second Judicial Circuit employees are employees of the Second Judicial Circuit, not of any individual county within the Circuit. The Audit Report does not provide any authority for the premise that Circuit Court employees are subject to the policies of the County which must be the criteria upon which the findings and recommendations in Subsection 1.1 of the Audit Report are founded. This lack of criteria for any of the findings in this Audit Report and disregarding the applicable criteria does not comply with applicable *Government Auditing Standards*. Further, to apply such a criteria could lead to absurd results if each county had distinctly different employee policies; whose policies should be followed? Following one county's policies would necessarily mean that there would be a violation of the policies of the other two counties. That is illogical.

Although the absence of any authority of the County over the policies and procedures of the Circuit Court or its personnel, constitutes a complete lack of criteria to support any of the findings and recommendations in Subsection 1.1, as required by applicable *Government Auditing Standards*, nevertheless, the various issues raised in subsection 1.1 will be further more specifically addressed below.



a. Cell phones.

i. The Presiding Judge's Secretary is an employee of the Second Judicial Circuit, and not an employee of Adair County, and is subject to the policies and procedures of the Second Judicial Circuit, not those of Adair County, including its cell phone policy. The failure to consider this fact and assuming, without explanation, why the County's cell phone policy applies renders the criteria applied in the Audit Report erroneous, inappropriate, and inapplicable, and does not comply with applicable *Government Auditing Standards*. Further, unlike the County, which had no formal cell phone policy, there has been a written cell phone policy covering the Presiding Judge and the Presiding Judge's Secretary for many years which was provided to the County, and that policy was followed for cell phone reimbursements. There were funds appropriated for these expenses and it was disbursed in accordance with that written cell phone policy. The cell phone expenses that were reimbursed to the Presiding Judge's secretary were actually for a joint plan that included both her cell phone and the Presiding Judge's cell phone, since a joint plan was less expensive than individual plans. All of this evidence was omitted from the Audit Report. The omission of this evidence and the lack of any criteria or evidence to support the findings in the Audit Report constitute a failure to comply with applicable *Government Auditing Standards*.

ii. The overage charges for the electronic tablets were incurred by reason of staff being unaware that the electronic tablet was set on "Cellular Data" rather than "Wi-Fi", which caused data usage in excess of that available under the plan. This was immediately addressed upon its discovery. This evidence was omitted from the Audit Report. Such omission constitutes a failure to comply with applicable *Government Auditing Standards*.

iii. The Audit Report also appears to rely upon the statements of the County Commissioners that the Court Services Administrator did not timely provide certain bills to the County for payment, resulting in some late charges. The evidence is that bills were provided to the County for payment promptly upon receipt. There was apparently no effort to determine, independently of the Commissioners' statements, if the bills were submitted promptly for payment by reviewing the date the bills were received by the Court Services Administrator and the date that they were submitted to the County for payment. The Audit Report also does not include evidence that bills are typically only paid twice each month by the County and the timing of the delivery of the bill to the County for payment vis-à-vis the County's payment date is the likely



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

source of any late payment charges. Interestingly, the Audit Report does not recommend that the County promptly pay bills that will be overdue if not paid before the next payment cycle, rather than waiting until the next regular payment cycle, which may result in a late charge.

This evidence was omitted from the Audit Report which means that was not sufficient appropriate evidence to support the findings which constitutes a failure to comply with applicable *Government Auditing Standards*. Further, the sole reliance on the statements of the County Commissioners to support the finding when there was other objective evidence available suggests a lack of objectivity, which constitutes a failure to comply with applicable *Government Auditing Standards*. Such reliance also fails to consider other more appropriate evidence related to this finding, which constitutes a failure to comply with applicable *Government Auditing Standards*.

b. County employee meals. For the reasons discussed above, the employees of the Second Judicial Circuit are subject to the policies and procedures of the Second Judicial Circuit. They are not employees of Adair County and are not subject to the policies of Adair County, including its employee meal reimbursement policy. The Circuit Court's employees utilize the State of Missouri's meal reimbursement policy. The failure of the Audit Report to utilize the applicable law as its criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

c. Vacation and sick leave. For the reasons discussed above, the employees of the Second Judicial Circuit are subject to the policies and procedures of the Second Judicial Circuit. They are not employees of Adair County and are not subject to the policies of Adair County, including its employee vacation and sick leave policy. They are covered by Supreme Court Operating Rule 7 regarding vacation and sick leave. The failure of the Audit Report to utilize the applicable law as its criteria does not comply with applicable *Government Auditing Standards*.

d. Conclusion. The "Conclusion" portion discusses the County Commission's uncertainty regarding the application of county versus state reimbursement rates, leave accrual rates, and potential problems due to inconsistent application of policies among county employees. As confirmed by the principles set forth above, the County Commission has no authority to establish or enforce personnel policies of employees of the Circuit Court. Thus, the concerns of the Commissioners have no relevance to the employees of the Second Circuit. Further, as mentioned above, it would be unfair and inequitable to those employees of the Circuit Court who are paid



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

from grant funds or operational revenue, rather than by the State, to be subject to different personnel policies and procedures than their State-paid colleagues who perform the same or similar duties. The suggestion that the County and the Court should work together to resolve these issues is pointless and misguided considering that the Circuit Court has no “county” employees and is not otherwise subject to County policies. It is also naïve, given the volatile political climate and strained relationship between the Presiding Judge and the County Commissioners. Finally, it ignores the autonomous status of the Second Judicial Circuit as confirmed by the Settlement Agreement with Adair County.

Also, the recommendation that the County should consult with legal counsel to obtain clarification suggests that the opinion of its legal counsel will somehow be determinative and resolve this issue. Such an opinion will be just that: an opinion, and will not change the law applicable to the policies or procedures of the Court regarding the issues addressed above. This is a failure to apply proper criteria which constitutes a failure to comply with the applicable *Government Auditing Standards*.

1.2. Courthouse renovation. The County Commission approved certain renovations on the third floor lobby area of the Courthouse, and the logistics of locating and engaging a contractor were conducted by the Circuit Clerk. Since the work was divided into phases encompassing demolition and construction components, each of which fell below the threshold requiring competitive bidding, no bids were required. Subsection 2 of Section 50.660 RSMo provides that “Notwithstanding the provisions of subsection one of this section to the contrary, advertising shall not be required in any county in the case of contracts or purchases involving an expenditure of less than six thousand dollars.” The Circuit Clerk did submit bills for prepayment because the project had been included in her 2012 budget. These were paid by the County. Perhaps a better practice would have been to include it in the following year’s budget, but prepayment is not an uncommon practice in the construction industry. Since this project involved renovations to a common area of the Adair County Courthouse, it probably should have been a project undertaken and supervised by the County Commission.

1.3. Allocation of salaries.

a. The Juvenile Services Administrator, now Court Services Administrator, was assigned Drug/DWI Court duties, and was added to the Drug/DWI Court Team. This was due to the realization that a substantial number of Drug/DWI Court participants have adolescent children (in



2013, there were 63 children who had a parent participating in one of those programs) and that there is a direct correlation between a parent's sobriety and their acquisition of social and parenting skills, employment, education, and medical or mental health care, and their ability to provide a safe, stable, and appropriate home so that they can be reunified with or maintain their child or children in their home. That results in reduced risk and trauma to the child and in reduced costs to society. However, it is impossible and inappropriate to attempt to quantify the amount of time that is strictly connected to Drug/DWI Court because of this direct impact on children and their families. His duties as supervisor of the Circuit Clerk's office were discontinued effective April 1, 2014. For those reasons, there is no need to track his time or allocate his salary among his various duties because they all relate to juvenile services. The Audit Report does not cite the criteria used to support these findings or recommendations. Further, this evidence was omitted from the Audit Report. Such failure to utilize appropriate criteria and the omission of appropriate evidence relevant to the findings constitute a failure to comply with applicable *Government Auditing Standards*.

Further, under the Settlement Agreement with the County, With the exception of a small appropriation from County general revenue, all court operations, including employee salaries and benefits for employees who are not paid by the state are funded from the operational revenue generated by the Bruce Normile Juvenile Justice Center. This makes the findings and recommendations in the Audit Report moot.

b. The Drug/DWI Court Case Manager was an employee of the Prosecuting Attorney until August 1, 2014, so the findings and conclusions relating to her work and duties should, perhaps, be addressed by him. However, as with the Court Services Administrator, since an overwhelming majority of her Drug/DWI Court case management services were for participants who have children (approximately 80% of all participants have children), most of her work provides a direct benefit to those children and their families. Again, it would be impossible to accurately or adequately quantify that portion of her time attributable only to juvenile services.

This evidence was omitted from the Audit Report. Further, the Audit Report does not cite the criteria used to support these findings or recommendations. Such failure to utilize appropriate criteria and the omission of appropriate evidence relevant to the findings constitute a failure to comply with applicable *Government Auditing Standards*.



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

Further, under the Settlement Agreement with the County, with the exception of a small appropriation from County general revenue, all court operations, including employee salaries and benefits for employees who are not paid by the state, are funded from the operational revenue generated by Court, primarily from the Bruce Normile Juvenile Justice Center. This makes the findings and recommendations in the Audit Report moot.

c. In addition, under the applicable legal principles cited above, the County has no authority to control or enforce its policies on the Circuit's employees, including allocating employee salaries, and, since these salaries are paid solely from the operational revenue of the Court, and not from County general revenue, the County Commission has no role in salary allocation. The Audit Report does not cite the criteria used to support these findings or recommendations. Such failure to utilize appropriate criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

1.4. Contracts.

a. There is no reason why the County should have written contracts with attorneys who are appointed by the Court, *ad hoc*, to provide legal services for indigent parents in juvenile court proceedings, or with attorneys who are appointed as guardians ad litem in adoptions, orders of protection proceedings, incompetency or mental health proceedings, or as defendants ad litem in civil proceedings. These attorneys are appointed by the Court to perform services for parents, juveniles, incapacitated persons, or decedent's heirs. They are not appointed on behalf of the County nor does the County have any legal relationship with these attorneys which would make a contract with the County appropriate. The duties and responsibilities of lawyers appointed by the Court to represent parties in court proceedings are contained in Supreme Court Rules outlining the professional responsibilities of lawyers, Supreme Court Rule 4, and need not be set forth in specific contracts. There is no legal authority cited in the Audit Report, nor which could be cited, as the criteria to support the findings or recommendations in this subsection and such failure to utilize appropriate criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

b. There is no reason why the Court Services Administrator should discuss with the County Commission contracts between the Second Judicial Circuit and attorneys who provide legal services for the Juvenile Officer and for indigent parents in juvenile court proceedings. These contracts are not with the County and the County has no legal relationship with these at-



torneys. As discussed above, the County Commission has no authority to be involved with the policies or practices of the Circuit Court except as it relates to budgets and appropriations. There is no legal authority cited in the Audit Report, nor which could be cited, as the criteria to support the findings or recommendations in this subsection and such failure to utilize appropriate criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

1.5. Fuel expenses. The County is not incurring the cost of fuel nor providing a county-owned vehicle for deputy circuit clerks to travel to another county. At one time, deputy circuit clerks from Adair County were assigned to Lewis County to assist the Lewis County Circuit Clerk with her workload since her office is understaffed. During that time, vehicles and fuel purchased solely from the operational revenue of the Circuit Court, which includes Lewis County, and not from county tax or general revenue, were used to transport those deputy clerks to and from Lewis County. Further, for the reasons discussed above, use of these vehicles is not controlled by County policy. There is no legal authority cited in the Audit Report, nor which could be cited, as the criteria to support the findings or recommendations in this subsection and such failure to utilize appropriate criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

1.6. Court reporter mileage. For the reasons stated above, the court reporter is not subject to the County's policies. This reimbursement was paid from the court reporter's travel appropriation. Section 485.090 also provides that the court reporter shall be reimbursed for all travel expenses incurred in attending court. The state reimbursement rate of .37 is less than the IRS federal allowable rate, and the 10.5 cents appears to be the difference in those rates. That practice has been discontinued.

2. Recommendations.

1.1. The Court's employees are Circuit employees, not County employees, and are subject to the policies and procedure of the Circuit Court, and not to those of the County. There is no legal authority cited in the Audit Report, nor which could be cited, as the criteria to support the recommendations in this subsection and such failure to utilize appropriate criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

1.2. The Presiding Judge has complied with statutory bid requirements and any prepayment for work was made by the County at the request of the circuit clerk from the circuit clerk's budget.



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

1.3. Allocation of salaries is often impossible because there is a substantial overlap in the impact of the employee's duties. It is also needless because the Court's employees are paid exclusively from the operational revenue of the Circuit Court and not from County general revenue. Finally, since the Court's employees are not County employees, the County Commission has no authority or role in reviewing employment contracts or job descriptions. That is under the exclusive authority and control of the Presiding Judge. There is no legal authority cited in the Audit Report, nor which could be cited, as the criteria to support the recommendations in this subsection and such failure to utilize appropriate criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

1.4. The service to be provided by attorneys appointed by the Court and the compensation to be paid are controlled by Supreme Court Rules and statutory authority and, although the Court does enter into written contracts with attorneys who perform specified work regularly for the Court, there is no legal requirement nor necessity for written contracts with other attorneys who are appointed *ad hoc*. There is no legal authority cited in the Audit Report, nor which could be cited, as the criteria to support the recommendations in this subsection and such failure to utilize appropriate criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

1.5. The Circuit Court has not used County assets for any other entities. Vehicles used by Court employees, whether paid by the Circuit Court or by the State, have been purchased by the Circuit Court solely from the Court's operational revenue, and not from County general revenue. There is no legal authority cited in the Audit Report, nor which could be cited, as the criteria to support the findings or recommendations in this subsection and such failure to utilize appropriate criteria constitutes a failure to comply with applicable *Government Auditing Standards*.

1.6. State employees are not subject to the County's mileage reimbursement policies. Further, the practice of requesting additional mileage reimbursement has been discontinued.



Adair County
Appendix - Auditee's Response for MAR No. 1 and 2

The following comments were provided by the Circuit Clerk:

ADAIR COUNTY CIRCUIT CLERK'S RESPONSE TO AUDIT REPORT

1.2 Courthouse Renovation

The Circuit Clerk wishes to provide the following information on the audit Information for Adair County.

In the fall of 2012 – the Presiding Judge approached the Circuit Clerk and requested that I contact Derek Miller – Restoration Rebuilder, LLC. The Presiding Judge indicated that he wanted to talk with Mr. Miller concerning removing the ceiling panels from the hallway outside the Division One courtroom. I called Mr. Miller and asked him to come by and talk with the Presiding Judge. Mr. Miller came to my office in the Adair County Courthouse in late October or early November, 2012 and I escorted him to the Presiding Judge's office and returned to my office.

The middle of December, 2012, Mr. Miller delivered to my office two documents numbered 1675 and 1676 for amounts totaling \$6,290.00. I took those documents to the Presiding Judge and he directed me to take those documents to be submitted to Adair County for payment from the Circuit Clerk's budget. The end of December, Adair County Clerk, Sandy Collop personally returned those documents to my office and said the county wasn't going to make payments from documents titled Estimates. I took those same documents to the Presiding Judge and he ordered me to "white-out" the word Estimates, place my initials and date at the top of each document and resubmit them to the county for payment from the 2012 budget.

The county then issued the checks to Mr. Miller – Restoration Rebuilder, LLC, and delivered the checks to my office. I took the checks to the Presiding Judge and he told me to call Mr. Miller to pick up the checks.

At no time did I have any conversation with Mr. Miller on the work to be completed at the courthouse. The project, bids, amount of material, etc. was between Mr. Miller and the Presiding Judge and/or Matthew Holt. Please see the attached statement provided by Mr. Derek Miller on this matter.

Sincerely,

Linda Decker
Adair County Circuit Clerk



Nicole R. Galloway, CPA
Missouri State Auditor

Second Judicial Circuit

Adair County



June 2015

Report No. 2015-044

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Second Judicial Circuit, Adair County

Accounting Controls and Procedures	The Circuit Clerk has not adequately segregated accounting duties or limited user access rights in the Judicial Information System (JIS), and adequate independent and/or supervisory reviews of accounting records are not performed. The Circuit Clerk does not have adequate receipting and depositing procedures and does not review and approve voided and non-monetary transactions, and adjustments in the JIS. The Circuit Clerk does not periodically review accrued costs owed to the court and does not follow the court's formal administrative plan for collection of court debt.
Month-End Reconciliations	The Chief Deputy Clerk does not complete bank reconciliations for the fee account timely, and the court does not monitor and apply amounts paid to cases held in suspense that have been disposed. As of December 31, 2013, JIS records indicate 14 checks, totaling \$871, had been outstanding for over a year.
Circuit Court Budgets	The Circuit Clerk did not prepare a budget for the Circuit Clerk's Interest Fund or Time Payment Fee Fund for 2013 or 2014. For 2014, the Circuit Clerk prepared a document showing just the combined actual beginning and ending balances of both funds for 2013. The Presiding Judge did not include detailed receipts or disbursements information and did not document the prior years' comparative receipts and disbursements for the 2013 and 2014 Law Library Fund and the 2014 Drug Court Fund budgets.
Law Library Fund Controls and Procedures	The Presiding Judge has not adequately segregated accounting duties and does not perform supervisory reviews of the Law Library bank account and financial activities. The Presiding Judge used \$1,938 in law library monies for a router and Internet services at his residence. The Presiding Judge has repaid the monies.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Second Judicial Circuit

Adair County

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory	
Report - State Auditor's	
Findings	
1. Accounting Controls and Procedures	7
2. Month-End Reconciliations.....	13
3. Circuit Court Budgets.....	14
4. Law Library Fund Controls and Procedures	15

Organization and Statistical	20
Information	

Appendix - Auditee's	21
Response	



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Second Judicial Circuit
Adair County, Missouri

We have audited certain operations of the Second Judicial Circuit, Adair County, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. The objectives of our audit were to:

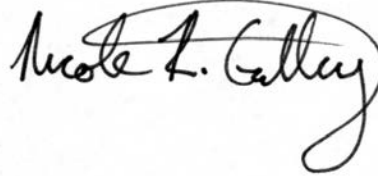
1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the court's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Adair County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the Second Judicial Circuit, Adair County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Keisha Williams
	Christopher A. McClain

Second Judicial Circuit

Adair County

Introduction

Background

The purpose of this section is to explain the relationship between Adair County and the Adair County Circuit Court and various issues that pertain to both the county and the circuit court, and the handling of those issues by the State Auditor's office (SAO). The same information is being included in Report No. 2015-043, *Adair County*, and Report No. 2015-044, *Second Judicial Circuit, Adair County*.

The Second Judicial Circuit consists of Adair County as well as Knox and Lewis Counties. The Second Judicial Circuit consists of one circuit judge and three associate circuit judges. The circuit judge hears cases in all three counties in the circuit and the associate circuit judges hear cases in their respective counties. The scope of our audit only includes the operations of the Second Judicial Circuit, Adair County. The circuit court operation is funded both with state and county resources and operations are managed utilizing both state and county employees.

The Office of the State Courts Administrator (OSCA) is responsible for providing administrative, business and technology support services to the courts. The OSCA conducts periodic Judicial Information System (JIS) reviews of circuit courts. It most recently conducted a review of the Adair County Circuit Court during 2012 (report issued February 29, 2013), and a follow up of that review in November 2013. The review identified numerous procedural and control problems, and the follow up determined the majority of the recommendations were either not implemented or partially implemented, with only a few recommendations implemented.

The SAO has authority to conduct court audits. In conjunction with the regularly scheduled audit of Adair County for calendar year 2013, the SAO also conducted an audit of the Adair County Circuit Court. The SAO completed the audits and met with county and court officials in October 2014 to discuss the draft audit reports and obtain auditee responses for inclusion in the audit reports.

Disputes exist between the counties in the circuit and the Presiding Judge, resulting in the need for outside parties to evaluate arrangements and make rulings, settlements, and judgments to guide/govern the budgetary arrangements and operations of the Adair County Circuit Court. Disputes also exist within the court regarding appointing authority responsibilities and administrative functions of the court. There continues to be ongoing legal proceedings involving current and former court personnel and officials.

On February 12, 2014, the County Commissioners of Adair and Lewis Counties (as part of the Second Judicial Circuit) filed a petition for review with the Judicial Finance Commission (JFC) regarding the 2014 budgeted operational costs of the court, as allowed by Section 50.640, RSMo. The



Second Judicial Circuit
Adair County
Introduction

parties disputed the reasonableness of budget requests by the Circuit Court for the drug court, the juvenile justice center, court administration, the Circuit Clerk's budget, and the budget for the circuit's court reporter. The JFC concluded "the dispute had been exacerbated by poor relationships and lack of trust between the parties, but that it would be best for all concerned to resolve this protracted and expensive litigation through settlement." After several rounds of mediation, further disputes and disagreements about the wording of the settlement agreement led the parties to submit post-hearing filings with the JFC on September 10, 2014.

In an October 2014 decision, the JFC determined the Circuit Court budget request to be unreasonable. Many of the matters raised by the counties in their filings were outside the scope of the JFC, such as the classification of certain employees as state employees rather than county employees, and the JFC declined to consider them. The JFC found that all but one component of the Circuit Court's budget request were reasonable. However, because the JFC does not consider the individual budget requests in isolation, the JFC ruled the Circuit Court's budget request in its entirety to be unreasonable. The JFC found that because the Circuit Court asked that money be appropriated from the general revenue of the counties to fund fringe benefits for state employees, when another source of funding was available, the entire budget request of the Circuit Court was unreasonable. The Presiding Judge appealed that decision. The Adair County Commission and the Presiding Judge then engaged in further mediation under the supervision of a specially appointed Court, and reached a settlement agreement resolving all but one issue in dispute between the parties, resulting in the voluntary dismissal of the Presiding Judge's appeal of the JFC's decision.

The remaining issue in dispute was the classification of 6 Juvenile Office/Juvenile Court employees. On December 16, 2014, in Case No. 14AR-CV00603, Judge Gary Oxenhandler rendered a judgment approving the settlement agreement between the County Commission and the Presiding Judge, and holding the 6 employees at issue are to be classified and designated as employees of the county for the purposes of the payment of salary, health insurance, retirement plan, and fringe benefits. The Presiding Judge has since filed a motion to enforce the settlement agreement, and a hearing has been set for June 17, 2015. It was during the timeframe the SAO was working with county and court officials to obtain responses and finalize the audit reports, that these various rulings, settlements, and judgments became available. Because finding number 1 in the county audit report pertains to both the county and the court, responses were obtained from multiple county and court officials.

In addition, issues addressed in the county and court audit reports include the period of time during which the Presiding Judge amended the court consolidation agreement. The Presiding Judge, Associate Circuit Judge, and



Second Judicial Circuit
Adair County
Introduction

Circuit Clerk entered into a consolidation agreement effective June 1, 2008, giving appointing and administrative authority to the Circuit Clerk. On May 2, 2013, the Presiding Judge amended the consolidation agreement of the clerical functions of the Adair County Circuit Court. The changes included relieving the Circuit Clerk of her appointing authority and giving the Presiding Judge sole authority to hire, discipline, discharge, or terminate deputy clerks in the Circuit Clerk's office. In addition, other changes included the Presiding Judge becoming responsible for the establishment and implementation of policies and procedures for the operation of the clerical and all other functions of the Circuit Clerk's office, maintaining control over the funds budgeted for the offices of the Circuit Clerk and judges, and having the discretion to assign authority to a duly appointed representative. Effective April 1, 2014, the Court en Banc amended the consolidation agreement to shift these responsibilities from the Presiding Judge to the Adair County Associate Circuit Judge. As a result, appointing and administrative authority over the Circuit Court has shifted from the Circuit Clerk to the Presiding Judge to the Adair County Associate Circuit Judge during the audit period and over the course of the audit process. The changes in appointing and administrative authority over the Circuit Court made it appropriate to obtain responses from multiple court officials.

Because various rulings, settlements, and judgments discussed earlier resolved some issues addressed in finding number 1 in the county audit report, recommendations are no longer needed. These findings identify important concerns and relevant corrective actions and remain in the report; however, recommendations are not provided and the associated responses from various county and court officials are omitted. Also, responses provided to the SAO for county audit report findings number 1 and 2 and Circuit Court audit report findings number 1 through 4 were voluminous and came from multiple officials. The responses were largely unresponsive to the specific recommendations, did not clearly convey plans for corrective action, and inappropriately comment on other officials and/or the audit process as opposed to focusing on remedies. Thus, auditee responses have been modified to present portions specifically addressing recommendations and to omit portions evaluated as ineffective - those commenting on other officials or the audit process, or providing additional information not specific to the findings. However, full auditee responses without edit, including those pertaining to now deleted recommendations, are presented in the audit report appendix.

Second Judicial Circuit

Adair County

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

We identified significant weaknesses with accounting controls and procedures.

According to court records, receipts collected during the year ended December 31, 2013, totaled approximately \$789,000. Fines, court costs, and bonds are collected; recorded in the JIS, the Missouri Courts automated case management system; and deposited into the Circuit Clerk's fee account by personnel of the Circuit Clerk's office.

1.1 Segregation of duties and supervisory review

The Circuit Clerk has not adequately segregated accounting duties or limited user access rights in the JIS, and adequate independent and/or supervisory reviews of accounting records are not performed. The Circuit Clerk has not implemented a recommendation related to segregation of duties made by the OSCA in its recent report.

The Circuit Clerk and 7 deputy court clerks have the ability to process receipts, record transactions, record voids and fee adjustments, prepare deposits, and print checks. As a result, deputy court clerks may sometimes be responsible for monetary transactions from initial receipt to disbursement without independent and/or supervisory review. There is no procedure in place for an independent and/or supervisory review of the deputy court clerks' accounting records to be performed. In addition, the Presiding Judge's secretary has unneeded access and user rights to the JIS since she does not perform accounting functions related to the Circuit Clerk's office. Also, a deputy court clerk terminated from the Circuit Clerk's office in August 2013 was still on the JIS users listing as of July 22, 2014. While the deputy court clerk could be reinstated pending the outcome of litigation, keeping the former clerk as an active user exposes the court to the unnecessary risk that an unauthorized user could access the court's files.

Proper segregation of duties or thorough independent and/or supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating duties to the extent possible and limiting user access rights within the JIS. If proper segregation of duties are not implemented, documented independent and/or supervisory reviews of work performed by deputy court clerks is necessary.

1.2 Receipting and depositing

The Circuit Clerk does not have adequate receipting and depositing procedures in place. The Circuit Clerk has not implemented a recommendation related to making timely deposits made by the OSCA in its recent report. We noted the following issues:

- A deputy court clerk does not record monies received in the mail on a mail log or restrictively endorse checks and money orders immediately upon receipt. The deputy court clerk delivers the mail to various deputy



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

court clerks and those clerks then record and process the monies received.

- Deputy court clerks do not always record manual receipt slips timely in the JIS. As a result, the corresponding monies are not deposited timely. Of 359 manual receipt slips issued during the year ended December 31, 2013, 128 (36 percent) manual receipt slips were not recorded in the JIS within 2 business days after receipt. Three manual receipts slips were not recorded in the JIS for over 30 days. In addition, 24 (7 percent) of the 359 manual receipt slips were not deposited within 5 days of being entered into the JIS.
- Deputy court clerks left 15 cashier sessions open for 2 to 7 days from August 1, 2013, through August 29, 2013. Receipts collected during this time totaled \$23,479. For example, a deposit totaling \$14,433 was made on August 7, 2013, and included 8 cashier sessions opened between August 1, 2013, and August 6, 2013, with 5 sessions left open for at least 4 days before they were closed. Closing cashier sessions untimely can result in delays in depositing and completing reconciliations, and increases the possibility of errors going undetected.
- Deputy court clerks do not always post credit card payments and debt collection payments in the JIS timely. Credit card payments totaling \$1,137 received from August 9, 2013, through August 23, 2013, were not receipted and posted in the JIS until September 11, 2013. In addition, a \$645 reimbursement from the state, received electronically on August 8, 2013, was not receipted and posted into the JIS until October 4, 2013. The Circuit Clerk does not always review the court bank account activity timely through the bank's website to account for these transactions, even though they are updated daily on the account. As a result, updating case files for financial transactions is delayed and errors may not be detected timely.

An initial record of monies received in the mail combined with procedures to restrictively endorse checks promptly and reconcile these monies to the JIS and deposit records is necessary to adequately safeguard receipts. In addition, timely posting of receipts to the JIS, closure of cashier sessions, and depositing reduces the risk of loss, theft, or misuse of funds.

1.3 Voided and non-monetary transactions, and adjustments The Circuit Clerk does not review and approve voided and non-monetary transactions, and adjustments in the JIS. The Circuit Clerk has not implemented a recommendation related to documented supervisory reviews made by the OSCA in its recent report.

Non-monetary transactions, including judicial orders, garnishments, and application of bonds, are transactions where no monies are received; however, a credit is applied or the amount due is changed to the account balances. Adjustment transactions include the reduction or non-assessment



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

of fines and court costs due to the correction of errors in the assessment of court costs, reallocation of costs for state reimbursement, and removal of court costs when cases are dismissed. All 7 deputy court clerks, the Circuit Clerk, and the Associate Circuit Judge, are allowed to enter voided and non-monetary transactions, and adjustments in the JIS. Voided and non-monetary transactions, and adjustments should be supported by documentation or a judicial order, and should be reviewed by a supervisor. An independent and/or supervisory review of voided and non-monetary transactions, and adjustments, is not always performed. For example, of 10 voided transactions we reviewed 8 were initiated and voided by the same deputy court clerk without a documented supervisory review. Also, of 25 non-monetary transactions and adjustments we reviewed all 25 were performed without a documented supervisory review.

An independent and/or supervisory review and approval of voided and non-monetary transactions and adjustments is necessary to help ensure such transactions are appropriate and reduce the risk of loss, theft, or misuse of funds.

1.4 Accrued costs

The Circuit Clerk does not periodically review accrued costs owed to the court (fines and court costs, incarceration costs, and court-ordered restitution). As of January 6, 2014, 1,275 of 1,363 cases with balances due totaling approximately \$2.35 million were not associated with payment plans in the JIS. The Circuit Clerk has not implemented a recommendation related to reviewing accounts receivable periodically and establishing payment plans made by the OSCA in its recent report.

The court does not follow its formal administrative plan for collection of court debt (effective April 1, 2013), including establishing payment plans and reviewing outstanding balances periodically for collection and to write off amounts deemed uncollectible. In addition, the state court operating rules requires the establishment of payment plans in the JIS for most amounts not paid in full at case disposition. The Circuit Division does not generally use payment plans, does not actively pursue amounts outstanding, and does not periodically review balances due for collectability. As stated in the court's administrative plan for the collection of court debt, "It is ultimately the responsibility of each court to ensure the collection of court debt."

The formal administrative plan for collection of court debt requires the court to review accounts receivable reports developed by the OSCA and the debt collection vendor. In addition, the court should continuously pursue outstanding amounts owed and periodically review balances due. Accounts deemed to be uncollectible may be written off by court order by the assigned judge. Adherence to the provisions of Court Operating Rule (COR) 21, as adopted by the Missouri Supreme Court, is required for courts automated on the JIS. COR 21.07 requires all courts using the JIS to participate in the tax offset and debt collection programs and requires the



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

court to create payment plans in the JIS for all amounts not paid in full at case disposition. Failure to follow these guidelines could result in lost revenue and in the loss, theft, or misuse of funds.

Recommendations

The Court en Banc and Circuit Clerk:

- 1.1 Segregate accounting duties to the extent possible, limit user access rights within the JIS to only those necessary for the user to perform job duties, and implement appropriate reviews and monitoring procedures.
- 1.2 Require an initial record of monies received by mail be prepared and reconciled to the JIS, restrictively endorse checks and money orders immediately upon receipt, ensure cashier sessions are closed and receipts are deposited timely, and record all credit card and electronic payments in the JIS timely.
- 1.3 Require an independent and/or supervisory review and approval of all voided and non-monetary transactions, and adjustments made in the JIS.
- 1.4 Follow established policy and ensure collection of accrued costs in accordance with the court's administrative plan and court operating rules, and perform periodic reviews of cases with outstanding amounts due to determine their collectability.

Auditee's Response

The Circuit Clerk provided the following responses:

- 1.1 *The Adair County Circuit Clerk's staff is small in number and our primary duty to the Courts is processing to completion all cases handled by the Courts. It does not make sense to restrict the Deputy Clerks from being able to receipt and issue checks. Timely case processing would be severely affected and clerk absences would create problems with completing case filings and refunds.*

The Circuit Clerk verifies the cashiers sessions to complete the deposit process. Voids and fee adjustments are reviewed, but not documented. The Circuit Clerk will document voids and adjustment reviews.

If the Presiding Judge wants to give the Circuit Clerk written authority to direct OSCA on the proper security of his Secretary and the Drug Court Staff, she will gladly complete that task.

- 1.2 *The Circuit Clerk does not currently keep mail logs concerning incoming mail. Time for this additional duty is not available. All*



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

Deputy Circuit Clerks endorse checks and/or money orders when receipting in the JIS system.

As of January 1, 2014, the Circuit Clerk's Office no longer issues manual receipts. All Circuit Courts per Supreme Court Order are not allowed to use manual receipts unless receiving a special court order for their use. No special order has been requested or issued.

The Circuit Clerk response concerning the Deputy Circuit Clerk having cashier sessions open for 2-7 days is as follows. I recognize that the Auditor's Office recommends new cashier sessions be opened daily. However, all money during this current audit and all previous audits were deposited and accounted for in an appropriate manner.

Credit card payments were a fairly new process for this office in 2012 and 2013. We now have a process in place and are current on receipting all credit card payments in the month received-as soon as we have verification from the bank on those transactions.

- 1.3 The Circuit Clerk is now reviewing the non-monetary transactions. Only one Deputy Clerk has processed those judicial non-monetary requests. There is always a written Judicial Order in the case file for non-monetary adjustments. The Circuit Clerk will in the future document and verify voids for further compliance.*
- 1.4 The Circuit Clerk and Deputy Clerks review costs to comply with requests received from Probation and Parole officers and defendants. The Circuit Clerk does not need to review costs on Associate level cases as those are completed by the Associate Circuit Judge in reviews of her own case load. The Circuit Clerk does not have the authority to order the Presiding Judge to enact or enforce payment plans or debt collection programs.*

The Presiding Judge provided the following response:

- 1.4 The findings in subsection 1.4 that the Court does not follow its formal administrative plan for collection of court debt, including establishing payment plans, are not accurate and omit evidence of the actual policies and practices utilized by the Court.*

A payment plan is rarely ordered immediately upon case disposition since most offenders are either unemployed or underemployed. For those offenders on supervised probation under the supervision of the Board of Probation and Parole, the supervising probation officer has been directed to develop payment plans with the offenders, taking into consideration their current financial



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

circumstances. While those payment plans are not typically entered into JIS in order to avoid an automatic referral to the state debt collection system, which adds an additional 20% to the outstanding obligations, those offenders who fall behind in payments after those payment plans are developed are summoned to appear in court and explain their circumstances to the court. If the explanation is unsatisfactory, they are placed on a regular payment review schedule, usually every 90 days, when they must appear in court to review their compliance with the payment plan. If they continue to demonstrate what would be characterized as willful noncompliance, the prosecuting attorney is directed to file a motion to revoke their probation. For offenders who are on court supervised probation, their cases are scheduled for compliance review every 90 days. If there is no payment plan at disposition, a payment plan is typically established at the first review hearing. These cases are otherwise handled similarly to cases supervised by the Board of Probation and Parole. It is the role of the Court, not a distant debt collector, to make a diligent effort to collect court debt and reasonable efforts to do that are utilized.

Further, court debt is routinely written off as uncollectible, excluding restitution and crime victims' compensation fund judgments, for offenders who are sentenced to prison and whose sentences are executed. For offenders who are no longer on probation, they are either summoned to court to show cause why they should not be held in contempt, or, if that is not feasible, their debts are referred to debt collection. If still uncollected after good faith efforts to collect the debt, those are written off.

The Associate Circuit Judge provided the following response:

I was not the presiding judge, circuit clerk, or appointing authority during the time period covered by the audit. I am unaware of what accounting controls and procedures were put in place by the circuit clerk. I am unaware of what changes, if any, the presiding judge made to the accounting controls and procedures employed by the circuit clerk after he purported to make himself appointing authority.

I am unaware of whether the circuit division places defendants on payment plans. I do know that the circuit division generally handles collections for felony cases. Pursuant to the accounts receivable report for Adair County prepared by OSCA, \$1,530,120 (nearly 56%) remains outstanding out of \$2,846,056 assessed for felony cases.

Subject to this response, I agree with the auditor's recommendations where implementation is feasible under the circumstances.



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

2. Month-End Reconciliations

2.1 Bank reconciliations

Bank reconciliations are not prepared timely, liabilities are not reviewed to ensure monies received are applied or disbursed, and there are no procedures to follow up on outstanding checks.

The Chief Deputy Clerk does not complete bank reconciliations for the fee account timely. The Circuit Clerk has not implemented a recommendation related to the timely preparation of bank reconciliations made by the OSCA in its recent report. Bank reconciliations for January through March 2013 were completed in May 2013, April through October 2013 reconciliations were completed in November 2013, and November and December 2013 reconciliations were completed in March 2014, resulting in bank reconciliations being performed 1 to 6 months late. As a result, there is less assurance payments received and/or disbursements have been properly handled and recorded.

Monthly bank reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and errors or discrepancies are detected and corrected timely.

2.2 Suspense accounts

The court does not monitor and apply amounts paid to cases held in suspense that have been disposed. The court has collected \$4,510 on 68 cases (63 civil, 4 juvenile, and 1 criminal) and held the monies in suspense as of December 31, 2013, instead of applying the monies to the cases. All of the cases had been disposed prior to September 2012. A review of 11 of these cases determined \$1,344 should have been applied or disbursed and the Circuit Clerk indicated the court is planning to review the remaining 57 cases, totaling \$3,166. The oldest disposition for these cases dates back to 2000.

Procedures to routinely investigate monies remaining on the liabilities list over a specific period of time are necessary to properly monitor and ensure monies are appropriately applied to cases and disbursed as provided by state law.

2.3 Outstanding checks

The Circuit Clerk has not developed adequate procedures to follow up on outstanding checks. As of December 31, 2013, JIS records indicate 14 checks, totaling \$871, had been outstanding for over a year. Some checks have remained outstanding since 2010.

To properly monitor disbursements and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law, procedures should be established to routinely investigate outstanding checks.

Recommendations

The Court en Banc and Circuit Clerk:

- 2.1 Perform timely monthly bank reconciliations.



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

- 2.2 Establish procedures to review the status of liabilities monthly to determine the appropriate disposition of funds held in suspense.
- 2.3 Establish procedures to routinely follow up on outstanding checks and reissue them if necessary, or dispose of these monies in accordance with state law.

Auditee's Response

The Circuit Clerk provided the following responses:

- 2.1 *Monthly bank reconciliations are current with the exception of the Adair County Law Library, to which the Circuit Clerk has not been granted access.*
- 2.2 *The Circuit Clerk is currently reviewing and disbursing money on the appropriate accounts and working through them as quickly as time allows.*
- 2.3 *Outstanding checks have been reviewed and new checks issued when requested. Unclaimed funds were distributed to the State of Missouri.*

The Associate Circuit Judge provided the following response:

I was not the presiding judge, circuit clerk, or appointing authority during the time period covered by the audit. I am unaware of what month-end reconciliation procedures were put in place by the circuit clerk. I am unaware of what changes, if any, the presiding judge made to the month-end reconciliation procedures employed by the circuit clerk after he purported to make himself appointing authority.

Subject to this response, I agree with the auditor's recommendations where implementation is feasible under the circumstances.

3. Circuit Court Budgets

We noted weaknesses in the budgeting process for the Circuit Court's funds. A total of \$36,103 was disbursed through these funds for the year ended December 31, 2013.

- The Circuit Clerk did not prepare a budget for the Circuit Clerk's Interest Fund or Time Payment Fee Fund for 2013 or 2014. For 2014, the Circuit Clerk prepared a document showing just the combined actual beginning and ending balances of both funds for 2013 and included a statement indicating the Presiding Judge would determine the disbursements for the 2014 budget year.
- The Presiding Judge did not include detailed receipts or disbursements information and did not document the prior years' comparative receipts



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

and disbursements for the 2013 and 2014 Law Library Fund and the 2014 Drug Court Fund budgets.

Preparing a complete and accurate budget for all public funds aids in the fiscal management of the monies, provides a means to effectively monitor actual costs and revenues and provides an avenue for the court, county, and the public to be fully informed of the court's financial status.

Recommendation

The Circuit Clerk ensure annual budgets are prepared for the Circuit Clerk's Interest Fund and the Time Payment Fee Fund. In addition, the Circuit Clerk should ensure budgets contain detailed receipts and disbursements information and prior years comparative receipts and disbursements. The Presiding Judge should ensure the Law Library Fund and Drug Court Fund budgets contain detailed receipts and disbursement information and prior years comparative receipts and disbursements.

Auditee's Response

The Circuit Clerk provided the following response:

The Circuit Clerk has annually prepared a budget for the Circuit Clerk's Interest account for the past 24 years and presented the same to the Adair County Clerk. However, I will gladly conform to the request of the Auditor's office and prepare future budgets with requested additional information.

The Circuit Clerk has been through many budgets and recommendations from OSCA and the State Auditor's office. While money needs to be receipted and disbursed through this office and remains an important element of our daily work, it is not our most important duty. Case processing is our main priority and will remain our first priority as long as we are responsible for processing the Court's information.

The Presiding Judge provided the following response:

The Presiding Judge has submitted annual budgets to the County for receipts and disbursements for the Law Library Fund and the Drug Court Fund, although it is unclear why that is legally required. Previous audits had not recommended that actual receipts and disbursements for the two previous years be included in the annual budget.

4. Law Library Fund Controls and Procedures

Controls and procedures for the Law Library Fund need improvement. The Law Library Fund had receipts of \$12,889 and disbursements of \$11,369 during the year ended December 31, 2013.

4.1 Segregation of duties and supervisory review

The Presiding Judge has not adequately segregated accounting duties and does not perform supervisory reviews of the Law Library bank account and



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

financial activities. The Presiding Judge's secretary performs all of the accounting duties including recording receipts, depositing monies, and preparing checks. In addition, court officials indicated bank reconciliations are performed in their computer system; however, no documentation of the reconciliations is maintained. The Presiding Judge does not review and approve accounting records to ensure they are accurate and complete.

Internal controls would be improved by segregating duties. If proper segregation of duties is not possible, independent and/or supervisory reviews of the records should be performed and documented. In addition, monthly bank reconciliations should be prepared and reviewed by someone independent of the accounting functions.

4.2 Disbursements

The Presiding Judge used law library monies from the counties in the Second Judicial Circuit (Adair, Knox, and Lewis Counties) totaling \$1,938 for a router and Internet services at his residence from September 2011 through August 2013. These disbursements are not necessary Law Library expenses and were not related to courtroom renovations or technology enhancements as required by Section 488.429, RSMo. The Presiding Judge repaid all of these monies in December 2013 and April 2014. In addition, the Court en Banc did not approve these Law Library Fund disbursements as required by Local Court Rule 5.3.

Section 488.429, RSMo, restricts Law Library Fund expenditures to disbursements for maintaining the law library, courtroom renovation, technology enhancement, debt service on county bonds for such renovation or enhancement projects, and the county's or circuit's family services and justice fund. In addition, for expenses that are not considered necessary for Law Library functions, Local Court Rule 5.3 provides ". . . with the approval of the Court en Banc of each county, the funds may be used as otherwise authorized by statute."

Recommendations

The Court en Banc:

- 4.1 Ensure accounting duties are adequately segregated or independent and/or supervisory reviews are performed periodically. In addition, the Court en Banc should ensure documentation of bank reconciliations is maintained.
- 4.2 Ensure disbursements from the Law Library Fund are expended in compliance with state law and local court rule.

Auditee's Response

The Presiding Judge provided the following responses:

- 4.1 *Monthly reconciliations have regularly been prepared using Microsoft money, which is an appropriate financial Auditing software. This procedure maintains an accurate daily ledger and*



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

allows comparison with the monthly bank statements, which was routinely performed, but also provides more current reconciliation information and is a preferred financial and Auditing tool to the simple monthly bank statement reconciliation. Monthly bank statement reconciliations are also being performed.

The finding that Auditing duties have not been adequately segregated and an independent and/or supervisory review is not performed on the law library account is simply not accurate. The Circuit Clerk actually receipts for the law library funds collected and delivers a monthly check to the Presiding Judge's Secretary for deposit. Checks for necessary library expenses are written at the direction of, and signed by, the Presiding Judge, not by the Presiding Judge's Secretary. The Audit Report does not explain how, with a staff of one, Auditing duties could be further segregated, as suggested in the Report.

Also, contrary to the finding in the Audit Report, the law library fund has been periodically reviewed, or "audited", by Wendy Potter, the Juvenile Office employee responsible for bookkeeping and financial reports at the Juvenile Office.

Auditing practices relating to the law library fund are adequate and are in compliance with accepted Auditing practices, as noted above.

- 4.2 *My court docket includes virtually all felony cases, substantial civil cases, and juvenile cases in the three counties in the Second Circuit as well as other cases outside the Second Circuit as assigned by the Supreme Court. This involves hundreds of cases and requires that, periodically, files be taken home to work on them since there is often not enough time during regular working hours to complete all required work or it is sometimes more productive to get away from the usual office activity and distractions that impede the ability to focus on a case with particularly unique or complex issues.*

My law library for many years consisted primarily of compact discs (CDs) from Thomson-Reuters. Periodically, a sales representative from Thomson-Reuters would try to convince me to convert to Westlaw, which is an internet based library. I resisted, valuing the convenience and flexibility of having a library that could be used anywhere that I had my laptop, regardless of the availability of internet service. However, the cost of the CDs increased each year (candidly, he told me, to try to force subscribers to abandon them in favor of Westlaw). After the price got so high that I thought it unjustifiable to continue using them, I reluctantly switched to Westlaw. This was in February, 2011.



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

The absence of internet service at home renders the law library and other research resources unavailable. In addition to Westlaw, federal statutes and cases, including Supreme Court cases, and other legal resources are available via the internet. This created the need for home internet service in order to conduct legal research while at home. There is also a "Research" directory on my office computer, which is only accessible via the internet, and which forms a part of my legal research resources. In addition, when I do not have a court file at home, it may be necessary to access the file via "Case.net", which is also an internet based service.

Further, internet service is required to access the court and government based email service, LotusNotes, which is one of the primary means of communicating with juvenile officers, clerks, law enforcement officials, attorneys, probation officers, OSCA, and other court related personnel. This is my most common and efficient communication tool and I access and use it regularly while at home. For example, if a juvenile officer removes a child from the home, he or she is able to send a copy of the motion for removal and proposed order for my review via LotusNotes. I can then print and sign the order or affix my electronic signature and fax or email it back to the juvenile officer. It is not uncommon for defense attorneys to seek expedited bond releases for their incarcerated clients, and having access at home to my office computer and directory, which contains form templates for court orders, allows me to expeditiously and efficiently process those requests, and, if approved, prepare and fax the bond or other orders to the jail.

In short, while working at home, in order to conduct research, to have access to my office computer files, to have access to my research directory and to prepare orders and judgments or case memos, to obtain case information via case.net, and to communicate via email with court staff or court related personnel, internet service is essential, and is a reasonable business expense. For these reasons, since I did not have home internet service at this time, I believed it was reasonable to assess the cost of the internet service to the law library fund. That was done in July, 2011.

Under Local Court Rule 5.3, the Presiding Judge is the treasurer of the law library accounts and is authorized to pay necessary law library expenses without approval of the Court en Banc. In fact, payments for subscriptions, library materials, and other necessary law library expenses for all the judges in the Circuit are and have been routinely paid by the Presiding Judge without approval of the Court en Banc, as specifically authorized by Local Court Rule 5.3. This has always been the practice since I have been presiding judge. Consider that, when the local rule and the statute upon which it is based were adopted, libraries consisted largely of books on a



Second Judicial Circuit
Adair County
Management Advisory Report - State Auditor's Findings

shelf. That is no longer the case. Virtually all library resources are now internet based and, while the need for internet service for library access was not contemplated at the time the statute and rule were adopted, such service is now essential to access our modern libraries. Under the foregoing circumstances, home internet service is certainly a "necessary law library expense", as contemplated by Local Rule 5.03.

However, since the internet was also available and was used for personal use, although at no additional cost, I concluded in August, 2013, that I would no longer charge this service to the law library accounts and, thereafter paid for it with my own funds. Upon the advice of counsel, I fully reimbursed those accounts in December, 2013, with the exception of the cost of the WiFi router of approximately \$70.00, which was repaid in April, 2014 after it was brought to my attention that this expense had not yet been reimbursed. Those reimbursements were not made because of any belief that the expenditures were improper, but, rather, because it appeared that others intended to make them controversial and the repayment was intended to minimize that controversy.

Disbursements are in compliance with applicable local court rules, as noted above.

The Associate Circuit Judge provided the following response:

I agree with the auditor's recommendations where implementation is feasible under the circumstances. I further recommend that additional controls and procedures be put in place to eliminate the waste, insufficient accounting and reporting, and/or inappropriate expenditures by the treasurer of the law library fund.

The Lewis County Associate Circuit Judge provided the following response:

I agree with the Auditor's conclusions and recommendations. As to the specific expenditures made by Judge Steele for his home internet and the router, I had no knowledge of this until the Court en Banc meeting in March of 2014. I was never asked to approve it. I would not have approved it if it had been presented to me. I am pleased to see the Judge has repaid it. As to future expenditures, I agree that controls should be in place. Presently, only the Presiding Judge or his designee have access to the law library account. I believe that the only meaningful control that would insure the expenditures are only made for statutory purposes is to require checks be signed by at least two judges designated by the Court en Banc after the expenditures have been approved by the Court en Banc.

Second Judicial Circuit

Adair County

Organization and Statistical Information

The Second Judicial Circuit consists of Adair County as well as Knox and Lewis Counties.

The Second Judicial Circuit consists of one circuit judge and three associate circuit judges. The circuit judge hears cases in all three counties in the circuit. The associate circuit judges hear cases in their respective counties; however, the scope of our audit only includes Adair County.

Personnel

At December 31, 2013, the judges, Court Administrator, Circuit Clerk, and Juvenile Officer of the Second Judicial Circuit, Adair County, were as follows:

Title	Name
Circuit Judge	Russell E. Steele
Associate Circuit Judge ¹	Kristie J. Swaim
Court Services Administrator	Mathew Holt
Circuit Clerk	Linda S. Decker
Juvenile Officer	Jeff Hall

¹ Granted appointing authority over the Second Judicial Circuit, Adair County effective April 1, 2014. Appointing authority was previously held by Circuit Judge Steele.

Financial Information

Receipts of the Second Judicial Circuit, Adair County, were as follows:

	Year Ended December 31, 2013
Court deposits, fee, bonds, and other	\$764,230
Drug court	25,056
Interest income	22
Total	\$789,308

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Second Judicial Circuit, Adair County, were as follows:

	Year Ended June 30, 2013
Civil	891
Criminal	1,695
Juvenile	58
Probate	155
Total	2,799

Second Judicial Circuit

Adair County

Appendix - Auditee's Response

The following comments were provided by the Circuit Clerk:

ADAIR COUNTY CIRCUIT CLERK'S RESPONSE TO AUDIT REPORT

1.1 Segregation of Duties and Supervisory Review.

The Adair County Circuit Clerk's staff is small in number and our primary duty to the Courts is processing to completion all cases handled by the Courts. It does not make sense to restrict the Deputy Clerks from being able to receipt and issue checks. Timely case processing would be severely affected and clerk absences would create problems with completing case filings and refunds.

Circuit Clerk verifies the cashiers sessions to complete the deposit process. Voids and fee adjustments are reviewed, but not documented. Circuit Clerk will document void and adjustment reviews.

If the Presiding Judge wants to give the Circuit Clerk written authority to direct OSCA on the proper security of his Secretary and the Drug Court Staff, she will gladly complete that task. The Circuit Clerk was aware and of this issue and made the Presiding Judge aware of his approval of the inappropriate JIS user access with his staff, but nothing has been completed to rectify the situation. The Deputy Circuit Clerk that was terminated – could be reinstated in the future-pending a ruling from the Federal Court. Her access remains for possible future use.

1.2 Receipting and Depositing

Circuit Clerk does not currently keep mail logs concerning incoming mail. Time for this additional duty is not available. All Deputy Circuit Clerks endorse checks and/or money orders when receipting in the JIS system.

As of January 1, 2014 the Circuit Clerk's office no longer issues manual receipts. All Circuit Courts per Supreme Court Order are not allowed to use manual receipts unless receiving a Special Court Order for their use. No special request has been requested or issued.

Circuit Clerk response concerning the Deputy Circuit Clerks having their cashier sessions open for 2 – 7 days is as follows. I recognize that the Auditor's Office recommends new cashier sessions be opened daily. However, all money during this current audit and all previous audits were deposited and accounted for in an appropriate manner.

August, 2013, the month checked by the Auditor's office, was a troubling and difficult month for this office. The Circuit Clerk and the Deputy Circuit Clerks had witnessed the Presiding Judge threaten a Deputy Clerk about closing a door and announcing that he controlled the environment in the Circuit Clerk's office. The Presiding Judge ordered the Deputy Clerk to move her work station to another area of the Courthouse, which the County Commissioners deemed hazardous and declared the space uninhabitable. This Deputy Circuit Clerk's



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

employment was terminated by the Presiding Judge and a Federal lawsuit is pending. In addition the Deputy Clerk's witnessed the Presiding Judge order the Circuit Clerk to vacate her office space in the Circuit Clerk's office. The office functioned daily under a haze of hostility and intimidation from the Presiding Judge. I find it amazing and I am grateful that due to the commitment and dedication of the Deputy Circuit Clerks, the Circuit Clerk's office continued to function AND make ANY deposits in August of 2013.

Credit card payments were a fairly new process for this office in 2012 and 2013. We now have a process in place and are current on receipting all credit card payments in the month received-as soon as we have verification from the Bank on those transactions.

- 1.3 The Circuit Clerk is now reviewing the non-monetary transactions. Only one Deputy Clerk has processed those Judicial non-monetary requests. There is always a written Judicial Order in the case file for non-monetary adjustments. The Circuit Clerk will in the future document and verify voids for further compliance to the State Auditor's Office.

1.4 Accrued Costs

The Circuit Clerk and Deputy Clerks review costs to comply with requests received from Probation and Parole Officers and Defendants. The Circuit Clerk does not need to review costs on Associate level cases as those are completed by Judge Swaim in review of her case load. The Circuit Clerk does not have the authority to order the Presiding Judge to enact or enforce payment plans or debt collection programs.

2.1 Bank Reconciliations

Monthly bank reconciliations are current with the exception of the Adair County Law Library which the Circuit Clerk has not been granted access. Previously stated issues of distrust, unrest and confusion generated by the Presiding Judge in late 2012 and 2013, contributed to unsettling times and disruption of prior accounting schedules. We are currently on track.

2.2 Suspense Accounts

The Circuit Clerk is currently reviewing and disbursing money on the appropriate accounts and working thru them as quickly as time allows.

- 2.3 Outstanding checks have been reviewed and new checks issued when requested. Unclaimed funds were distributed to the State of Missouri.

3 Circuit Court Budgets

The Circuit Clerk has annually prepared a budget for the Circuit Clerk's Interest account for the past 24 years and presented the same to the Adair County



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

Clerk. However, I will gladly conform to the request of the auditor's office and prepare future budgets with additional information.

The Circuit Clerk has never had any input or authority to work on or review the Adair County Law Library account or budget. Due to a bank statement being delivered to my office by mistake, I discovered that this account is titled as "Adair County Circuit Clerk"- Adair County Law Library - c/o Russell Steele. I contacted the Bank where the account was located to made inquiry and was denied any access or records as my name was not on the signature cards. I have discussed this issue with the Auditor's office as I believe it is unethical to have an account listed under another elected officials' title.

In addition the Circuit Clerk would note that the Law Library disbursements for home internet service by and for the benefit of the Presiding Judge should result in criminal charges being pursued by the Auditor's Office. The Presiding Judge knowingly having the use of public funds for his personal benefit should not be tolerated.

The Circuit Clerk has never had any input or authority to work on or review the Drug Court Budget.

The Circuit Clerk has been through many budgets and recommendations from OSCA and the State Auditor's office. While money needs to be receipted and disbursed thru this office and remains an important element of our daily work, it is not our most important duty. Case processing is our main priority and will remain our first priority as long as we are responsible for processing the Court's information. My ability to segregate accounting duties is hampered by the size of our staff and Judicial demand on our time.

I continue to recognize my financial duty to the public and do not take that lightly. There has been no misappropriated or missing money in the Adair County Circuit Clerk's office identified in prior audits, the 2012 OSCA or 2014 State Audit. I will continue to be respectful of my duties and obligations as I have been for the past 24 years.

Respectfully Submitted,

Linda Decker
Adair County Circuit Clerk



The following comments were provided by the Presiding Judge:

**RESPONSE OF PRESIDING JUDGE RUSSELL E. STEELE TO
2014 AUDIT REPORT – SECOND JUDICIAL CIRCUIT/ADAIR COUNTY**

A. Introduction

The Circuit Court strives to use the best available practices and procedures to fulfill its responsibilities to the public and to ensure the safe, secure, effective, and efficient use of the public's resources. While it is impossible to achieve perfection, that is always the goal. The Court and its staff take those responsibilities seriously and welcome merit-based audit recommendations. That is the case with this audit. However, as more specifically set forth below, while this Audit Report asserts that this audit was conducted in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, a careful review and analysis of those *Standards* and this Audit Report lead to the conclusion that many aspects of this audit were not, in fact, conducted in accordance with the *Government Auditing Standards*. The analysis that leads to this conclusion is set forth below.

This audit is a performance audit. Under *Government Auditing Standards* Section 2.10, **performance** audits are defined as audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Compliance audit objectives relate to an assessment of compliance with criteria established by provisions of laws, regulations, contracts, or grant agreements, or other requirements that could affect the acquisition, protection, use, and disposition of the entity's resources and the quantity, quality, timeliness, and cost of services the entity produces and delivers. As provided in Section 6.03 of the *Government Auditing Standards*, performance audits that comply with generally accepted government auditing standards, must obtain reasonable assurance that evidence is sufficient and appropriate to support the auditors' findings and conclusions in relation to the audit objectives. Under Section 6.05, the findings, conclusions, recommendations, or assurance should not be improper or incomplete as a result of evidence that is not sufficient and/or appropriate, or intentional omissions or misleading information. Section 6.15 requires that there should be an understanding of the law applicable to the objectives, which often provides the criteria for evaluating performance. Sections 6.56, 6.57, 6.60, 6.67, and 6.71 require that findings and conclusions have a reasonable basis supported by sufficient and appropriate evidence. Evidence is not sufficient or not appropriate when using the



evidence carries an unacceptably high risk that it could lead to an incorrect or improper conclusion, or the evidence does not provide an adequate basis for addressing the audit objectives or supporting the findings and conclusions. Such evidence should not be used as support for findings and conclusions. Section A7.02 provides additional guidance and indicates that the audit report be accurate and complete. To be accurate, it must be supported by sufficient, appropriate evidence with key facts, figures, and findings being traceable to the audit evidence. The report should be complete, which means that the report contains sufficient, appropriate evidence needed to satisfy the audit objectives and promote an understanding of the matters reported. It also means that the report states evidence and findings without omission of significant relevant information related to the audit objectives.

As more specifically discussed below, the Audit Report does not comply with the *Government Auditing Standards* (1) by including findings or conclusions which are not based on sufficient, appropriate evidence against criteria; (2) by including findings and conclusions that are contrary to applicable law; and (3) by failing to provide a report that is accurate or complete. This failure to comply with the *Government Auditing Standards* renders many of the findings and recommendations in the Audit Report invalid.

Responses will be provided to specific Sections of the Audit Report below.

B. Responses to Specific Sections

1. Auditing Controls and Procedures.

1.1. Segregation of duties and supervisory review. It appears that the findings and recommendations in this subsection relate to practices, policies and procedures of the Circuit Clerk's office. That office is under the supervision of the Adair County Associate Circuit Judge, per the Administrative Order adopted by the Court en banc on April 1, 2014.

1.2. Receipting and depositing. It appears that the findings and recommendations in this subsection relate to practices, policies and procedures of the Circuit Clerk's office. That office is under the supervision of the Adair County Associate Circuit Judge, per the Administrative Order adopted by the Court en banc on April 1, 2014. The Audit Report's recommendations that the Court en banc take action to address the findings in these subsections ignores the supervisory responsibility assigned by the Court en banc to the Adair County Associate Circuit Judge. The Court en banc has no direct role in addressing or implementing the recommendations from these



subsections since that responsibility lies with the Adair County Associate Circuit Judge. Such recommendation ignores the applicable criteria and does not comply with applicable *Government Auditing Standards*

1.3 Non-monetary transactions, adjustments, and voids. It appears that the findings and recommendations in this subsection relate to practices, policies and procedures of the circuit clerk's office. That office is under the supervision of the Adair County Associate Circuit Judge, per the Administrative Order adopted by the Court en banc on April 1, 2014. The Audit Report's recommendations that the Court en banc take action to address the findings in these subsections ignores the supervisory responsibility assigned by the Court en banc to the Adair County Associate Circuit Judge. The Court en banc has no direct role in addressing or implementing the recommendations from these subsections since that responsibility lies with the Adair County Associate Circuit Judge. Such recommendation ignores the applicable criteria and does not comply with applicable *Government Auditing Standards*.

1.4. Accrued costs.

a. The findings in subsection 1.4 that the Court does not follow its formal administrative plan for collection of court debt, including establishing payment plans, are not accurate and omit evidence of the actual policies and practices utilized by the Court.

A payment plan is rarely ordered immediately upon case disposition since most offenders are either unemployed or underemployed. For those offenders on supervised probation under the supervision of the Board of Probation and Parole, the supervising probation officer has been directed to develop payment plans with the offenders, taking into consideration their current financial circumstances. While those payment plans are not typically entered into JIS in order to avoid an automatic referral to the state debt collection system, which adds an additional 20% to the outstanding obligations, those offenders who fall behind in payments after those payment plans are developed are summoned to appear in court and explain their circumstances to the court. If the explanation is unsatisfactory, they are placed on a regular payment review schedule, usually every 90 days, when they must appear in court to review their compliance with the payment plan. If they continue to demonstrate what would be characterized as willful noncompliance, the prosecuting attorney is directed to file a motion to revoke their probation. For offenders who are on court supervised probation, their cases are scheduled for compliance review every 90 days. If there is no payment plan at disposition, a payment plan is typically established at the



first review hearing. These cases are otherwise handled similarly to cases supervised by the Board of Probation and Parole. It is the role of the Court, not a distant debt collector, to make a diligent effort to collect court debt and reasonable efforts to do that are utilized.

b. Further, court debt is routinely written off as uncollectible, excluding restitution and crime victims' compensation fund judgments, for offenders who are sentenced to prison and whose sentences are executed. For offenders who are no longer on probation, they are either summoned to court to show cause why they should not be held in contempt, or, if that is not feasible, their debts are referred to debt collection. If still uncollected after good faith efforts to collect the debt, those are written off.

c. The foregoing information was provided but was omitted from the Audit Report, rendering the Report incomplete, contrary to the requirements of applicable *Government Auditing Standards*. Such omission also means that these findings are not supported by sufficient and appropriate evidence, contrary to the requirements of applicable *Government Auditing Standards*.

Recommendations.

The recommendation that the Court en banc take action to address the findings in subsections 1.1, 1.2, and 1.3 ignores the supervisory responsibility assigned by the Court en banc to the Adair County Associate Circuit Judge. The Court en banc has no direct role in addressing or implementing the recommendations from these subsections since that responsibility lies with the Adair County Associate Circuit Judge. The Audit Report's failure to apply the appropriate applicable law as the criteria for establishing these recommendations is a failure to comply with applicable *Government Auditing Standards*.

As discussed above, the Court has adopted an effective method of debt collection and review of accounts receivable. The recommendation in subsection 1.4 is not based on a finding that is supported by sufficient appropriate evidence and, thus, does not comply with applicable *Government Auditing Standards*.

2. Month-End Reconciliations.

It appears that the findings and recommendations in this section and its subsections relate to practices, policies and procedures of the Circuit Clerk's office. That office is under the supervision of the Adair County Associate Circuit Judge, per the Administrative Order adopted by the Court en banc on April 1, 2014.



Recommendations.

The recommendations that the Court en banc take action to address the findings in these subsections ignores the supervisory responsibility assigned by the Court en banc to the Adair County Associate Circuit Judge. The Court en banc has no direct role in addressing or implementing the recommendations from these subsections since that responsibility lies with the Adair County Associate Circuit Judge. Such recommendation ignores the applicable criteria and does not comply with applicable *Government Auditing Standards*.

3. Circuit Court Budgets

a. The Presiding Judge does not have control of the Circuit Clerk's Interest Fund or Time Payment Fee Fund and has no information about those funds, so would have no way of determining disbursements. Those funds are under the exclusive control of Associate Circuit Judge Kristie Swaim and Circuit Clerk Linda Decker.

b. Contrary to the finding in the Audit Report, budgets for the Law Library Fund and the Drug Court Fund were provided to the County for 2013 and 2014. Notwithstanding that fact, the Audit Report does not provide the legal basis or other criteria for the assumption that budgets for those funds must be submitted to the County since those funds involve no County general revenue, relate to funds generated solely by the operation of the Court, and do not involve County general revenue, so there is no appropriation of those funds by the County. The misstatement of the relevant evidence and the absence of any legal basis as the criteria for this finding constitutes a failure to comply with applicable *Government Auditing Standards*.

Recommendations. The Presiding Judge has submitted annual budgets to the County for receipts and disbursements for the Law Library Fund and the Drug Court Fund, although it is unclear why that is legally required, as noted above. Previous audits had not recommended that actual receipts and disbursements for the two previous years be included in the annual budget.

4. Law Library Fund Controls and Procedures.

4.1 Segregation of duties and supervisory review.

a. Monthly reconciliations have regularly been prepared using Microsoft money, which is an appropriate financial Auditing software. This procedure maintains an accurate daily ledger and allows comparison with the monthly bank statements, which was routinely performed, but also provides more current reconciliation information and is a preferred financial and Auditing



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

tool to the simple monthly bank statement reconciliation. Monthly bank statement reconciliations are also being performed. The omission of this evidence from the Audit Report constitutes a failure to comply with applicable *Government Auditing Standards*.

b. The finding that Auditing duties have not been adequately segregated and an independent and/or supervisory review is not performed on the law library account is simply not accurate. The Circuit Clerk actually receipts for the law library funds collected and delivers a monthly check to the Presiding Judge's Secretary for deposit. Checks for necessary library expenses are written at the direction of, and signed by, the Presiding Judge, not by the Presiding Judge's Secretary. The Audit Report does not explain how, with a staff of one, Auditing duties could be further segregated, as suggested in the Report. This failure of the Audit Report to apply suitable criteria to support the finding constitutes a failure to comply with applicable *Government Auditing Standards*.

c. Also, contrary to the finding in the Audit Report, the law library fund has been periodically reviewed, or "audited", by Wendy Potter, the Juvenile Office employee responsible for bookkeeping and financial reports at the Juvenile Office. This evidence was omitted from the Audit Report which omission constitutes a failure to comply with applicable *Government Auditing Standards*.

4.2 Disbursements.

The finding that the cost of home internet is not a necessary law library expense is not supported by applicable criteria or sufficient appropriate evidence, as required by applicable *Government Auditing Standards*.

My court docket includes virtually all felony cases, substantial civil cases, and juvenile cases in the three counties in the Second Circuit as well as other cases outside the Second Circuit as assigned by the Supreme Court. This involves hundreds of cases and requires that, periodically, files be taken home to work on them since there is often not enough time during regular working hours to complete all required work or it is sometimes more productive to get away from the usual office activity and distractions that impede the ability to focus on a case with particularly unique or complex issues.

My law library for many years consisted primarily of compact discs (CDs) from Thomson-Reuters. Periodically, a sales representative from Thomson-Reuters would try to convince me to convert to Westlaw, which is an internet based library. I resisted, valuing the convenience



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

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The absence of internet service at home renders the law library and other research resources unavailable. In addition to Westlaw, federal statutes and cases, including Supreme Court cases, and other legal resources are available via the internet. This created the need for home internet service in order to conduct legal research while at home. There is also a "Research" directory on my office computer, which is only accessible via the internet, and which forms a part of my legal research resources. In addition, when I do not have a court file at home, it may be necessary to access the file via "Case.net", which is also an internet based service.

Further, internet service is required to access the court and government based email service, LotusNotes, which is one of the primary means of communicating with juvenile officers, clerks, law enforcement officials, attorneys, probation officers, OSCA, and other court related personnel. This is my most common and efficient communication tool and I access and use it regularly while at home. For example, if a juvenile officer removes a child from the home, he or she is able to send a copy of the motion for removal and proposed order for my review via LotusNotes. I can then print and sign the order or affix my electronic signature and fax or email it back to the juvenile officer. It is not uncommon for defense attorneys to seek expedited bond releases for their incarcerated clients, and having access at home to my office computer and directory, which contains form templates for court orders, allows me to expeditiously and efficiently process those requests, and, if approved, prepare and fax the bond or other orders to the jail.

In short, while working at home, in order to conduct research, to have access to my office computer files, to have access to my research directory and to prepare orders and judgments or case memos, to obtain case information via case.net, and to communicate via email with court staff or court related personnel, internet service is essential, and is a reasonable business expense. For these reasons, since I did not have home internet service at this time, I believed it was reasonable to assess the cost of the internet service to the law library fund. That was done in July, 2011.



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

Under Local Court Rule 5.3, the Presiding Judge is the treasurer of the law library accounts and is authorized to pay necessary law library expenses without approval of the court en banc. In fact, payments for subscriptions, library materials, and other necessary law library expenses for all the judges in the Circuit are and have been routinely paid by the Presiding Judge without approval of the Court en banc, as specifically authorized by Local Court Rule 5.3. This has always been the practice since I have been presiding judge. Consider that, when the local rule and the statute upon which it is based were adopted, libraries consisted largely of books on a shelf. That is no longer the case. Virtually all library resources are now internet based and, while the need for internet service for library access was not contemplated at the time the statute and rule were adopted, such service is now essential to access our modern libraries. Under the foregoing circumstances, home internet service is certainly a “necessary law library expense”, as contemplated by Local Rule 5.03.

However, since the internet was also available and was used for personal use, although at no additional cost, I concluded in August, 2013, that I would no longer charge this service to the law library accounts and, thereafter paid for it with my own funds. Upon the advice of counsel, I fully reimbursed those accounts in December, 2013, with the exception of the cost of the WiFi router of approximately \$70.00, which was repaid in April, 2014 after it was brought to my attention that this expense had not yet been reimbursed. Those reimbursements were not made because of any belief that the expenditures were improper, but, rather, because it appeared that others intended to make them controversial and the repayment was intended to minimize that controversy.

This evidence was omitted from the Audit Report. The Audit Report contained absolutely no evidence or criteria to support this finding. This constitutes a failure to comply with applicable *Government Auditing Standards*.

There are two very curious things about this particular finding in the Audit Report. First, the original draft did not contain this finding, and the audit staff repeatedly advised that no changes would be made to the findings. Notwithstanding that assurance, on the eve of the release of the final Audit Report, this additional finding was added. When asked about this finding, the audit staff candidly admitted that they could not provide any objective standard or criteria or evidence to support this finding; rather, it was simply our opinion. This confirms that



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

this finding was made without appropriate criteria or sufficient appropriate evidence to support it and constitutes a failure to comply with applicable *Government Auditing Standards*.

Recommendations.

4.1. Auditing practices relating to the law library fund are adequate and are in compliance with accepted Auditing practices, as noted above.

4.2. Disbursements are in compliance with applicable local court rules, as noted above.



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

The following comments were provided by the Adair County Associate Circuit Judge:

KRISTIE J. SWAIM

Associate Circuit Judge

*Adair County Courthouse
106 West Washington Street
Kirksville, Missouri 63501*

Telephone 660-665-3877

Telefax 660-785-3222

March 13, 2015

Mr. Chris Vetter, Audit Manager
Via Email Chris.Vetter@auditor.mo.gov

RE: Audit of Second Judicial Circuit, Adair County, Missouri

Dear Mr. Vetter:

This letters is in reference to the updated circuit court audit report that you emailed to me on February 27, 2015. It is my understanding that this is your audit document for the Second Judicial Circuit, Adair County, Missouri, for the year ended December 31, 2013. As I have previously indicated to you, I am not now, and never have been, the presiding judge or the circuit clerk. In addition, I was not the appointing authority for the time period covered by the audit. After court consolidation, I did not assume the position of appointing authority until April 1, 2014.

Despite the fact that I have advised you I am not the judicial official responsible for making official judicial responses to any of the subjects covered in the audit document, you have repeatedly requested me to respond to it. Most recently in your email of February 27, 2015, you have again requested that I respond to Parts 1, 2 and 4. I indicated to you that I would review the updated circuit court audit report that you emailed to me. I have now done so and I will oblige your request to make responses to Parts 1, 2 and 4, subject to the limitations set forth herein.

I have no knowledge of the methodology employed in conducting the audit. At no time during the actual audit of Adair County did any representative of the Office of the State Auditor ask to meet with or interview me. Only as the audit staff was leaving Adair County did they ask to speak with me. On or about April 10, 2014, as she was leaving Adair County, Keisha Williams first made contact with me. That contact was limited to her requesting me to sign off on the audit. I declined to do so because I had not been included in the process. I was then put on the telephone with Steven Re', as he had already left Adair County, who also requested me to sign off on the audit. I also advised him I was declining to do so. That was the extent of the contact made with me by the audit staff until the draft was presented.



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

I have no knowledge of what written policies and procedures, financial records, and other pertinent documents were reviewed. I am uncertain which personnel of the court were interviewed. I have no knowledge of which external parties were interviewed. I have no knowledge of which selected transactions were tested. Because I was not included in the process, I have no knowledge of the methodology employed in conducting the audit. Therefore, my responses to Parts 1, 2 and 4 are subject to these limitations.

Part 1 of the Management Advisory Report – State Auditor’s Findings covers accounting controls and procedures. I was not the presiding judge, circuit clerk, or appointing authority during the time period covered by the audit. I am unaware of what accounting controls and procedures were put in place by the circuit clerk. I am unaware of what changes, if any, the presiding judge made to the accounting controls and procedures employed by the circuit clerk after he purported to make himself appointing authority.

As the associate circuit judge, I am aware that the associate division does place criminal defendants on payments plans. In addition, all cases in the associate division that have outstanding amounts due are consistently scheduled for monthly case reviews so that accounts receivable are continuously monitored until all amounts are paid in full. As proof, the associate division generally handles collections for misdemeanor, conservation, traffic, and municipal certification cases. Pursuant to the accounts receivable report for Adair County prepared by OSCA, only \$49,266 (6%) remains outstanding out of \$777,699 assessed for misdemeanor cases; \$0 remains outstanding out of \$283 assessed for conservation cases; only \$991 (less than 1%) remains outstanding out of \$457,674 assessed for traffic cases; and \$0 remains outstanding out of \$5,285 assessed for municipal certification cases. The associate circuit judge uses payment plans and enforces them with show cause hearings in the associate division.

I am unaware of whether the circuit division places defendants on payment plans. I do know that the circuit division generally handles collections for felony cases. Pursuant to the accounts receivable report for Adair County prepared by OSCA, \$1,530,120 (nearly 56%) remains outstanding out of \$2,846,056 assessed for felony cases.

Subject to this response, I agree with the auditor’s recommendations where implementation is feasible under the circumstances.

Part 2 of the Management Advisory Report – State Auditor’s Findings covers month-end reconciliations. I was not the presiding judge, circuit clerk, or appointing authority during the time period covered by the audit. I am unaware of what month-end reconciliation procedures were put in place by the circuit clerk. I am unaware of what changes, if any, the presiding judge made to the month-end reconciliation procedures employed by the circuit clerk after he purported to make himself appointing authority.

Subject to this response, I agree with the auditor’s recommendations where implementation is feasible under the circumstances.



Part 4 of the Management Advisory Report – State Auditor’s Findings covers law library fund controls and procedures. The law library funds for the Second Judicial Circuit increased in 2009 after the presiding judge requested a majority of the court en banc members to approve a \$15 surcharge to certain filing fees. The presiding judge then announced that he would be the treasurer of the law library accounts for each county.

At least in Adair County, this surcharge generated more funds than had typically been approved for the law library by the Adair County Commission in the regular budget process. Because of this new surcharge, the law library line item in the county budget was eliminated. Law library expenses were instead to be paid out of the court’s law library account commencing in 2009.

As a member of the court en banc, I questioned how much money was being held in the law library account and how the funds were being spent. At a public budget hearing held in Adair County on January 8, 2013, I stated that I would like a report from the presiding judge of the law library. The presiding judge said that he would provide me with the information. No such information was ever provided to me in 2013.

I continued to question how much money was being held in the law library account, how the funds were being spent, and why that information was not being provided as requested. At a public budget hearing held in Knox County on December 30, 2013, I again stated that I would like an accounting of the law library fund. The presiding judge’s attorney said that he would provide me with the information. In January of 2014, I received an unofficial “summary of transactions” for Adair County.

The associate circuit judge for Lewis County also questioned how much money was being held in the accounts and how the funds were being spent. On April 4, 2014, he requested copies of the bank statements and cancelled checks for the last 5 years. On May 2, 2014, we received copies of bank statements, deposit slips, and cancelled checks for all three counties from the presiding judge’s attorney.

These two document drops comprise all of the information I have received regarding the law library accounts. In reviewing the information finally provided by the presiding judge’s attorney, I have made several observations pertaining to the Adair County law library account.

At all relevant times herein, LexisNexis online legal research services have been provided to state judges in Missouri at no charge to individual judges or counties. LexisNexis is comparable to Westlaw and/or Thompson/West legal research services. Therefore, with free LexisNexis services, there would be no need to expend any sums for Westlaw online legal research services or Thompson/West CD-rom subscriptions. According to the records provided by the presiding judge’s attorney, checks were written to Thompson/West in the amount of \$7,656.55 for CD-rom subscriptions in 2009. In 2010, checks were written to Thompson/West in the amount of \$11,648.54 for CD-rom subscriptions. In 2011, checks were written to Thompson/West in the amount of \$1,389.00 for CD-rom subscriptions. The whereabouts of an Adair County law library that houses over \$20,000.00 of CD-roms is unknown to me.



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

In 2011, a check was written to Magers Construction in the amount of \$1,878.99. It is my understanding that this was for a custom-made closet door built at the request of the presiding judge. Checks were also written to Mark Twain Communication in the amount of \$337.16 in 2011. It is my understanding that these checks were for the installation of internet equipment and internet services in the presiding judge's personal residence.

In 2012, a check was written to County Binders in the amount of \$753.40 for taxes. I have no knowledge of what taxes were paid out of the law library fund. Checks were also written to Mark Twain Communication in the amount of \$438.08. It is my understanding that these checks were for internet services in the presiding judge's personal residence.

In 2013, checks were written to Mark Twain Communication in the amount of \$358.72. It is my understanding that these checks were for internet services in the presiding judge's personal residence. A check was also written to Hewlett Packard Company in the amount of \$501.54 in 2013. I have no knowledge of what Hewlett Packard equipment was purchased. The whereabouts of an Adair County law library that houses this Hewlett Packard equipment is unknown to me.

On December 11, 2013, a deposit slip shows a deposit made in the presiding judge's name in the amount of \$1,233.96. This sum appears to match the total amount paid out of the law library account to Mark Twain Communication for the internet installation and services in his personal residence dating back to 2011.

In all years noted above, numerous other checks were written for "miscellaneous." There is no way to discern the purpose of all of the expenditures from the documents provided. Having made these observations, I can state that none of the expenditures from the Adair County law library account were ever presented to me for my approval. I can further state that none of the expenditures were ever presented to the court en banc for its approval. In fact, court en banc meetings have been a rare occurrence. No court en banc meetings were convened by the presiding judge in 2012 or 2013. Only one court en banc meeting was convened by the presiding judge in 2014.

Subject to this response, I agree with the auditor's recommendations where implementation is feasible under the circumstances. I further recommend that additional controls and procedures be put in place to eliminate the waste, insufficient accounting and reporting, and/or inappropriate expenditures by the treasurer of the law library fund.

If I can be of any further assistance, please do not hesitate to contact me. I appreciate your consideration.

Very truly yours,

Kristie J. Swaim



Second Judicial Circuit
Adair County
Appendix - Auditee's Response

The following comments were provided by the Lewis County Associate Circuit Judge:



CIRCUIT COURT OF LEWIS COUNTY


Fred L. Westhoff
Associate Circuit Judge

Box 36
Monticello, Missouri 63457-0036
573-767-5352
573-767-5290
Fax 573-767-5342

FACSIMILE TRANSMITTAL

DATE: November 25, 2014

TO: Chris Better, Person in Charge,
Audit of Second Judicial Circuit, Adair County
573-751-7984

FROM: Fred L. Westhoff, Lewis County Associate Circuit Judge 

I agree with the Auditor's conclusions and recommendations. As to the specific expenditures made by Judge Steele for his home internet and the router, I had no knowledge of this until the Court en Banc meeting in March of 2014. I was never asked to approve it. I would not have approved it if it had been presented to me. I am pleased to see that the Judge has repaid it. As to future expenditures, I agree that controls should be in place. Presently, only the Presiding Judge or his designee have access to the law library account. I believe that the only meaningful control that would insure the expenditures are only made for statutory purposes is to require checks be signed by at least two judges designated by the Court en Banc after the expenditures have been approved by the Court en Banc.



Nicole R. Galloway, CPA
Missouri State Auditor

ADMINISTRATION

Children's Trust Fund Board



July 2015

Report No. 2015-045

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Children's Trust Fund Board

Program Awards	The Children's Trust Fund Board (CTFB) does not adequately document some factors considered in the approval or denial of applicants for the general prevention program and the discretionary grant program. Inadequate documentation makes it difficult to determine whether awards were issued consistently and fairly. For the general prevention program, which provides resources and services such as crib purchases and home visitations, the CTFB issues a score based on factors related to cost, performance, and expertise; however, it also considers some subjective factors, which are not documented. Additionally, in some cases training requirements were not met before general prevention awards were renewed. The CTFB also does not adequately document some factors considered for discretionary grant program funding, which funds abuse prevention projects. The CTFB evaluates applications using various factors such as location and cost, but does not assign a score. The reasons for awarding or denying applications are not documented.
Sunshine Law	Minutes serve as the only official permanent record of decisions made by CTFB committees; however, the CTFB did not prepare meeting minutes for the four committee meetings held during the 2 years ended June 30, 2014. The Sunshine Law requires meeting minutes be maintained as a record of business conducted and to provide an official record of actions and decisions made.
Board Appointments	Multiple vacancies on the CTFB can prevent the CTFB from conducting business. The CTFB had three vacancies as of June 30, 2014, and meetings were generally attended by 10 to 11 board members. A quorum of 8 out of 21 members is required in order to hold board meetings. In addition, replacements had not been named for 13 board members serving past the end of their statutorily limited terms.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Children's Trust Fund Board

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Program Awards.....4 2. Sunshine Law6 3. Board Appointments.....6
-------------------------------------------------------------	----------------------------------------------------------------------------------

Organization and Statistical Information	8
---------------------------------------------	---

Appendixes

A	Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments, 2 Years Ended June 30, 2014.....	10
B	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2014.....	11
C	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2014.....	12



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Douglas E. Nelson, Commissioner
Office of Administration
and
Members of the Children's Trust Fund Board
and
Kirk Schreiber, Executive Director
Children's Trust Fund Board
Jefferson City, Missouri

We have audited certain operations of the Children's Trust Fund Board in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2014. The objectives of our audit were to:

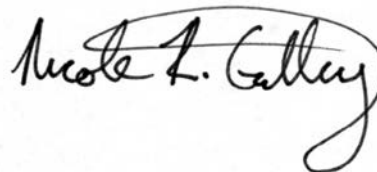
1. Evaluate the board's internal controls over significant management and financial functions.
2. Evaluate the board's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Children's Trust Fund Board.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA

Children's Trust Fund Board

Management Advisory Report

State Auditor's Findings

1. Program Awards

Controls and procedures over awarding general prevention and discretionary grant program funding need improvement.

The general prevention program provides resources and services to reduce the risk of child abuse and neglect, such as crib purchases and home visitations. The discretionary grant program funds similar smaller scale abuse prevention projects adapted to specific communities or other program goals. Awards are made annually, with general prevention awards renewable for up to five years. For the 2 years ended June 30, 2014, the Children's Trust Fund Board (CTFB) issued 35 new general prevention program awards totaling approximately \$953,000, and 19 new discretionary grant program awards totaling approximately \$40,500.

1.1 Documentation of award decisions

The CTFB does not adequately document some factors considered in the approval or denial of applicants for general prevention and discretionary grant program funding. As a result, it is unclear whether contracts were awarded consistently and fairly.

The CTFB typically evaluates general prevention program applications using a panel of CTFB staff, board members, and outside professionals. In addition to assigning a score to the applicant's proposal using various factors relating to cost, performance, and expertise, the panel also considers other subjective factors such as project feasibility and service area. The CTFB generally evaluates discretionary grant applications with internal staff, using various subjective factors such as location, cost, and objective; however, a score is not assigned. The CTFB does not document the consideration of non-scored factors or the overall reasons for awarding or denying applications for funding. Some general prevention applicants with lower scores were awarded funding over other applicants with higher scores due to consideration of other subjective factors; however, the CTFB did not have documentation to support the decisions on approval or denial. Documentation is necessary to adequately support award decisions made.

1.2 Training requirement

The CTFB did not ensure a contractual training requirement was met before renewing some general prevention awards. Without adequately monitoring contract requirements, the CTFB could not consider such performance factors when renewing awards.

As part of fiscal year 2014 awards, the CTFB contractually required general prevention grantees to complete an online training series by June 2014 if any funding would be used for staff salaries; however, the CTFB did not monitor this requirement. Our review noted 12 of 15 grantees (80 percent) did not complete the training as required. The CTFB subsequently renewed awards totaling approximately \$338,000 to the non-compliant grantees during fiscal year 2015. It is unclear whether non-compliance, if identified, would have impacted award renewals or made funding available to other



Children's Trust Fund Board
Management Advisory Report - State Auditor's Findings

qualified applicants. In March 2015, due to our inquiry, the CTFB notified the non-compliant grantees that completion of the training series is now required by June 2015 or subsequent awards may be declined.

Recommendations

The Children's Trust Fund Board:

- 1.1 Document support for decisions made to approve or deny program applications.
- 1.2 Monitor compliance with contractual requirements for program awards.

Auditee's Response

The Executive Director provided the following written responses on behalf of the CTFB:

- 1.1 *The CTFB maintains a rigorous, multi-step evaluation process for all general prevention grant awards. The process includes multiple grant reviewers made up of CTFB staff, board members and professionals outside of the organization. When determining final awards in addition to score, other determining factors may include overall cost; cost per individual or families served; underserved populations or geographic region; whether the proposed prevention model is evidenced-based, a promising practice, or emerging approach; whether the proposal is primary or secondary prevention rather than tertiary intervention; and overall funds available. The CTFB will prepare a written summary of the evaluation meeting including rationale or factors for final award recommendations. Additionally, written rationale for either approving or denying discretionary grant applications will be maintained with each application.*
- 1.2 *Beginning in fiscal year 2014, the CTFB required all newly awarded general prevention grantees to complete a free online training course developed and supported by the National Alliance of Children's Trust and Prevention Funds to support implementation of the Strengthening Families™ Protective Factors Framework (SFF). The training, entitled Bringing the Protective Factors Framework to Life in Your Work – a Resource for Action, was a cost-effective means to offer a training opportunity to provide prevention professionals knowledge of the SFF protective factors to incorporate into their daily work. All but one new general prevention grantee (93%) completed the first module of the training which included seven components within the time frame specified; however, the training in its entirety included seven modules each with several sub components. Currently 93% of new grantees have successfully completed all seven modules. Not completing the*



Children's Trust Fund Board Management Advisory Report - State Auditor's Findings

protective factors training had no bearing or weight on the successful implementation of a prevention program, model or service(s) provided and did not impact award renewals or funding decisions. The CTFB will ensure that adequate documentation is provided indicating successful completion of the protective factors training as long as this requirement remains in effect. In addition, the CTFB has included a specific question regarding the protective factors training in its site visit monitoring tool and end of year report required of each grantee.

2. Sunshine Law

The CTFB did not prepare meeting minutes for the four committee meetings held during the 2 years ended June 30, 2014.

The program committee meets annually to review applications and make recommendations for various program funding, and is comprised of CTFB staff and board members. The public education committee meets annually to determine various details of promotional advertising campaigns for the upcoming year, and is comprised of CTFB staff and board members. Both committees report recommendations to the CTFB.

Minutes serve as the only official permanent record of decisions made by CTFB committees. Section 610.010, RSMo, defines committees appointed by and reporting to public governmental bodies as subject to Sunshine Law requirements. Section 610.020, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of actions and decisions made.

Recommendation

The Children's Trust Fund Board comply with the Sunshine Law and ensure meeting minutes are prepared for all committee meetings held.

Auditee's Response

The Executive Director provided the following written response on behalf of the CTFB:

The CTFB Program and Public Education Sub-Committees each convene one time per year. Prior practice has been to provide a verbal report of subcommittee recommendations to the CTFB Board of Directors, including written documentation, which was then included in the official minutes of the CTFB meeting occurring in June of each year. The CTFB, beginning in May 2015 and thereafter, will prepare a written summary or minutes of the Program and Public Education Sub-Committees.

3. Board Appointments

The CTFB should improve procedures to ensure board vacancies are filled timely and members do not serve longer than allowed by state law.

As of June 30, 2014, the CTFB had three vacancies. The positions became vacant in February 2010, March 2013, and January 2014. Section 210.170, RSMo, requires the CTFB to be composed of 21 members, of which 17 are



Children's Trust Fund Board Management Advisory Report - State Auditor's Findings

appointed by the Governor with the advice and consent of the Senate and are limited to two consecutive 3-year terms. All members serve until a replacement is appointed and qualified.

The day-to-day operations of the Board are overseen by the Executive Director; however, Board vacancies could negatively impact the operations of the Board. In order to have a quorum and hold board meetings, eight members must be present. During the 2 years ended June 30, 2014, meetings were generally attended by 10 to 11 board members. Multiple vacancies can result in the lack of a quorum and prevent the CTFB from conducting business.

In addition, while state laws and regulations allow CTFB members to continue to serve until reappointed or a replacement is named, some board members have served significantly beyond the statutory limitation of up to two consecutive 3-year terms. As of June 30, 2014, 4 of the 15 Governor-appointed members had served between 22 and 46 months past the expiration date of their second term. An additional 9 Governor-appointed members had served between 22 and 58 months past the expiration date of their first term and had not been officially reappointed to their second term.

Recommendation

The CTFB continue to work with the Governor's Office and the Legislature to fill board vacancies timely.

Auditee's Response

The Executive Director provided the following written response on behalf of the CTFB:

The CTFB continues to be compliant with Missouri state statute regarding board member service (Section 210.170.2, RSMo), as board members may serve until a successor is appointed. The CTFB continues to be fully operational and active, holding regularly scheduled meetings by conference call a minimum of three times per year and meeting in-person two times per year, surpassing the minimum required by Section 210.172(1), RSMo. Quorums have been met each meeting to successfully conduct the business of the CTFB. Additionally, five new public member appointments and two Senatorial appointments have been made to the CTFB since June 30, 2014. The CTFB will continue to work with the Office of Governor and the Senate Committee on Board Confirmations in a proactive manner encouraging timeliness of appointments and reappointments.

Children's Trust Fund Board

Organization and Statistical Information

The Children's Trust Fund Board (CTFB) was established by Section 210.170, RSMo, to provide child abuse and neglect public awareness and prevention programs throughout the state. Under the provisions of Section 210.174, RSMo, any individual or corporation may designate a part or all of their income tax refund to be contributed to the CTFB. Additional funding is derived from contributions made directly to the CTFB including to obtain the board's specialized license plate, fees on marriage licenses, vital records, federal and other grants.

Section 210.170, RSMo, provides that the Board shall consist of twenty-one members. Seventeen public members are appointed by the Governor with the advice and consent of the Senate and are appointed to serve three-year terms, limited to two consecutive terms. Members serve until their successor is appointed. Two members of the Missouri House of Representatives are appointed by the Speaker of the House and two members of the Missouri Senate are appointed by the President Pro Tem of the Senate. Members of the Senate and House of Representatives serve on the CTFB until their term in the House or Senate expires. On June 30, 2014, the CTFB had 18 members and 3 vacancies. Members serving on the Board as of June 2014 were:

Member	City	Term Expires
Charmaine Smith, Chair	St. Louis	September 2012
Kathleen Boyle Dalen, Ph.D., Chair-Elect	Kansas City	September 2011
Eric Battle	St. Louis	September 2012
Nela Beetem	Holts Summit	September 2012
Susan Block	St. Louis	September 2012
Nanci Bobrow, Ph.D.	St. Louis	September 2013
Paula Clay	Columbia	September 2009
Michelle Crockett	Carthage	September 2015
Jillian Harris	Jefferson City	September 2010
Robert Harris, M.D.	Columbia	September 2011
Stephen Huss, Ph.D.	Hillsboro	September 2010
Patrice Mugg	Kirkwood	September 2010
Martina Peterson	Kansas City	September 2012
Regina Staves, Ph.D.	Kansas City	July 2012
Thomas Vansaghi, Ph.D.	Kansas City	September 2011
Representative Bill Lant	Pineville	
Representative Jill Schupp	Creve Coeur	
Senator John Lamping	Ladue	
Vacant		
Vacant		
Vacant		



Children's Trust Fund Board Organization and Statistical Information

The Board is empowered to enter into contracts with public or private agencies, schools, or qualified individuals to establish community-based educational and service programs focused on the prevention of child abuse and neglect. The programs include crisis care, home visiting, counseling, and support groups. The Board also provides public education about the problem of child abuse and neglect and how Missouri citizens can contribute to prevention efforts.

The Board may appoint an executive director to perform administrative duties. Kirk Schreiber was appointed Executive Director in October 2005. Three other employees perform various administrative duties and responsibilities.

Appendix A

Children's Trust Fund Board

Children's Trust Fund

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2014	2013
RECEIPTS		
Private donations	\$ 230,251	247,922
Marriage license fees	988,759	1,005,222
Vital records sales	377,471	407,212
Intergovernmental receipts	563,670	1,104,760
Interest	23,115	27,407
Interagency receipts (1)	481,211	791,136
Registration fees	0	18,565
Miscellaneous refunds	1,150	1,151
Total Receipts	<u>2,665,627</u>	<u>3,603,375</u>
DISBURSEMENTS		
Personal service	212,477	211,441
Employee fringe benefits	85,738	80,355
Expense and equipment	60,454	63,146
Program disbursements	2,712,942	3,212,962
Refunds	6,568	6,699
State Central Services cost allocation	1,400	11,037
Total Disbursements	<u>3,079,579</u>	<u>3,585,640</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(413,952)</u>	<u>17,735</u>
CASH AND INVESTMENTS, JULY 1	<u>4,082,075</u>	<u>4,064,340</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 3,668,123</u>	<u>4,082,075</u>

(1) Interagency receipts include payments received from other state agencies for contracted services.

Appendix B

Children's Trust Fund Board Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
CHILDREN'S TRUST FUND						
Program Disbursements	\$ 3,360,000	2,712,942	647,058	3,360,000	3,212,962	147,038
Personal Service	215,210	212,477	2,733	213,845	211,441	2,404
Expense and Equipment	119,104	45,664	73,440	141,001	49,178	91,823
State-owned facilities, utilities, systems, furniture, and structural modifications	13,951	13,950	1	13,743	13,561	182
Refunds	13,495	6,568	6,927	6,700	6,699	1
Office of Administration - ITSD employee benefits	1,000,000	0	1,000,000	1,000,000	0	1,000,000
Office of Administration - ITSD Expense and Equipment	1,100	840	260	1,100	407	693
Total Children's Trust Fund	\$ 4,722,860	2,992,441	1,730,419	4,736,389	3,494,248	1,242,141

Appendix C

Children's Trust Fund Board

Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	\$ 212,477	211,441	207,571	202,783	202,783
Travel, in-state	4,811	5,241	5,387	3,358	6,100
Travel, out-of-state	3,811	2,419	5,715	1,636	0
Supplies	2,989	3,521	5,893	6,019	7,181
Professional development	2,293	5,892	3,195	265	2,780
Communication services and supplies	1,626	1,508	1,455	3,212	2,018
Services:					
Professional	27,763	27,485	32,035	21,872	30,445
Maintenance and repair	369	212	262	472	419
Equipment:					
Computer	492	0	0	0	189
Office	114	680	977	536	0
Other	0	654	907	0	0
Building lease payments	14,575	14,061	14,758	15,682	15,822
Miscellaneous expenses	1,611	1,473	1,588	1,114	1,193
Refunds	6,568	6,699	7,257	10,105	9,543
Program distributions	2,712,942	3,212,962	2,807,410	2,471,292	2,492,446
Total Expenditures	\$ <u>2,992,441</u>	<u>3,494,248</u>	<u>3,094,410</u>	<u>2,738,346</u>	<u>2,770,919</u>



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Taney County



July 2015

Report No. 2015-046

<http://auditor.mo.gov>

Taney County

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.1	County Disbursements - Property tax system.....	3
1.4	County Disbursements - Legal services.....	4
2.	County Sales Taxes.....	5
3.	County Budgeting and Planning.....	6
5.	Property Tax System.....	9
6.	Assessment Fund Reimbursements	12
8.	Sheriff Seized Property and Evidence	12
10.1	Sheriff Commissary Records and Procedures - Segregation of duties	13
10.3	Sheriff Commissary Records and Procedures - Bank reconciliations and liabilities.....	14
11.1	Public Administrator Controls and Procedures - Receipting and depositing.....	15
12.1	Prosecuting Attorney Controls and Procedures - Adjustments and reversals.....	15
12.2	Prosecuting Attorney Controls and Procedures - Receipting and recording.....	16
12.3	Prosecuting Attorney Controls and Procedures - Bank reconciliations and liabilities.....	16
12.4	Prosecuting Attorney Controls and Procedures - Accounts receivable	17
16.	Sunshine Law.....	17

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Taney County

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-047, *Taney County* (rated as Poor), issued in July 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by county officials and met with county personnel. Documentation included County Commission meeting minutes, budgets, bank statements, receipt and deposit records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during March and April 2015.

Nicole R. Galloway, CPA
State Auditor

Taney County

Follow-Up Report on Audit Findings

Status of Findings

- 1.1 County Disbursements - The county paid a software vendor \$297,598 for a new property tax system that was not being fully utilized. Our prior audit report issued in 2002, addressed similar concerns regarding the county's handling of the purchase of a new property tax system.
- Property tax system

We noted several problems with the county's contract and payments to the vendor.

- The contract did not include a timeline for implementation of the software modules or a deadline date by which the vendor had to successfully transition the county from the old software system to the new software modules.
- The software vendor sent the county an invoice for \$100,000 prior to the county signing a contract with the vendor. The county paid this invoice after signing the contract.
- The former County Assessor approved the invoices, and the county paid the software vendor the full cost (\$147,000) for the integrated mapping and real property appraisal and personal property appraisal modules in May and October 2011, and February 2012, even though the modules were not being fully utilized and had not been accepted by the county. The contract only required the county to pay 50 percent or \$73,500, 10 days after signing the contract, and the remaining 50 percent upon acceptance.
- One of the contract addendums was signed 24 days before County Commission meeting minutes indicated bids for digital sketches were opened. This software vendor was the only bidder, and this bid was approved by the County Commission. Additionally, the former County Assessor approved the invoices, and the county paid this vendor \$101,923 for the sketches (\$11,081 more than the contract addendum price). There were no change orders to support the additional amount paid.

The county paid the software vendor approximately \$10,000 to keep the older property tax system updated and serviced after signing the new software contract in April 2011.

In September 2013, the County Collector sent a letter to the current software vendor to terminate the tax billing and collection module of the contract because of problems with the module. The county had paid \$20,000 for this module, which was 50 percent of the contract amount of \$40,000. As of April 2014, the current County Assessor was using the integrated mapping and real property appraisal and personal property appraisal modules; however, county officials said they were in the process of bidding out the entire property tax system again and planned to terminate the current agreement when a new system was procured.



Taney County
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The County Commission monitor contracts for compliance, ensure satisfactory progress is made by contractors prior to payment, and ensure change orders are prepared and submitted for its review and approval prior to completion of the related work.

Status

Partially Implemented

Subsequent to the April 2015 follow up meeting, the Taney County Commission adopted a "Policy For Creation and Payment of Contract Obligations" requiring all contracts to be in writing and fully executed by all parties before any goods or services are provided or payments made. The written policy requires elected officials, department heads, and other responsible county employees to certify that payments requested to be made to a vendor are proper and that all preconditions of payment have been met. The County Commission forwarded notification of the newly adopted policy along with the policy to all elected officials, department heads, and employees responsible for the purchase of goods or services in early May 2015. Compliance with this policy should satisfy the audit recommendation. The County Commission did not provide any documentation other than the new policy regarding how it is monitoring contracts for compliance, ensuring satisfactory progress is made prior to payment, or ensuring change orders are prepared and submitted for its review and approval prior to payment of the related work.

**1.4 County Disbursements -
Legal services**

The County Commission did not obtain proposals for legal services provided by 2 law firms and did not have a written agreement during most of 2012 with one of these law firms. The county paid approximately \$127,000 in legal fees for the year ended December 31, 2012. In addition, the County Collector did not obtain proposals for legal services costing approximately \$10,000 during 2012 relating to a utility tax distribution error and did not have a written agreement with a law firm paid approximately \$4,000 during 2012 providing services on bankruptcy cases. The County Collector maintained a list of law firms considered, but proposals were not obtained. However, neither Chapter 52, RSMo, nor other statutory provisions give a county collector authority to hire an attorney.

Recommendation

The County Commission solicit proposals for legal services and enter into written contracts defining services provided and benefits received. Also, the County Commission should work with the County Collector to ensure future legal services are appropriately obtained as provided by state law.

Status

Partially Implemented

The County Commission has not solicited proposals for legal services, but indicated on May 6, 2015, that it will consider submitting requests for qualifications or bid requests when and as needed. The County Commission



Taney County
Follow-up Report on Audit Findings
Status of Findings

continues to utilize the same 2 law firms, and the County Collector continues to utilize the same law firm for bankruptcy cases but no longer needs the services of the firm which handled the utility tax distribution error issue. The County Commission has entered into written contracts with these law firms, including the firm utilized by the County Collector.

2. County Sales Taxes

County procedures related to road and bridge capital improvement sales tax did not comply with state law, and some disbursement allocations did not have adequate support.

2.1 Capital improvement
sales tax and allocations

In April 2007, county voters renewed a 1/2-cent Capital Improvement Sales Tax (CIST) for the purpose of improvement and construction of roads and bridges to replace a 1/2-cent sales tax that was expiring. This sales tax is set to expire March 31, 2017.

These CIST monies were deposited into the county's Road and Bridge Fund and were commingled with other road and bridge related monies, including restricted monies (e.g., County Aid Road Trust and grant monies). The Road and Bridge Fund was used for all road and bridge related disbursements including operating expenses. The county did not specifically identify or track the use of the CIST monies or the balance of CIST monies within the Road and Bridge Fund. As a result, it was not clear whether the road and bridge capital improvement sales tax monies had been properly utilized.

In addition, the county allocated personnel costs totaling approximately \$99,000 for various employees to the Road and Bridge Fund without adequate supporting documentation.

Recommendation

The County Commission ensure monies received from the capital improvement sales tax are deposited in a special fund and used solely for the designated purpose.

Status

In Progress

At the time of our April 2015 follow up meeting, the County Commission had taken steps to track receipts and disbursements related to capital improvements; however, it had not deposited CIST monies in a special fund or identified the balance of CIST monies within the Road and Bridge Fund. The County Auditor indicated he planned to track the balances of the CIST monies in the future. On May 6, 2015, the County Commission indicated it plans to create a separate fund for the deposit of CIST monies, and that a meeting of county officials and employees is scheduled for the purpose of budgeting this new fund.



Taney County
Follow-up Report on Audit Findings
Status of Findings

2.2 Property tax levy reductions	The county did not prepare property tax levy reduction calculations or properly report levy reductions to the State Auditor's office.
Sales tax calculations and reporting	For many years the county chose to set the general revenue and road and bridge property tax levies at zero. For 2008 and prior years the county incorrectly certified the full reduction of each levy as a voluntary reduction instead of as a sales tax reduction or combination of sales tax and voluntary reductions. As a result, the tax rate ceiling for the county's General Revenue Fund and Road and Bridge Fund were lowered to zero in 2009. Additionally, the county had not taken action to restore these ceilings, and they had remained at zero since 2009. County officials were apparently unaware of the impact of the 2008 voluntary reduction and of the county's zero tax rate ceilings, and from 2009 to current had continued to certify reductions of the general revenue and road and bridge levies as voluntary. On tax rate forms submitted to the State Auditor's office the county incorrectly reported prior year ceilings (in effect if voluntary reductions had not been taken in 2008), although the ceiling for each fund was zero, and then reflected a full voluntary reduction.
Road and Bridge Fund levy reduction	Because reducing the general revenue property tax levy to zero would not have been sufficient to compensate for 50 percent of the sales taxes collected, the county should have also reduced the road and bridge property tax levy. However, a full reduction of the road and bridge levy for this purpose would not have been required. According to our calculations and had the county's tax rate ceiling not been reduced to zero, the county could have reduced the 2012 road and bridge property tax levy by 0.0772 or approximately \$768,000 in property tax revenues, rather than the full 0.1945, to satisfy the county's overall 50 percent rollback requirement.
Recommendation	The County Commission work with the County Clerk to properly calculate and report property tax reductions (sales tax or voluntary).
Status	Implemented Property tax reductions (sales tax and voluntary) were properly calculated and reported in 2014 by the County Clerk.
3. County Budgeting and Planning	Budgeting procedures of the County Commission and the County Auditor needed improvement.
3.1 Sales tax monies and debt payment	In April 2000, voters approved Proposition A, which renewed an existing 1/2-cent sales tax (previously authorized for sewer purposes), and Proposition B, which authorized the county to expend the sales tax revenues for the additional purpose of providing law enforcement facilities. The ballot language did not specify what portion of the sales tax monies



Taney County
Follow-up Report on Audit Findings
Status of Findings

collected would be used for each of the 2 authorized purposes, and the monies were deposited into the Sewer Fund.

In November 2005, voters approved a 1/8-cent law enforcement sales tax that was deposited into the General Revenue Fund. However, in December 2012, the county decided to account for these monies separately and created a Law Enforcement Sales Tax Fund. In November 2006, the county issued Lease certificates of participation (COP) Series 2006 for the construction of a new judicial facility. Until 2013, principal and interest payments were made from the General Revenue Fund and covered by law enforcement sales tax monies. In 2013, the county budgeted the COP payment from the Law Enforcement Sales Tax Fund. However, when the COP payment came due the fund had not accumulated adequate sales tax revenue to make the payment. The County Commission then authorized a \$1.2 million COP payment from the Sewer Fund. The County Commission supported this decision because Proposition B had added a "law enforcement facilities" purpose to the general sales tax and a written legal opinion from one of the county's attorneys concluded usage of the monies in this way was valid.

However, the county had not budgeted for the COP payment to be made from the Sewer Fund during 2013, and had not adequately anticipated the shortfall in sales tax revenues in the Law Enforcement Sales Tax Fund that existed at the payment due date. As a result, county funds were not spent as intended.

Additionally, voters approved 2 separate uses for the general sales tax monies when they approved Proposition A and Proposition B in 2000. However, a specific portion for each purpose was not designated. Further, it may have been improper for the county to submit a ballot measure to voters asking to add the purpose of "providing law enforcement facilities" to the existing 1/2-cent general sales tax previously designated for sewer purposes.

Recommendation

The County Commission adequately plan for the timing of large disbursements, such as the judicial center COP payment during the budget process. The County Commission should consider the sewer and law enforcement facility needs periodically and determine if establishing a percentage to be used for each purpose is appropriate, and the sales tax monies should be deposited into the appropriate funds, rather than being transferred at a later date to cover related expenses.

Status

In Progress

The County Commission budgeted and made the COP payment from the Sewer Fund in 2014. The County Commission repaid the Sewer Fund for the 2013 COP payment in December 2013, but does not plan to repay the fund for the 2014 payment until the COP is paid off. However, the County



Taney County
Follow-up Report on Audit Findings
Status of Findings

Commission budgeted to make the COP payment from the Law Enforcement Sales Tax Fund in 2015. On May 6, 2015, the County Commission indicated it plans to designate the percentage of funds to be allocated for sewer or law enforcement purposes and the respective amounts will be deposited into the appropriate funds.

3.2 Budgetary practices

The County Commission and County Auditor did not ensure budgets for some county funds reasonably reflected anticipated financial activity and cash balances. The county significantly overestimated disbursements resulting in actual ending cash balances greatly exceeding budgeted ending cash balances.

Disbursements were significantly overestimated for most county funds. Additionally, approved budgets for some county funds included a significant amount for contingency expenses.

Recommendation

The County Commission ensure budget estimates for receipts and disbursements are based on actual expected occurrences.

Status

Partially Implemented

While the county's 2015 budget document provided more reasonable anticipated financial activity and cash balances for the Transfer Station Fund and the 911 Fund, similar concerns to those noted in the audit report remained for most county funds. The County Commission and County Auditor had not changed budget procedures to ensure budget estimates and anticipated cash balances were reasonable. On May 6, 2015, the County Commission indicated that weather conditions often unreasonably interfere with anticipating road and bridge or sewer budgets; however, it will take additional steps to review the process of setting those budgets and others.

3.3 Budget review

County personnel did not identify errors in the 2013 budget document. The county's budget was prepared by the County Auditor and approved by the County Commission. Our review of the budget spreadsheet showed it contained formula errors and incorrect data resulting in significant misstatements of available funds and employee fringe benefits in the General Revenue Fund. In addition, the 2013 General Revenue Fund budget did not present an estimated and actual ending cash balance although the fund had an actual ending cash balance of approximately \$10 million.

Further, the County Auditor did not enter some information correctly into the budget from the county's accounting records. Some receipts and disbursements were omitted and several revenue accounts were not accurately reported.



Taney County
Follow-up Report on Audit Findings
Status of Findings

Recommendation The County Commission ensure the county budget is accurate and complete.

Status **Implemented**

Errors noted in the budget spreadsheet prepared by the County Auditor were corrected, and our review of the 2015 county budget document did not identify similar problems as were noted during the audit.

3.4 Sewer sales tax The County Commission had not projected realistic disbursements for the Sewer Fund for several years, and actual ending cash balances were much higher than projected ending cash balances. Additionally, the sewer district's master plan for current and future projects had not been updated since 2007.

Recommendation The County Commission approve a reasonable estimate of disbursements in the Sewer Fund budget, prepare a long-term plan for the use of these funds, and consider using the excess accumulated cash reserves to pay off the bonded indebtedness early.

Status **Partially Implemented**

The County Commission did not reasonably estimate disbursements in the 2015 Sewer Fund budget. The County Commission did obtain a proposed budget from the regional sewer district outlining sewer projects for 2015 through 2017, and on May 6, 2015, the County Commission indicated it had advised cities within the Taney County Sewer District that a 5 year plan for proposed sewer projects should be submitted to them by September 2015 to allow the County Commission to develop a longer term plan. The County Commission made an early payment on the bonds in December 2013 totaling approximately \$5.6 million; however, no payments were made in 2014.

5. Property Tax System Utility tax distributions were incorrectly distributed to school districts. The County Commission, County Clerk, and County Auditor did not adequately review the activities of the County Collector and County Assessor.

5.1 Utility tax distributions The County Collector did not correctly distribute utility taxes to various school districts in the county for the years 2001 through 2010, resulting in distribution errors totaling \$434,118.

The primary reason for these errors was a programming mistake in the tax extension phase of the property tax system that caused the school district names to not be in alignment with their respective distribution calculation. The County Collector relied on the property tax system for the distribution calculations and did not manually verify the calculations or compare the distributions to the tax statements, resulting in the distribution error going



Taney County
Follow-up Report on Audit Findings
Status of Findings

undetected for 10 years. In addition, reviews performed by the County Auditor did not detect this error.

Recommendation

The County Collector and County Auditor ensure future utility tax distributions are computed properly and reviewed for accuracy.

Status

Implemented

The 2014 utility tax distributions were properly computed and reviewed for accuracy.

5.2 Account book

Neither the County Clerk nor the County Commission adequately reviewed the financial activities of the County Collector. The County Clerk did not maintain an account book or other records summarizing property tax charges, transactions, and changes, and no evidence was provided to indicate procedures were performed to verify the accuracy and completeness of the County Collector's annual settlements.

Recommendation

The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Status

In Progress

The County Clerk now maintains an account book with the County Collector. However, at the time of our follow up meeting in March 2015, the County Collector's annual settlement had just been prepared and the County Clerk had not had time to compare her account book to the settlement. On May 6, 2015, the County Commission indicated it would review the account book maintained by the County Clerk.

5.3 Delinquent taxes

The County Clerk did not prepare or verify the accuracy of the delinquent tax books totaling approximately \$7 million at February 28, 2013, and the County Commission also did not verify the accuracy of the delinquent tax books prepared and printed by the County Collector. According to the County Collector, she randomly tested the accuracy of several tax statements but did not document this procedure. The County Clerk did not perform procedures to verify the totals of the delinquent tax books, and County Commission meeting minutes only indicated that the County Commission received the delinquent tax books.

Recommendation

The County Commission and County Clerk should verify the accuracy of the delinquent tax books prior to charging the County Collector with the property tax amounts.



Taney County
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

The County Clerk generated a report to verify the accuracy of the delinquent tax books for 2015, but had not compared it to the delinquent tax books at the time of our review. The County Clerk indicated she plans to utilize the report to verify the accuracy of the delinquent tax books and to recalculate a sample of the delinquent tax book calculations, which will be presented to the County Commission for their review. The County Commission indicated it will examine the delinquency lists and make corrections.

5.4 Tax book changes

The County Commission did not approve additions to personal property taxes totaling over \$600,000 and did not approve personal property taxes outlawed totaling \$188,000 during the year ended February 28, 2013. Minutes of the County Commission meetings indicated the personal property taxes outlawed were presented to the County Commission by the County Collector; however, the County Commission did not approve a court order authorizing the removal of these taxes from the tax books.

Recommendation

The County Commission and County Clerk review and approve personal property tax additions and personal property taxes outlawed.

Status

Implemented

During the months we reviewed (December 2014 and January 2015), the County Commission and County Clerk reviewed and approved all additions, abatements, and outlawed personal property taxes.

5.5 Fire district taxes

The former County Assessor changed the application of the 2011 and 2012 property tax levies in the property tax system for the portion of the Central Taney County Fire Protection District located within the city of Forsyth, and as a result, taxes for this district were not properly levied to some city of Forsyth residents. This change was not detected until officials from the fire protection district contacted the county. While the County Clerk had procedures in place to review the tax book, procedures were not sufficient to identify these changes made by the former County Assessor. According to the County Collector approximately \$44,000 was not charged for real property taxes for the 2 years ended February 28, 2013. The amount of personal property taxes not charged for that period has not been determined.

In April 2013, the Taney County Circuit Court ordered the county to levy remedial taxes that were not previously levied. In February 2014, the Taney County Circuit Court further ordered the county to levy 2011 and 2012 remedial taxes as a current tax and that no penalties or interest shall be imposed on any taxpayer for 1 year from the date of the tax statement submitted to the taxpayer.



Taney County
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The County Commission ensure remedial taxes are levied in accordance with Taney County Circuit Court's judgment. In addition, the County Clerk should review all changes made to the property tax system by the County Assessor and recalculate total taxes charged to each taxing district to ensure tax books are accurate.

Status

In Progress

Remedial taxes were levied in accordance with the Taney County Circuit Court's judgment. The County Clerk indicated she has requested the software vendor create a report of all changes made to the property tax system, but has not yet received the report. On May 6, 2015, the County Commission indicated a letter was sent to the County Clerk requesting a copy of this report.

6. Assessment Fund Reimbursements

The Missouri State Tax Commission (STC) withheld approximately \$956,000 in property tax assessment reimbursement claims from Taney County since 2007, because the county failed to fully comply with approved assessment maintenance plans and applicable state law regarding property assessments.

Recommendation

The County Commission, County Assessor, and all assessing officials continue to work with the STC to correct assessment noncompliance so that the county is eligible for full assessment reimbursements.

Status

Implemented

The County Commission, County Assessor, and all assessing officials have worked with the STC to correct assessment noncompliance. The County Assessor prepared reimbursement claim forms for the last two quarters of 2014; however, no monies were due for the 3rd quarter and he is awaiting reimbursement of the remaining funds for the 4th quarter.

8. Sheriff Seized Property and Evidence

The Sheriff had not established adequate controls and records for seized cash and property. In addition, the Sheriff's office did not have procedures to dispose of seized cash held for many years.

Seized cash

The Sheriff's office records of seized cash at April 2013 showed the Sheriff was holding approximately \$77,000 for 50 cases. Our review of 10 of these 50 cases determined the following:

- Seized cash totaling \$3,270 from 2 cases was not on hand and disposition of the cash was not documented. As a result, cash totaling \$3,270 was not located and could not be accounted for properly.



Taney County
Follow-up Report on Audit Findings
Status of Findings

- Seized cash totaling \$10,373 was still on hand although the case was dismissed in February 2012.
- Seized cash totaling \$2,500 from one case was still on hand even though a 1998 court judgment had been obtained releasing the seized cash.
- Seized cash totaling \$1,369 from one case was still on hand although records indicate it was released to the court.
- Cash totaling \$6,440 seized in March 1995 was still on hand without any documentation the Sheriff had attempted to dispose of the funds.

Seized property

The Sheriff maintained seized property items at the county impound lot, barn, and evidence room. Records and procedures to account for these items were inadequate.

- Seized property items were maintained in multiple locations and there was no overall inventory list that identified the storage location of specific items.
- Seized property was not always tagged and identified.
- Periodic physical inventories of seized property items were not conducted, and procedures had not been implemented to periodically review cases and dispose of related seized property items when appropriate and in accordance with court judgments.
- Not all firearms were stored at the Sheriff's evidence room as required by office policy.

Recommendation

The Sheriff ensure a complete and accurate seized cash and property inventory record is maintained and a periodic physical inventory is conducted and reconciled to the records, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property.

Status

Implemented

Inventory records were updated to be complete and accurate after a physical inventory was conducted in January 2015. At the time of our follow-up meeting in April 2015, the Sheriff indicated he had disposed of all seized cash that could be disposed of. We reviewed some of the seized cash discussed in the audit report and verified the seized cash had been disposed.



Taney County
Follow-up Report on Audit Findings
Status of Findings

10.1 Sheriff Commissary
Records and Procedures
- Segregation of duties

The Sheriff had not adequately segregated accounting duties and independent or supervisory reviews of accounting records were not performed. The administrative assistant performed the duties of receiving, recording, depositing, and disbursing commissary monies. Neither the Sheriff nor other office personnel performed a documented review of accounting records or a comparison of monies received to those deposited. Additionally, the jail administrator and the administrative assistant were married to each other. The supervision of a related employee could compromise a supervisor's objectivity when assigning duties or evaluating employee performance. Also, related employees with receipt handling responsibilities increase the risk of collusion and theft or misuse of county funds.

Recommendation

The Sheriff segregate accounting duties to the extent possible or ensure documented independent or supervisory reviews of accounting and bank records are performed.

Status

Implemented

The duties of receipting, recording, depositing, and disbursing commissary monies have been segregated among 4 individuals.

10.3 Sheriff Commissary
Records and Procedures
- Bank reconciliations
and liabilities

The jail administrator did not perform formal bank reconciliations or prepare monthly lists of liabilities to reconcile to the available cash balances of the 3 commissary bank accounts. Errors were made in posting deposits in transit, outstanding checks, and other transactions in the accounting system resulting in discrepancies in various records and differences between bank and book balances.

Our review of bank reconciliation and liability reports for the 3 accounts also identified several errors that resulted in differences between the bank and book balances for each account. The list of liabilities included amounts that needed to be turned over to the County Treasurer for commissions on telephone cards, medical fees, and interest income.

Recommendation

The Sheriff prepare monthly bank reconciliations and lists of liabilities for all accounts, compare liabilities to the available cash balances, and promptly investigate and resolve differences. The Sheriff should ensure all existing and future commissary profits are deposited to the Inmate Prisoner Detainee Security Fund. The Sheriff should dispose of old outstanding checks in accordance with state law and correct recording errors in a timely manner.

Status

Partially Implemented

The Sheriff closed the old commissary account and prepared a list of liabilities for the accounts for January 2015. However, formal bank reconciliations were not performed and reconciled to the list of liabilities so



Taney County
Follow-up Report on Audit Findings
Status of Findings

any recording errors could not be identified and corrected. The Sheriff disbursed commissary profits to the Inmate Prisoner Detainee Security Fund in January 2015. However, the Sheriff has not yet disposed of old outstanding checks.

11.1 Public Administrator
Controls and Procedures
- Receipting and
depositing

The Public Administrator did not have a receipting system in place to properly track and document when monies owed were received on behalf of wards. Additionally, checks received by the Public Administrator on behalf of the wards were often held for extended periods of time before deposit to help wards retain Medicaid eligibility, and checks were not restrictively endorsed until the deposit was prepared.

Recommendation

The Public Administrator maintain a log to document all monies received and due, and properly monitor the receipt of payments owed to wards. In addition, the Public Administrator should discontinue the practice of holding checks. The Public Administrator should also report accurate asset information for wards to the Department of Social Services (DSS), Family Support Division, and contact DSS to determine whether any monies are due to the state. In addition, monies should be deposited timely and checks restrictively endorsed immediately upon receipt.

Status

In Progress

A log is not maintained; however, the Public Administrator indicated a computer system prompt is now in place to track payments owed and due each month for each ward. She also indicated she notifies the DSS, Family Support Division, of wards with excess balances, and any monies that are in excess are forwarded to the DSS. She indicated no checks are held that would interfere with the wards eligibility to continue services with the DSS, and checks are endorsed and all monies are deposited daily.

12.1 Prosecuting Attorney
Controls and Procedures
- Adjustments and
reversals

One clerk, who was responsible for receiving and recording all monies, also had the ability to post adjustments and reversals to the computerized accounting system without obtaining independent approval. Adjustments totaling \$250,305 were made during 2012.

Recommendation

The Prosecuting Attorney require supervisory review and approval for all adjustments and reversals.

Status

Implemented

The Prosecuting Attorney is performing a supervisory review and approval of all adjustments and reversals prior to the adjustments and reversals being made.



Taney County
Follow-up Report on Audit Findings
Status of Findings

12.2 Prosecuting Attorney
Controls and Procedures
- Receipting and
recording

Monies received were not always recorded immediately upon receipt and were not properly secured prior to deposit, and the numerical sequence of computerized receipt numbers was not accounted for properly.

Recommendation

The Prosecuting Attorney record all monies immediately upon receipt, store monies in a secure location, and account for the numerical sequence of receipt numbers.

Status

In Progress

Monies are being recorded immediately upon receipt and are stored in a secure location; however, the numerical sequence of receipt numbers was not accounted for during January 2015. The Prosecuting Attorney indicated at the time of our follow up meeting in March 2015, that he had implemented procedures to account for the numerical sequence of all receipt numbers.

12.3 Prosecuting Attorney
Controls and Procedures
- Bank reconciliations
and liabilities

The Prosecuting Attorney's office manager did not prepare accurate bank reconciliations for the restitution and bad check bank accounts. The office manager only compared the ending bank balance on her computerized accounting system to the ending balance on the bank statement and did not ensure deposits in transit and outstanding checks were accurate. The December 31, 2012, restitution account bank reconciliation listed 143 checks totaling \$29,158 as outstanding for over a year when these checks had actually cleared the bank during 2010 and 2011. We identified similar problems with the bad check account bank reconciliation.

The Prosecuting Attorney did not identify liabilities. The restitution account reflected a shortage of approximately \$500 when compared to liabilities while the bad check account had a balance in excess of liabilities of approximately \$900.

Recommendation

The Prosecuting Attorney prepare accurate and complete bank reconciliations and a list of liabilities monthly, and reconcile the cash balances to the list of liabilities. Any differences should be promptly investigated and resolved.

Status

Implemented

The Prosecuting Attorney closed these bank accounts and turned these monies over to the County Treasurer to handle. The County Treasurer deposited these monies into the General Revenue Fund, Bad Check Fund, or Unclaimed Fees Fund, as applicable.



Taney County
Follow-up Report on Audit Findings
Status of Findings

12.4 Prosecuting Attorney
Controls and Procedures
- Accounts receivable

The Prosecuting Attorney's office did not generate a monthly list of unpaid bad checks and restitution, and was not proactive in identifying cases with unpaid receivables.

As of January 16, 2013, the bad check accounts receivable listing included 1,075 defendants with amounts due totaling \$658,172, and the restitution accounts receivable listing included 479 cases with amounts due totaling \$2,881,565. We identified 8 cases totaling \$285,508 that were no longer collectible for reasons such as bankruptcy or case dismissal. Further, probation termination dates were not accurately recorded or updated in some restitution cases reviewed.

Recommendation

The Prosecuting Attorney maintain an accounts receivable record and establish procedures to monitor and collect accounts receivable. The Prosecuting Attorney should also periodically review case information for accuracy.

Status

In Progress

The Prosecuting Attorney prepared and reviewed the accounts receivable report for January 2015, and plans to better monitor and collect accounts receivable and periodically review case information for accuracy.

16. Sunshine Law

Open meeting minutes did not always document the specific reasons or section of law allowing a meeting to be closed. In addition, some issues discussed in closed sessions were not allowable by law.

Recommendation

The County Commission ensure specific reasons for closing a meeting are documented, and discuss only allowable topics in closed meetings.

Status

Implemented

The County Commission held 6 closed meetings in January 2015. We reviewed the minutes and determined the County Commission properly documented the specific reasons for closing meetings and discussed only allowable topics in the closed meetings.



Nicole R. Galloway, CPA
Missouri State Auditor

Nodaway County



July 2015

Report No. 2015-047

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of Nodaway County

Sheriff's Commissary Controls and Procedures	The audit revealed serious shortcomings with the Sheriff's department. Receipt and disbursement duties for the Sheriff's commissary account are not adequately segregated, and an adequate supervisory review of the accounting records is not performed. Bank reconciliations for the commissary account are not performed, a running checkbook balance is not maintained, and a monthly list of liabilities is not prepared. Commissary account checks are printed with the electronic signature of the former Jail Administrator. Sales tax on commissary sales was not remitted to the Missouri Department of Revenue timely and sufficient records were not retained to ensure sales tax was collected on all sales. Additionally, commissary receipts are not always deposited timely and the Sheriff has not turned over commissary profits to the county Inmate Prisoner Detainee Security Fund. In addition, accounting records for commissary transactions prior to June 1, 2014, were not always retained, and thus, audit staff are unable to determine if commissary profits were accounted for properly.
Sheriff's Controls and Procedures	The Sheriff does not ensure fees collected are disbursed timely to the County Treasurer. The Sheriff's department does not track civil and criminal process papers served or reconcile papers served to monies received to ensure all paper service fees have been accounted for.
County Sales Tax	The county did not properly report property tax levy reductions to the State Auditor's office for several years and levy reductions reported did not agree to the amounts calculated by the County Clerk. In addition, the County Clerk used an incorrect tax rate ceiling in the sales tax reduction calculations.
Road and Bridge Fuel	The road and bridge department does not have a procedure in place to reconcile fuel usage to fuel purchased.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Nodaway County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Sheriff's Commissary Controls and Procedures	4
2. Sheriff's Controls and Procedures	9
3. County Sales Tax.....	10
4. Road and Bridge Fuel.....	11

Organization and Statistical	13
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Nodaway County

We have audited certain operations of Nodaway County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Nodaway County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

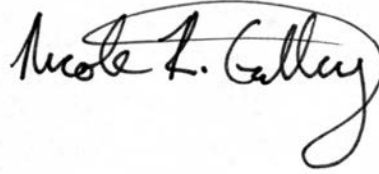
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Nodaway County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. The initials "R." are written between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Keisha Williams
	Seth Rogers, MPA

Nodaway County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Commissary Controls and Procedures

Controls and procedures over the Sheriff's commissary account need improvement. The Sheriff operates a jail and contracts with a vendor to provide a commissary for inmates to purchase various snacks and personal items. The Sheriff indicated the jail holds an average of 23 inmates on a daily basis. When monies are received on behalf of an inmate or a purchase from the commissary is made, the amount is posted to the inmate's account in the vendor's software. Deposits into the commissary account totaled approximately \$13,000 during the year ended December 31, 2014.

1.1 Segregation of duties and supervisory review

Receipt and disbursement duties for the Sheriff's commissary account are not adequately segregated, and an adequate supervisory review of the accounting records is not performed. The Jail Administrator is primarily responsible for the accounting duties related to commissary, including recording transactions, taking deposits to the bank, and disbursing funds. Various other jail personnel collect monies, issue receipt slips, and prepare deposits. There is no independent and/or supervisory review of commissary accounting records over receipting, depositing, or disbursement procedures to ensure monies are properly and timely recorded, deposited, and disbursed.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate independent or supervisory review of bank and accounting records.

1.2 Bank reconciliations and liabilities

The Jail Administrator does not perform monthly bank reconciliations for the commissary bank account. In addition, a running checkbook balance for the account is not maintained, outstanding checks are not determined, and a monthly list of liabilities is not prepared to reconcile to the commissary account balance. As of January 31, 2015, the commissary account balance was \$2,184, while liabilities, consisting of inmate monies held in the account, totaled \$179, resulting in an unidentified balance of \$2,005. A portion of the unidentified balance could be outstanding checks and commissary profits.

Maintaining running book balances in check registers and performing monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the reconciled cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities. Further, various statutory provisions provide for the disposition of unidentified monies.

1.3 Electronic signature

The commissary account checks are printed with the electronic signature of the former Jail Administrator, who resigned November 30, 2014. The signature of the former Jail Administrator was still in use and 21 checks,



Nodaway County Management Advisory Report - State Auditor's Findings

totaling \$863, were issued from December 1, 2014, to March 24, 2015. All Sheriff deputies and jailers have the ability to print checks from the commissary account with the former Jail Administrator's signature.

To safeguard against possible loss, theft, or misuse of funds and to ensure disbursements are properly handled, the Sheriff's department should discontinue the use of the electronic signature. In addition, the ability to print checks should be restricted.

1.4 Sales tax

The Sheriff's department did not remit sales tax to the Missouri Department of Revenue (DOR) timely and did not retain sufficient records to ensure sales tax was collected on all sales. The Sheriff was to collect and transmit sales tax on commissary items purchased by prisoners during the jail's prior commissary contract, which was effective May 28, 2010, to May 31, 2014. Two checks, totaling \$1,920, were issued from the commissary account to the DOR on May 14, 2014, to pay sales tax on the sale of commissary goods from 2010 through December 31, 2013. The Sheriff was unable to provide documentation of how the sales tax disbursed was calculated.

In addition, the Nodaway County Sheriff's state tax account with DOR was closed on December 31, 2013; however, the Sheriff's department was, according to the vendor contract, responsible for sales tax until May 31, 2014. Thus, additional sales tax may be due to the DOR for January 1, 2014, through May 31, 2014. Beginning June 1, 2014, the Sheriff contracted with a different vendor and the vendor is responsible for collecting and remitting sales tax on commissary sales.

Section 144.080, RSMo, requires sales tax collections be remitted to the DOR on a monthly or quarterly basis, depending on the amounts collected. Additionally, penalties may be assessed because of the county's failure to remit sales tax for the period January 1, 2014, to May 31, 2014.

1.5 Receipting and depositing procedures

Controls and procedures over receipting and depositing monies for the Sheriff's commissary account are not sufficient. As a result, there is less assurance all monies received are deposited.

Manual receipts

Manual receipt slips were issued by the Sheriff's department for the commissary account until May 31, 2014. Various jail personnel were responsible for issuing manual receipt slips. The following weaknesses with manual receipting procedures were noted:

- Manual receipt slips were not always issued in numerical sequence, and original copies of some voided receipt slips were not retained. Two receipt slips were skipped and not used, 2 receipt slips did not indicate the receipt amount, and it is unclear whether these receipt slips were incomplete or if they were voided. The original copies of these receipt slips were removed from the receipt slip book and not retained. We also



Nodaway County Management Advisory Report - State Auditor's Findings

noted instances where the carbon copies of the receipt slips were removed from the receipt slip book and not retained.

- The method of payment (cash, check, or money order) was not always indicated on the manual receipt slip. For example, the method of payment was not indicated on 39 of the 140 (28 percent) manual receipt slips issued during 2014. In addition, the name of the inmate was not noted on 6 receipt slips.
- Two manual receipt slips were issued on September 25, 2014, more than 3 months after electronic receipt slips started being issued. The Sheriff's department was not able to explain why these manual receipt slips were issued.
- The composition of receipts could not be reconciled to the composition of deposits. The Jail Administrator does not include an itemized listing of cash, check, and money orders on deposit slips. The composition of the deposit was not indicated on 10 of 23 deposits made from January 12, 2014, to June 4, 2014.

Electronic receipts

Commissary receipts are not always deposited timely as deposits are generally made about once a month. The Sheriff's department began using a kiosk to collect monies for inmate commissary accounts on June 1, 2014. The kiosk works in connection with accounting software and monies deposited into the kiosk are automatically applied to inmate accounts, but personnel are not removing the money from the kiosk and making deposits timely. For example, 12 inmate receipts totaling \$774 received between November 11, 2014, and December 13, 2014, were not deposited until December 22, 2014.

To ensure all monies received are properly handled and deposited, and reduce the risk of loss, theft, or misuse of funds, adequate receipting and depositing procedures are needed.

1.6 Commissary profits

The Sheriff has not turned over commissary profits to the county Inmate Prisoner Detainee Security Fund as required by state law. The Sheriff allows inmates to make commissary purchases through the contracted vendor and keeps the commission on the sales in the commissary account. The Sheriff does not track the amount of commissary profit remaining in the account.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (profits) into the county Inmate Prisoner Detainee Security Fund. In addition, Section 488.5026.3, RSMo, provides guidance concerning the usage of those funds.



Nodaway County
Management Advisory Report - State Auditor's Findings

1.7 Record retention

Accounting records for commissary transactions prior to June 1, 2014, were not always retained, and thus, we are unable to determine if commissary profits were accounted for properly. The Sheriff was unable to provide order forms or invoices for commissary transactions prior to June 1, 2014, and was unable to provide documentation supporting the calculation of sales tax disbursed to the DOR (see section number 1.4). Furthermore, the Sheriff was unable to provide documentation showing inmate account balances before and after a new accounting software for commissary transactions was implemented on June 1, 2014.

Record retention is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, indicates all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law.

Similar conditions
previously reported

Conditions similar to sections 1.1 and 1.6 were noted in our prior audit report.

Recommendations

The Sheriff:

- 1.1 Adequately segregate accounting duties to the extent possible or ensure independent or supervisory reviews of accounting and bank records are performed and documented.
- 1.2 Ensure monthly bank reconciliations are performed, running balances in the check register are maintained, and lists of liabilities are prepared and reconciled to the cash balance monthly. Any differences between accounting records and reconciliations should be investigated and resolved. After sufficient efforts are made to resolve differences, any remaining unidentified monies should be disposed of in accordance with state law.
- 1.3 Discontinue the use of the electronic signature and restrict the number of jailers and deputies with the ability to print checks.
- 1.4 Contact the DOR and determine if any sales tax is still due to the DOR and ensure that future sales tax collections, if collected, are calculated properly and remitted timely.
- 1.5 Ensure all monies are deposited timely. In addition, if manual receipt slips are used, ensure receipt slips are issued in numerical sequence and are complete, all copies of voided receipt slips are retained, the method of payment is indicated, and the composition of receipt slips issued is reconciled to the composition of deposits.



Nodaway County
Management Advisory Report - State Auditor's Findings

- 1.6 Ensure existing and future commissary profits are adequately tracked and turned over to the County Treasurer to be deposited in the Inmate Prisoner Detainee Security Fund.
- 1.7 Ensure accounting records are properly retained.

Auditee's Response

The Sheriff provided the following responses:

- 1.1 *We are now transmitting all monies received to the County Treasurer, who verifies the amount received, and deposits the monies to our bank account. I will ensure a supervisory review of bank reconciliations and the accounting records is performed monthly in the future.*
- 1.2 *The person responsible for commissary received additional training from our vendor. Monthly bank reconciliations are now being performed and a running book balance is now maintained in the system. I am in the process of identifying all liabilities of my office, to be reconciled with the cash balance of the account monthly.*
- 1.3 *Our vendor has recommended the use of the electronic signature on checks, but I will discuss with them if this is absolutely necessary and will work with the vendor to restrict access to printing checks. I will discuss again the discontinuance of electronic signatures on checks with the vendor.*
- 1.4 *I was under the impression the sales tax issue was resolved. I will contact the Department of Revenue to determine if any liability to the county exists. I do not anticipate collecting sales tax in the future as the current vendor handles those responsibilities.*
- 1.5 *I will work with the Jail Administrator to develop better depositing procedures. I do not anticipate using manual receipt slips in the future, but if necessary, I will ensure they are accounted for properly by handling as recommended.*
- 1.6 *I am working with the vendor to ensure the system tracks the balance of commissary profits. I will develop a set amount of profit to maintain in my commissary account and will turn over profits above that threshold to the County Treasurer.*
- 1.7 *I agree. New procedures are being put in place to properly maintain records.*



Nodaway County
Management Advisory Report - State Auditor's Findings

2. Sheriff's Controls and Procedures

Controls and procedures over the Sheriff's fee account need improvement. The Sheriff's department receives money for bonds, conceal carry weapon permits, board bills, paper service, phone system commissions, and other miscellaneous receipts. Receipts totaled approximately \$141,000 for the year ended December 31, 2014.

2.1 Monthly disbursements

The Sheriff does not ensure fees collected are disbursed timely to the County Treasurer. A review of receipts collected in 2014 indicated disbursements generally did not occur timely. For example, fees totaling \$4,768 for July 2014 were disbursed to the County Treasurer on September 5, 2014. Fees totaling \$5,315 and \$3,922 for October and November 2014 respectively, were disbursed to the County Treasurer on January 13, 2015.

Timely disbursement of fees collected is necessary to provide adequate controls over account balances and increase the likelihood discrepancies are promptly detected. Sections 50.360 and 50.370, RSMo, require all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

2.2 Paper service

The Sheriff's department does not track civil and criminal process papers served or reconcile papers served to monies received to ensure all paper service fees have been accounted for. Payments for the paper service are accepted by the Circuit Court and the Sheriff's department. Documentation from the Circuit Court for payment of paper service does not include the payee but only the lump sum collected. As a result, the Sheriff's department cannot ensure fees are collected for all papers served.

To adequately account for civil and criminal process fees and reduce the risk of loss, theft, or misuse of funds, civil and criminal process papers served should be tracked and reconciled to the related monies received and deposited.

Recommendations

The Sheriff:

- 2.1 Disburse fees to the County Treasurer monthly in accordance with state law.
- 2.2 Track civil and criminal process papers served and perform a comparison of papers served to the related fees collected and deposited.

Auditee's Response

The Sheriff provided the following responses:

- 2.1 *I agree and will implement this recommendation.*



Nodaway County
Management Advisory Report - State Auditor's Findings

- 2.2 *I have spoken with the Circuit Clerk regarding this issue and will follow up with the court to determine how process paper fees will be handled in the future. I will develop a method to ensure all fees are collected and deposited.*

3. County Sales Tax

The county did not properly report property tax levy reductions to the State Auditor's office for several years and levy reductions reported did not agree to the amounts calculated by the County Clerk. In addition, the County Clerk used an incorrect tax rate ceiling in her sales tax reduction calculations.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Nodaway County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet the 50 percent reduction requirement and provides for an adjustment for actual sales tax collections of the preceding year that are more or less than the estimate for the preceding year.

The county is required to certify to the State Auditor's office the annual property tax levy including the amount the levy is reduced for sales tax collections, as well as voluntary reductions, if any. In 2012, 2013, and 2014, the county chose to set the general revenue tax levy at 0.1400, 0.1300, and 0.1200, respectively. The county certified a voluntary reduction for 2012, although the County Clerk's worksheets indicated a combination of both voluntary and sales tax reductions should have been taken. The State Auditor's office followed Section 137.073.5(4), RSMo (amended in 2008), which provides a voluntary reduction taken in a non-assessment year (even year) results in a reduced tax rate ceiling during the subsequent reassessment year (odd year), causing a significantly lowered tax rate ceiling for the county in 2013. County officials were apparently unaware of the lowered tax rate ceiling and the County Clerk used the incorrect tax rate ceiling in her sales tax reduction calculations for 2013.

The county upon realization of the error held a public hearing in April 2014 and adopted a resolution to increase its previously reduced tax rate ceiling as allowed by Section 137.073.5(4), RSMo. County officials used the reinstated ceiling in performing 2014 sales tax reduction calculations and when setting the county's property tax levy for 2014. However, the county again incorrectly reported the reduction. The reduction was reported completely as a sales tax reduction, although the County Clerk's worksheets indicated a sales tax reduction and a voluntary reduction should have been reported. The county failed to submit amended tax rate forms for 2012, 2013, and 2014 to the State Auditor's office as allowed by Section 137.073.6(3), RSMo, until it was brought to their attention by the State Auditor's office in March 2015.



Nodaway County
Management Advisory Report - State Auditor's Findings

To ensure property tax levies are properly set and property tax rate ceilings are maintained, the County Commission and County Clerk should ensure property tax levy reductions are accurately calculated, reported and certified.

Recommendation

The County Commission and County Clerk properly calculate and report property tax rate reductions (sales tax or voluntary). During the tax rate setting process, the County Commission and County Clerk should ensure tax rate information reported back to the county in the State Auditor's office certification letter is consistent with expectations and, if not, promptly follow up on any discrepancies.

Auditee's Response

The County Commission and County Clerk provided the following response:

Amended returns were filed for the affected years in April 2015. We will ensure tax rate information filed with the State Auditor's office is accurate and the certification letter received from the State Auditor's office is consistent with the information filed.

4. Road and Bridge Fuel

The road and bridge department does not have a procedure in place to reconcile fuel usage to fuel purchased. The department has 3 bulk fuel tanks, two used for diesel fuel and one for gasoline. A daily log is maintained showing the mileage/hours for the vehicle/equipment being fueled and the number of gallons dispensed, by type. This information is entered into a monthly log, which also records the number of gallons of fuel purchased each month. However, this usage information is not reconciled to fuel purchases. The monthly logs include year to date usage and the December log indicates the road and bridge department used 14,373 gallons of diesel but purchased 13,081 gallons of diesel during 2014. The bulk log also indicates the road and bridge department used 2,244 gallons of gasoline but purchased 2,331 gallons of gasoline during 2014. Because reconciliations are not performed, the county is unable to explain these differences.

Procedures for reviewing fuel use and reconciling fuel purchased to related records are necessary to ensure the reasonableness and propriety of fuel use and disbursements. Failure to document and monitor fuel use could result in loss, theft, and misuse going undetected.

A similar condition was noted in our two prior reports.

Recommendation

The County Commission ensure a reconciliation of fuel used by the road and bridge department to fuel purchased is performed.



Nodaway County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission provided the following response:

We agree and will work with the road and bridge supervisor to implement this recommendation.

Nodaway County

Organization and Statistical Information

Nodaway County is a township-organized, third-class county. The county seat is Maryville, Missouri.

Nodaway County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 58 full-time employees and 5 part-time employees on December 31, 2014. The townships maintain county roads.

In addition, county operations include the Senate Bill 40 Board and Senior Citizens Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Robert Schieber, Presiding Commissioner	\$	42,030
Bob Westfall, Associate Commissioner		39,627
Bob Stiens, Associate Commissioner		39,627
Sandra L. (Sandy) Smail, Recorder of Deeds		60,042
Beth Walker, County Clerk		60,042
Robert Rice, Prosecuting Attorney		109,366
Darren White, Sheriff		68,297
Vince Shelby, County Coroner		20,255
Diane Thomsen, Public Administrator		46,738
Marilyn Jenkins, County Collector-Treasurer (1), year ended March 31	75,385	
Rex Wallace, County Assessor, year ended August 31,		59,843
Troy Hayes, County Surveyor (2)		

(1) Includes \$15,088 of commissions earned for collecting city property taxes.

(2) Not compensated by the county.



Nicole R. Galloway, CPA
Missouri State Auditor

City of Kimberling



July 2015

Report No. 2015-048

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Kimberling

Accounting Controls and Procedures	<p>The city had significant turnover in the positions of Accounting Clerk, Administrative Assistant, City Treasurer, and City Clerk during 2013 and 2014. During this period, the Board of Aldermen did not perform adequate oversight of the work performed by city personnel, and established segregation of duties were not always followed. Bank reconciliations were not performed timely during 2013. The city does not always use the actual date of receipt when recording payments received, and does not account for the numerical sequence of receipt numbers assigned by the computerized system. In addition, city personnel do not always deposit receipts intact or sufficiently document reasons why cash is withheld from deposits. City personnel also do not maintain documentation to support the allocation of administrative expenses, such as salaries and related benefits, between various city funds. Further, city officials who are authorized signers on city bank accounts, and employees with access to receipts and city funds are not covered by a bond.</p>
Payroll	<p>The Board of Aldermen agreed to a retirement proposal with the former Police Chief and paid him additional compensation totaling \$25,000 in 2013, for services performed during the 3 years prior to his retirement, violating the state constitution. The Board also paid the police department detective additional compensation totaling \$423.50 in 2014 for temporarily serving as the Acting Police Chief in 2013, without authorizing the extra compensation prior to the performance of the extra duties. In addition, the City Clerk did not ensure payroll taxes were accurate and deposited timely, resulting in the assessment of \$1,929 in penalties and interest by the IRS.</p>
Bond Refinancing and Procurement	<p>The city did not solicit competitive proposals for its bond underwriter and did not use an independent financial advisor when selling \$3,755,000 in refunding revenue bonds in May 2013. In addition, the city did not solicit competitive bids for several expenditures exceeding \$5,000 as required by city code; including insurance; legal services; and computer software, license fees, and installation and training services. In November 2013 the city appointed a new City Treasurer, and then immediately rescinded a contract award for auditing services, and instead awarded the contract to the new City Treasurer's former accounting firm, creating the appearance of a conflict of interest. Because the City Treasurer is a former partner of the accounting firm, it is unclear if the firm can complete the audits in an independent and unbiased manner. Further, the city does not have written contracts with some service providers and certain outside parties as required by state law.</p>
Budgets, Financial Statements and Excess Revenue Monitoring	<p>The city did not comply with state law regarding city budgets, annual financial statements, or the monitoring for excess revenue from traffic violations. Annual budgets did not include a budget message and actual amounts for the 2 preceding years, and the Board did not approve the 2014 budget until April 2, 2014. The Board does not adequately monitor budget-</p>

to-actual receipts and disbursements, resulting in amendments to the 2013 budget near the end of the fiscal year and after actual disbursements exceeded amounts budgeted. Financial statements for the 6 months ending June 30, 2013, and December 31, 2013, did not include full and detailed accounts of receipts and disbursements. Further, the city did not calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, determine whether the city should distribute any excess revenues to the state Department of Revenue, and provide an accounting of the percent in its annual financial report as required by state law.

Utility Controls and Procedures	The city does not periodically reconcile customer utility deposit balances reported in the city accounting records to the total deposit amount held in the customer deposits bank account. As of May 31, 2014, records indicated a shortage of \$10,794. According to city personnel, this is most likely due to utility deposits being made to the wrong bank account. In addition, the city does not have procedures in place to compare actual adjustments posted to the utility system to adjustment forms approved by the Board or the Mayor to make sure adjustments made by the Accounting Clerk are proper. Also, city personnel are not following the city's ordinance regarding late payment penalties for delinquent utility accounts.
Sunshine Law	Some topics discussed and voted on by the Board of Aldermen in closed meetings were not allowable under the Sunshine Law, and the Board did not always make public personnel decisions made in closed meetings in compliance with state law. In addition, the city does not timely respond to public record requests, and the City Clerk does not maintain a log of requests or routinely document the date requests are received.
Capital Assets	The city does not maintain records of its capital assets, capital assets are not tagged for specific identification, and an annual physical inventory is not performed.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

City of Kimberling

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Accounting Controls and Procedures4 2. Payroll8 3. Bond Refinancing and Procurement.....9 4. Budgets, Financial Statements, and Excess Revenue Monitoring..... 14 5. Utility Controls and Procedures 16 6. Sunshine Law 18 7. Capital Assets..... 19
-------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	21
---------------------------------------------	----



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Kimberling, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Kimberling. We have audited certain operations of the city in fulfillment of our duties. The city engaged KPM, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended December 31, 2013. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

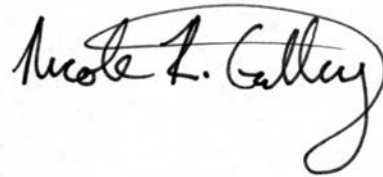
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Kimberling.

An additional report, No. 2014-128, *Thirty-Ninth Judicial Circuit, City of Kimberling Municipal Division*, was issued in December 2014.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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City of Kimberling

Management Advisory Report

State Auditor's Findings

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement.

The city had significant turnover in the positions of Accounting Clerk, Administrative Assistant, City Treasurer, and City Clerk during 2013 and 2014. The Organization and Statistical Information section includes information on the turnover in these positions.

1.1 Segregation of duties and oversight

The Board of Aldermen (Board) did not perform adequate oversight of the work performed by city personnel, and established segregation of duties were frequently not followed as intended. The Administrative Assistant is primarily responsible for collecting and receipting monies and preparing deposits and the City Clerk is responsible for reviewing and transmitting the deposits to the bank, but tasks were not always performed as assigned during 2013 due to frequent turnover in the Administrative Assistant position. In addition, the Administrative Assistant and the City Clerk also performed some of the duties normally performed by a City Treasurer during 2013 when this position was vacant. These weaknesses diminished the effectiveness of segregation of duties and increase the importance of independent reviews of work performed.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these offices, by the same person at the same time would be incompatible. If proper segregation of duties is not operating effectively, the Board should develop procedures to ensure documented independent reviews of accounting records are performed.

1.2 Bank reconciliations

The Board did not ensure city personnel performed timely reconciliations of bank accounts during 2013. Due to the resignation of the former City Treasurer, bank reconciliations for July through November 2013 were not completed until January 2014, after the current City Treasurer took office.

Timely monthly bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected timely.

1.3 Receipt dates and number sequence

The city does not always use the actual date of receipt when recording payments received and does not account for the numerical sequence of receipt numbers assigned by the computerized system.

The computerized system sequentially assigns a receipt number for monies received, but allows users to backdate payments received in the system for up to 5 days, resulting in receipt numbers being out of order on reports generated by date of receipt. For example, monies collected from the drop



City of Kimberling Management Advisory Report - State Auditor's Findings

box each morning are backdated to the prior business day. Also, if a mailed payment is postmarked with a date prior to the month it is entered into the computer system, city personnel can backdate the date of receipt in the system to the postmarked month for the payment to prevent the system from assessing late payment penalties. These control weaknesses allow for possible manipulation of receipt data.

To ensure all monies received are properly recorded and deposited, and reduce the risk of loss, theft, or misuse of funds, consideration should be given to modifying the software program to ensure adequate controls are in place to record proper receipt dates and account for the numerical sequence of receipt numbers.

1.4 Receipting and depositing procedures

City personnel do not always record and deposit receipts timely. For example, property tax statements stamped as paid on November 12 and 13, 2013, were not receipted into the computerized system and deposited until November 22, 2013, and a deposit prepared for fees received on November 30, 2013, was not taken to the bank until December 13, 2013.

City personnel do not always deposit receipts intact or maintain sufficient documentation to explain cash withheld from deposits. When a customer pays utilities and property taxes with one check, city personnel deposit the full amount of the payment into the utility bank account and withhold cash from other customers' utility receipts to cover the amount needed for the property taxes deposit. City personnel deposit tax payments into the general bank account held at a different bank. Because both deposits do not always occur on the same date, property tax receipts are not immediately recorded in the system, and records to support cash withholdings are not sufficient, it is difficult to properly account for all monies received. Our review of deposits for one week in December 2013, identified property tax monies deposited exceeded property tax receipts recorded in the system by \$112. The City Clerk indicated she normally balances the deposits, but was unable to balance the property tax deposit for that period.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected and accounting records will contain errors.

1.5 Allocation of expenses

City personnel do not maintain documentation to support the allocation of administrative expenses, such as salaries and related benefits, between various city funds. The former City Treasurer determined the administrative allocations for 2013, but did not maintain documentation to support these amounts. These allocations, done through journal entries, decreased administrative expenses of the General Fund by \$60,317 (32 percent) and the Street Fund by \$98,000 (34 percent), and increased administrative expenses of the Water and Sewer Fund by \$158,317 during the year ended December 31, 2013.



City of Kimberling Management Advisory Report - State Auditor's Findings

The City Clerk and current City Treasurer developed a percentage method to allocate personnel expenses during 2014, but did not maintain documentation to support the allocation percentages and could not explain how they determined these percentages.

Generally accepted accounting principles and various legal restrictions require accounting for receipts and disbursements associated with specific activities in the fund established for those activities. A proper allocation of expenses is necessary for the city to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for their intended purposes, the allocation of expenses to city funds should be based on specific criteria, such as the number of hours worked by each employee.

1.6 Bond coverage

City officials who are authorized signers on city bank accounts and employees with access to receipts and city funds are not covered by a bond. Failure to properly bond individuals who have access to funds exposes the city to risk of loss.

Recommendations

The Board of Aldermen:

- 1.1 Ensure established segregation of duties is functioning effectively and/or ensure documented independent reviews of accounting records are performed.
- 1.2 Ensure bank reconciliations are completed timely.
- 1.3 Work with the computer software vendor to establish controls to account for the numerical sequence of receipt numbers assigned by the computerized system.
- 1.4 Ensure all monies are recorded immediately upon receipt and deposited timely and intact, and accounting records are sufficient to document handling of payments pertaining to multiple city functions and accounts.
- 1.5 Allocate expenses to city funds based on specific criteria and retain documentation to support these allocations.
- 1.6 Maintain bond coverage for all officials and employees with access to city assets.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 1.1 *We have different people filling each of the three positions of City Clerk, City Treasurer, and City Collector, and we will ensure that*



City of Kimberling
Management Advisory Report - State Auditor's Findings

established segregation of duties is functioning effectively. Additionally, the City Administrator will provide oversight and document independent reviews of the accounting records.

1.2 *The City Treasurer currently completes bank reconciliations in a timely manner and will continue to do so in the future. They are generally performed the week prior to the second Board meeting of the month, and all bank information is presented to the Board at the second meeting of the month as part of the monthly financial report.*

1.3 *Currently, all payments are dated when received in the office. There is an exception on the first business day following the 20th of the month, which is the due date for utility payments. Payments received in the drop box by 8:00 a.m. that morning are attributed to the 20th under the assumption that those monies were given to the City on the 20th. Likewise, payments received in the mail on a Monday when the 20th falls on a weekend are attributed to the 20th. We do this to give the benefit of the doubt to our customers so as to not charge them a late fee if they in fact paid their bill on time. These same procedures apply to January 1st and the receipt of tax payments. The City Administrator will draft an official policy to detail the above policy so that it is well understood by staff and the public.*

As part of the daily deposit review, the City Administrator will review the receipt report and account for the numerical sequence of receipt numbers.

1.4 *Since the time of the audit, administrative staff have made every effort to record monies upon receipt and deposit all funds every day and will continue to do so. Occasionally (i.e., less than once per month) deposits are not made until the following day due to lack of manpower. With the addition of a full-time clerk on April 21st this should be eliminated. All deposits are monitored by the Administrative Assistant, City Administrator, and Accounting Clerk every day for completeness and to ensure payments pertaining to multiple city functions are sufficiently documented in the accounting records.*

1.5 *The allocation method used in the 2013 and 2014 budgets is no longer in place, and has been replaced by a percentage system based on historical findings of the number of hours worked by each employee across departments. The City Administrator will begin a more detailed time study for employees who split time between departments, which will be used to verify and/or modify the percentages used to allocate the salaries and benefits of these*



City of Kimberling
Management Advisory Report - State Auditor's Findings

employees. The city will retain documentation to support the 2015 and future allocations.

- 1.6 *The city will ensure that all officials, appointees, and employees with access to city assets will be appropriately insured and/or bonded.*

2. Payroll

The city made improper payments to employees for services previously rendered and does not adequately monitor payroll taxes.

2.1 Additional compensation

The Board paid the former Police Chief additional compensation totaling \$25,000 in 2013, for services performed during the 3 years prior to his retirement. The former Police Chief, earning an annual salary of approximately \$44,000 during each of the 3 years prior to 2013, presented a retirement proposal to the Board on July 1, 2013, stating "I am proposing a retroactive, no longer than 3 years, raise of \$25,000 with a retirement date of August 31, 2013." The Board voted to approve the retirement proposal on July 2, 2013. The Board obtained a legal opinion on July 9, 2013, which indicates city and state regulations will not allow the Board to grant the \$25,000 unless the Police Chief is able to present evidence of additional services rendered outside the scope of his office. The Board rescinded the initial motion and passed a revised motion on July 16, 2013, to accept the proposal and further compensate the former Police Chief for additional duties for the previous 36 months. City personnel provided a list of additional duties dated July 11, 2013, and had added more detail to the list on August 28, 2013. However, this information included vague descriptions for many of the additional duties and the former Police Chief did not record any of these duties or the associated work hours on his timesheets or other payroll records. He received the \$25,000 over 4 pay periods from July through September 2013.

The Board also paid the police department detective additional compensation totaling \$423.50 in June 2014, for additional duties performed while temporarily serving as Acting Police Chief during the 6-week period ending October 2, 2013. Extra compensation for additional duties or services outside the scope of an employee's normal duties should be authorized in advance of those duties being performed.

Additional compensation for services previously rendered is in violation of Article III, Section 39, Missouri Constitution, which states the general assembly may not authorize any county or municipal authority to grant any extra compensation, fee or allowance to a public officer, agent, servant or contractor after the service has been rendered.

2.2 Payroll taxes

The City Clerk did not ensure payroll taxes were accurate and deposited timely causing the city to incur penalties and interest. For example, total payroll tax deposits for the first, third, and fourth quarters of 2013 were



City of Kimberling
Management Advisory Report - State Auditor's Findings

\$6,010 less than the total amount due per the quarterly tax reports and 7 of the payroll tax deposits for these quarters were not made timely. The former Accounting Clerk was responsible for calculating and depositing the payroll taxes and the City Clerk was responsible for reviewing the accuracy of these deposits. Due to inadequate oversight, the city failed to remit some payroll taxes due to the Internal Revenue Service (IRS) timely, resulting in an assessment of \$1,929 in penalties and interest.

The Internal Revenue Code requires Form 941 to be filed with the IRS on a quarterly basis along with payment of Social Security and Medicare taxes withheld from the employee and the employer's share, as well as federal income taxes withheld. Good business practices require the city to make timely deposits of tax withholdings to avoid unnecessary penalties and interest.

Recommendations

The Board of Aldermen:

- 2.1 Discontinue authorizing additional compensation for services previously rendered.
- 2.2 Ensure payroll taxes are accurately calculated and paid timely.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 2.1 *The city will no longer pay additional compensation to an individual after the services have been rendered. Additionally, edits will be made to the personnel manual detailing that such compensation will not be authorized.*
- 2.2 *All payroll taxes are now being paid monthly and are reconciled quarterly. The payments are made by the Accounting Clerk with oversight of the City Administrator and checked by the City Treasurer for accuracy.*

3. Bond Refinancing and Procurement

Bond refinancing and procurement practices need improvement.

3.1 Bond refinancing

The city sold \$3,755,000 in refunding revenue bonds in May 2013 to refund bonds issued in 2000 for extending and improving the sewerage system. The city did not solicit competitive proposals for its bond underwriter and did not use an independent financial advisor. Rather, the bond underwriter also served as the financial advisor for the bond refinancing. The lack of independent financial advice could result in the city not being adequately informed of bond issuance options or being unable to adequately evaluate bond proposals. The underwriter does not have a fiduciary responsibility to the city because their role is to purchase bonds from the issuer and sell them



City of Kimberling Management Advisory Report - State Auditor's Findings

to investors. An underwriter's incentive is to have the bonds carry a higher interest rate to make the bonds more attractive to investors, while the city's incentive is to keep interest rates low to minimize borrowing costs. As a result, the underwriter cannot objectively represent the interests of both parties. For this reason, it is important that local governments do not rely on the underwriter to also provide financial advisory services. The underwriter received \$150,200 from the bond proceeds for his services.

While Missouri law does not require competition in selecting bond underwriters and financial advisors, a competitive procurement process is important to ensure services are obtained from the best qualified providers at a fair price. In addition, the financial advisor should be independent and free of conflict from the underwriter to help the city obtain lower interest rates and minimize borrowing costs.

The Municipal Securities Rulemaking Board (MSRB) is the regulatory agency that oversees firms involved in underwriting municipal bonds and providing financial advice, and has issued various rules that address the activities and roles of financial advisors and underwriters. MSRB Rule G-23 clarifies the financial advisor has a fiduciary responsibility to the governmental entity (issuer) and cannot act as both financial advisor and underwriter on the same bond issue. Also, MSRB Rule G-17 requires underwriters to disclose that unlike a municipal advisor, the underwriter has no financial duty to the issuer, and is not required to act in the best interests of the issuer. This rule also requires the underwriter to disclose potential or actual conflicts of interest.

3.2 Bidding and documentation

The city does not always solicit competitive bids or proposals for goods and services as required by city code. Section 135.080 of the city code, requires obtaining and recording at least 3 bids for purchases over \$1,000 and less than \$5,000. All supplies and contractual services estimated to cost more than \$5,000 shall be purchased by formal, written contract from the lowest responsible bidder, after due notice inviting proposals.

- The city did not solicit competitive bids for insurance. According to the City Clerk, the city has used the same insurance broker since at least 2009 without periodically soliciting proposals or bids for insurance coverage. During the year ended December 31, 2013, the city paid \$34,043 for general insurance and \$47,052 for workers compensation insurance.
- The city did not solicit competitive proposals for legal services. On July 16, 2013, the Mayor, with Board approval, appointed the City Attorney at a rate of \$135 per hour. The Board increased the City Attorney's hourly rate to \$150 upon his reappointment in May 2014. During the 6 months ended December 31, 2013, the city paid \$16,014 for legal services.



City of Kimberling
Management Advisory Report - State Auditor's Findings

- During 2013, the city did not solicit competitive bids for computer software, license fees, and installation and training services costing \$6,171. The City Clerk indicated the software and related services came from a sole source vendor; however, this information was not documented.

Competitive procurement for major purchases ensures the city is complying with city code, provides a framework for economic management of city resources, and helps ensure the city receives fair value by contracting with the lowest and best bidders. Competitive procurement also ensures all parties are given an equal opportunity to participate in city business. Documentation of the selection process and criteria, including sole source procurement, should be retained to support purchasing decisions.

3.3 Conflicts of interest and independence

The Board did not document reasons for rejecting the lowest bid when it evaluated proposals submitted for auditing services. On November 19, 2013, the Board appointed the current City Treasurer, rescinded the contract award to the lowest bidder for auditing services, and awarded it to the current City Treasurer's former accounting firm at a cost not to exceed \$15,000 per year for 2013, 2014, and 2015. These actions create the appearance of a potential conflict of interest regarding the choice of audit firms. In addition, auditing the work prepared by the City Treasurer, a former partner of the accounting firm, creates some uncertainty that the firm was and will be able to complete the audits in an independent and unbiased manner. During 2014, the city paid \$15,000 for the audit of the year ended December 31, 2013.

Section 135.120 of the city code, requires recording in the Board minutes a full and complete statement of reasons when the award is not given to the lowest bidder. Complete documentation of reasons for rescinding a prior award and rejecting the lowest bid is necessary to support purchasing decisions and avoid the appearance of conflicts of interest. Also, Government Auditing Standards Sections 3.02 and 3.14d require auditors to be independent and defines a familiarity threat as the threat that aspects of a relationship with management or personnel of an audited entity, such as a close or long relationship, will lead an auditor to take a position that is not objective.

3.4 Written contracts

The city does not have written contracts with some service providers and certain outside parties.

- The city does not have a written contract with the City Attorney for legal services. Our review of one invoice dated September 24, 2013, for \$5,226 indicates the city paid \$135 per hour for City Attorney services and \$80 per hour for his staff's services. While the Board appointed the City Attorney at a rate of \$135, rates for staff services were not documented in the Board meeting minutes. The City Attorney provided



City of Kimberling Management Advisory Report - State Auditor's Findings

a copy of an engagement letter dated 4 days prior to his appointment, indicating rates of \$145 per hour for attorneys and \$80 per hour for paralegal/support staff. The Board and City Administrator indicated they were not aware of this engagement letter and it was not signed by the Board or city personnel. As noted in section 3.2, the city paid \$16,014 for legal services during the 6 months ended December 31, 2013.

- The city does not have a written contract with the City Treasurer who was appointed in November 2013 at a compensation rate of \$150 per hour. City budget records for 2014 indicated pay for the City Treasurer is \$21,600 annually based on \$150 per hour times 12 hours per month. However, the city paid Maximist, LLC, a limited liability company organized by the City Treasurer, \$48,450 during 2014. This amount is significantly higher than budgeted for 2014 and amounts paid to the former City Treasurer in prior years. The former City Treasurer's rate of pay was \$50.54 per hour and the city paid him \$7,429 and \$12,711 during 2013 and 2012, respectively. Due to the significant hourly rate, it is important the Board require a written contract with the City Treasurer to ensure costs stay within budget constraints. Contract terms should include the hourly rate, maximum hours to be worked, specific duties to be completed, and provisions to require prior authorization for additional duties or other circumstances that would result in extra compensation.
- The city does not have a written contract with a local computer company that provides the city various services upon request including technical assistance for 2 computers through remote access. The city paid the company approximately \$2,900 during 2013.

Clear and detailed written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city monies are used appropriately and effectively. Additional terms should be included in contracts with information technology vendors to protect sensitive and confidential information. In addition, Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

Recommendations

The Board of Aldermen:

- 3.1 Solicit proposals to obtain the services of an independent financial advisor and an underwriter for any future bond sales and discontinue using an underwriter who also acts in a dual capacity as financial advisor.



City of Kimberling
Management Advisory Report - State Auditor's Findings

- 3.2 Solicit bids and proposals for all applicable purchases as required by city code and state law, and if sole source procurement is necessary, the city should retain documentation of these circumstances.
- 3.3 Document reasons when the award is not given to the lowest bidder to comply with city code.
- 3.4 Enter into written contracts defining services provided and benefits received. In addition, contracts for information technology services should contain sufficient terms to limit access to and protect system data and sensitive and confidential information.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 3.1 *The city currently follows its purchasing procedures and will continue to do so. As per our procedures, bids/quotes are gathered for all purchases greater than \$300. Any outlays greater than \$5,000, as occurred in the case of the bond refinancing, would require competitive sealed bids. The City Administrator will ensure that any further refinancing uses both a properly selected underwriter and a properly selected independent financial advisor.*
- 3.2 *Bidding procedures, as outlined by the city's purchasing procedures, are currently being used for all purchases over their various thresholds. The city is currently bidding out insurance services. In the case of sole source purchasing, the Purchasing Officer will ensure that documentation of that circumstance is attached to the purchase order/requisition.*
- 3.3 *Going forward, the city will ensure the reasons are fully documented when the low bidder is rejected. Additionally, the Board will consider the independence of audit firms and other vendors when procuring such services.*
- 3.4 *The city will enter into written contracts defining services provided and benefits received. These will include, but not be limited to, the City Attorney, City Treasurer, and computer servicing. In the case of contracts for information technology services, we will ensure the inclusion of sufficient terms to limit access to and protect system data and sensitive confidential information.*



City of Kimberling
Management Advisory Report - State Auditor's Findings

4. Budgets, Financial Statements, and Excess Revenue Monitoring

City budgets do not include all elements required by state law and budget amendments were not filed timely. In addition, published financial statements did not include all required elements, and procedures to monitor excess revenues are not adequate.

4.1 Budgetary requirements

Annual budgets do not contain some elements required by state law. Budgets did not include a budget message and actual amounts for the 2 preceding years. In addition, the Board did not approve the 2014 budget until April 2, 2014.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the format. A complete budget should include a budget message and the 2 preceding years actual amounts. A complete and well-planned budget, in addition to meeting statutory guidelines, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates and informing the public about city operations and current finances. In addition, Section 67.030, RSMo, states the governing body shall approve and adopt the annual budget prior to the beginning of the fiscal year.

4.2 Budget monitoring

The Board does not adequately monitor budget-to-actual receipts and disbursements because this information is not always provided to the Board. As a result, budget amendments for the 2013 budget were not approved until December 17, 2013, near the end of the fiscal year and after actual disbursements exceeded budgeted disbursements (appropriations) for some funds. In addition, when approving various line items to be amended in December, the Board also voted to amend the 2013 budget to final actual numbers even though those actual numbers were not known at that time.

Failure to adhere to limits imposed by budgets weakens the Board's effectiveness in controlling the city's financial condition. In addition, the practice of amending the budgets to actual numbers at year-end disregards the purpose of the budget as a planning and monitoring tool. The Board should ensure monthly budget-to-actual comparisons are received and reviewed prior to approving disbursements.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted, but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and comply with state law.



City of Kimberling Management Advisory Report - State Auditor's Findings

4.3 Published financial statements

The city did not comply with state law regarding publishing financial statements. Financial statements for the 6 months ending June 30, 2013, and December 31, 2013, did not include a full and detailed account of receipts and disbursements. Instead, the city published summary statements of receipts and disbursements and the fund balance of its various funds.

Section 79.160, RSMo, requires the Board to prepare and publish financial statements of each 6 month period that include a full and detailed account of the receipts, disbursements, and indebtedness of the city.

4.4 Monitoring of excess revenues

The city did not calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, determine whether excess revenues should be distributed to the state Department of Revenue, and provide an accounting of the percent in its annual financial report for the year ended December 31, 2013, as required by state law.

Effective August 28, 2013, Section 302.341.2, RSMo, was amended, reducing the threshold for remitting excess revenues to the state, and requiring cities provide an accounting for the percent of annual general operating revenue from fines and court costs in its annual financial report submitted to the State Auditor's office as required by Section 105.145, RSMo. Section 302.341.2, RSMo, further provides that a city that is noncompliant with the law and fails to make an accurate or timely report "... shall suffer immediate loss of jurisdiction of the municipal court of said city ... on all traffic-related charges until all requirements of this section are satisfied." Thus, it is imperative the city work with the court to obtain the required traffic violation data and file annual financial reports that provide the required accounting.

Recommendations

The Board of Aldermen:

- 4.1 Prepare annual budgets, which contain all information required by state law, and document its approval of budgets prior to the beginning of the fiscal year.
- 4.2 Properly monitor actual disbursements compared to budgeted disbursements, and ensure actual disbursements do not exceed budgeted disbursements.
- 4.3 Ensure the city's published semiannual financial statements present all financial information required by state law.
- 4.4 Develop procedures to monitor for excess revenues from traffic violations and provide an accounting for the percent of annual general operating revenue from fines and court costs in its annual financial report submitted to the State Auditor's office.



City of Kimberling
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Aldermen provided the following written responses:

- 4.1 *The 2015 budget shows actual amounts for the previous three years, includes a budget message, and was approved in late January. Every effort will be made to approve the 2016 budget in late 2015. The Board will then endeavor to continue to approve timely budgets that include all information required by state law.*
- 4.2 *Budget to actual disbursements are currently provided to the Board on a monthly basis. The budget will be monitored closely to ensure that any required amendments are made prior to financial outlays.*
- 4.3 *Full financial statements were published for the periods ending June 30, 2014, and December 31, 2014, and the city will continue to ensure that such statements are published accurately and in a timely manner.*
- 4.4 *The city will differentiate between income from traffic tickets and other tickets. The total traffic ticket revenues will be placed on the annual financial report along with a calculation of the ratio of traffic ticket revenue to general operating revenue.*

5. Utility Controls and Procedures

Controls over utility deposits, adjustments and compliance with city ordinances on late payments need improvement.

5.1 Utility deposits

The city does not periodically reconcile customer utility deposit balances reported in the city accounting records to the total deposit amount held in the customer deposits bank account. As of May 31, 2014, the customer deposits account balance was \$81,848 and accounting records showed the balance should have been \$92,642, indicating a shortage of \$10,794. City personnel indicated the shortage is likely due to utility deposits being incorrectly deposited into the sewer operations bank account instead of the customer deposits bank account.

Periodic reconciliation of the customer utility deposit accounting records to the available cash balance is necessary to ensure sufficient funds are available for potential utility deposit liabilities. Such reconciliations would allow for prompt detection of discrepancies.

5.2 Utility adjustments

The city does not provide adequate oversight of adjustments posted to the utility computer system by the Accounting Clerk. The Accounting Clerk also prepares bills and occasionally posts payments to customer accounts. The city uses a form to document the Board or Mayor's approval of adjustments and this form is used by the Accounting Clerk to make the adjusting entries in the system. The City does not have procedures in place



City of Kimberling Management Advisory Report - State Auditor's Findings

to compare actual adjustments posted to the utility system to the approval forms to ensure all adjustments posted by the Accounting Clerk are proper.

Requiring someone independent of receipting and recording functions to compare a periodic report of actual adjustment transactions to the approval forms would help ensure the appropriateness of all adjustments.

5.3 Late penalties

City personnel are not following the city's ordinance regarding late payment penalties. Ordinance 710.060 states that a utility bill will be considered delinquent if payment is not received by the 20th day of the month and a late payment penalty of 10 percent will be added to each delinquent bill. Late payment penalties were not assessed to delinquent accounts until the 25th of February, June, and October 2013, and the 27th of March and September 2013.

It is not good public policy to make exceptions to city ordinances, and failing to enforce city ordinances related to utility services does not provide equitable treatment of all utility users and reduces the incentive for customers to make timely payments.

Recommendations

The Board of Aldermen:

- 5.1 Periodically reconcile customer deposits per accounting records to the available cash balance for customer deposits and promptly investigate any differences.
- 5.2 Require an independent review of all utility system adjustments to the adjustments approval forms.
- 5.3 Ensure utility ordinances for late payment penalties are followed.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 5.1 *The city is currently reconciling all customer deposits to accounting records. The Accounting Clerk estimates that 75 percent of customer accounts have been properly researched to ensure the presence of a proper deposit. The City Administrator will ensure that this research is completed in a timely manner and that the total amount of deposits owed equals the total amount reflected in the customer deposits bank account. We will continue to perform periodic reconciliations and promptly investigate any differences to ensure sufficient funds are available for potential deposit liabilities.*
- 5.2 *The City Administrator researches and signs off on all adjustments. Going forward, the Accounting Clerk will generate a monthly corrective billing report showing all utility billing adjustments*



City of Kimberling
Management Advisory Report - State Auditor's Findings

performed. The City Administrator will document his review of the corrective billing report to approval forms.

- 5.3 *Late penalties are assessed to all accounts that have not been received by the 20th of the month. As stated in section 1.3 above, the only payments received after the 20th that are not assessed a penalty are the monies taken from the drop box at 8:00 a.m. the morning of the 21st (the City assumes that the payment was placed in the box on the 20th after close of business). If the 20th occurs on a weekend, mail in the mailbox on Monday morning is also considered on time.*

The city will pass a resolution detailing this policy and the City Administrator will ensure that it is followed properly.

6. Sunshine Law

The Board of Aldermen did not always comply with the Sunshine Law.

6.1 Closed minutes

Some topics discussed and voted on in closed Board meetings were not allowable under the Sunshine Law. For example, the Board approved changes in duties for the Accounting Clerk and Court Clerk in a closed meeting on June 14, 2013, rather than in an open meeting. In addition, personnel decisions made in closed meetings were not always made public as required by the Sunshine Law. For example, the city terminated the Accounting Clerk in a closed meeting on November 12, 2013, but did not release the information to the public after 72 hours.

The Sunshine Law, Chapter 610, RSMo, limits discussions in closed meetings to only those items specifically allowed by law. The Sunshine Law, Chapter 610, RSMo, also requires that any vote on a final decision to hire, fire, promote or discipline an employee shall be made available with a record of how each member voted to the public within 72 hours of the close of the meeting.

6.2 Record requests

The city does not timely respond to public record requests and does not maintain a log of record requests received to ensure all requests are handled in compliance with the Sunshine Law. City policy designates the City Clerk as custodian of records responsible for responding to public record requests. The City Clerk did not respond to a Sunshine Law request for ordinances and agreements dated February 27, 2013, a second request dated April 19, 2013, and a third request dated July 11, 2013. The current City Attorney responded to the requestor on August 15, 2013, and the City Clerk fulfilled part of the request on August 19, 2013, but did not complete her research and finalize the request until October 4, 2013. In addition, the City Clerk does not maintain a log of public record requests and does not always document the date the request is received. As a result, the proper handling of all record requests could not be determined.



City of Kimberling
Management Advisory Report - State Auditor's Findings

Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request was received. To ensure compliance with state law, the city should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of filling the request.

Recommendations

The Board of Aldermen:

- 6.1 Ensure only topics allowed by state law are discussed in closed Board meetings and ensure the final disposition of personnel matters discussed at closed meetings is made public as required by state law.
- 6.2 Ensure requests for information are responded to timely and maintain a public request log to help ensure compliance with state law.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 6.1 *The Board and city staff received Sunshine Law training on March 3, 2015, and going forward, the city will ensure that discussions in closed session are appropriate. In addition, the final disposition of personnel matters discussed in closed meetings will be released in a timely manner.*
- 6.2 *All public record requests are fulfilled by the City Clerk with help from necessary departments. However, the City Administrator is notified of all requests. The City Clerk will maintain a public request log to help ensure compliance with state law. In addition, the City Administrator will be presenting a Sunshine Law policy to the Board for adoption in the near future.*

7. Capital Assets

The city does not maintain records of its capital assets including buildings, utility system infrastructure, equipment, and other property. Additionally, assets are not tagged for specific identification, and an annual physical inventory is not performed.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.



City of Kimberling
Management Advisory Report - State Auditor's Findings

Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location and subsequent disposition. The Board should also properly tag, number, or otherwise identify all applicable city property and conduct and document an annual inventory.

Auditee's Response

The Board of Aldermen provided the following written response:

The city will create a detailed capital asset ledger, properly tag applicable city property, and perform and document an annual physical inventory of capital assets.

City of Kimberling

Organization and Statistical Information

The City of Kimberling is located in Stone County. The city was incorporated in 1973 and is currently a fourth-class city. The city employed 17 full-time employees and 1 part-time employee on December 31, 2013.

City operations include law enforcement, utilities (water and sewer), street maintenance, and recreational services.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor is paid \$200 per month and the Board of Aldermen members are paid \$30 per meeting. The compensation of these officials is established by ordinance. The Mayor and Board of Aldermen, at December 31, 2013, are identified below.

Joseph M. Schrodtt, Mayor (1)
Robert Fritz, Alderman, Ward 1 (2)
Carl Newberry, Alderman, Ward 1 (3)
Maurice Mires, Alderman, Ward 2 (4)
Ken Bowling, Alderman, Ward 2 (5)

(1) Joseph M. Schrodtt's term ended in April 2014 and Robert Fritz was elected as Mayor.
(2) Robert Fritz's term ended in April 2014 and Lowell Mielke was elected as Alderman, Ward 1.
(3) Carl Newberry's term ended in April 2015 and Virgil Moore was elected as Alderman, Ward 1.
(4) Maurice Mires' term ended in April 2014 and Michelle Stump was elected as Alderwoman, Ward 2.
(5) Ken Bowling resigned in May 2014. Harold Henry was appointed in June 2014, and elected in April 2015, as Alderman, Ward 2.

Other Principal Officials and Office Personnel

The City Attorney, City Treasurer, City Clerk, City Administrator, Police Chief, Municipal Judge, and City Prosecuting Attorney are appointed positions. The Accounting Clerk and Administrative Assistant are hourly positions. The city's other principal officials and office personnel at December 31, 2013, are identified below.

Russ Schenewerk, City Attorney (1)
Larry Brown, City Treasurer (2)
Judith Seager, City Clerk (3)
Vacant, City Administrator (4)
Craig Alexander, Police Chief (5)
Mark Rundel, Municipal Judge
Eric Chavez, City Prosecuting Attorney
Cathy Adams, Accounting Clerk (6)
Vacant, Administrative Assistant (7)



City of Kimberly Organization and Statistical Information

- (1) Russ Schenewerk was appointed as City Attorney in July 2013. Hank Griffin served as City Attorney from 2006 to June 2013.
- (2) Larry Brown was appointed as City Treasurer in November 2013. Martin Eastwood served as City Treasurer from May 1999 to August 2013.
- (3) Judith Seager served as City Clerk from August 2009 to October 2014. Patricia Zimdars served as City Clerk from January 2015 to February 2015. Barbara Hubbard was promoted from Administrative Assistant to City Clerk in April 2015.
- (4) The position of City Administrator was vacant during 2013. Douglas Polen is the current City Administrator and was appointed in September 2014.
- (5) Craig Alexander was appointed as Police Chief in October 2013. Paul Howerton served as Police Chief from May 1981 to August 2013.
- (6) Cathy Adams was hired as Accounting Clerk in December 2013. Tara DuShane served as Accounting Clerk from December 2004 to November 2013.
- (7) Jamie Pearson served as Administrative Assistant from November 2011 to March 2013. Annette Skipper served as Administrative Assistant from May 2013 to October 2013. Connie Wilson served as Administrative Assistant from November 2013 to December 27, 2013. Barbara Hubbard served as Administrative Assistant from January 2014 to April 2015. This position is currently vacant.



Nicole R. Galloway, CPA
Missouri State Auditor

OFFICE OF ADMINISTRATION

Division of Purchasing and Materials Management

State Agency for Surplus Property



July 2015

Report No. 2015-049

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Office of Administration - Division of Purchasing and Materials Management, State Agency for Surplus Property

Monitoring of Donees	As of March 2015, State Agency for Surplus Property (SASP) personnel have not performed site visits to donees to review federal surplus property utilization requirements since July 2013 and SASP personnel do not follow up on utilization reports that are either incomplete or do not contain sufficient information.
Sale of State Surplus Property	There is no statewide policy to prohibit state employees from purchasing state surplus property disposed of by their agency of employment. As a result, some state employees may receive an unfair advantage when purchasing surplus property.
Federal Surplus Property on Hand	The SASP's supply of some federal surplus property items exceeds the current needs of donees and some property items have been on hand for several years. The SASP has no policy to provide guidelines on maintaining appropriate inventory balances.
Accounts Receivable and Perpetual Inventory	The SASP does not always post property transfers to the accounts receivable ledger or the perpetual inventory system timely.
Capital Assets	The SASP capital asset records are incomplete and lack sufficient information to accurately identify the description or location of some assets. SASP personnel could not easily locate or identify some capital assets tested because the capital asset listing did not include details of the make, model, and location of some assets.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Office of Administration

Division of Purchasing and Materials Management

State Agency for Surplus Property - Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Monitoring of Donees4 2. Sale of State Surplus Property.....5 3. Federal Surplus Property On Hand.....6 4. Accounts Receivable and Perpetual Inventory.....8 5. Capital Assets.....8
-------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	10
---------------------------------------------	----

Appendixes

	Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments, Year Ended -	
A-1	June 30, 2014.....	11
A-2	June 30, 2013.....	12
B	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2014.....	13
C	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2014.....	14



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Douglas E. Nelson, Commissioner
Office of Administration
and
Karen Boeger, Director
Division of Purchasing and Materials Management
and
Lee Ann Braun, Manager
State Agency for Surplus Property
Jefferson City, Missouri

We have audited certain operations of the Office of Administration, Division of Purchasing and Materials Management, State Agency for Surplus Property, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014, and 2013. The objectives of our audit were to:

1. Evaluate the agency's internal controls over significant management and financial functions.
2. Evaluate the agency's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

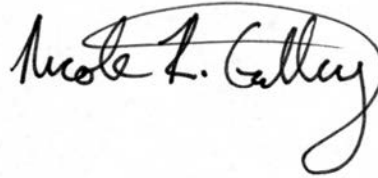
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency, as well as certain external parties; performing site visits; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards

require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the agency's management and was not subjected to the procedures applied in our audit of the agency.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Administration, Division of Purchasing and Materials Management, State Agency for Surplus Property.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
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In-Charge Auditor:	Denise Huddleston, MBA
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	Morgan Alexander
	Garrett G. Pitts

Office of Administration - Division of Purchasing and Materials Management
State Agency for Surplus Property
Management Advisory Report - State Auditor's Findings

1. Monitoring of Donees

The Missouri State Agency for Surplus Property (SASP) does not adequately monitor donees to ensure compliance with federal program guidelines. As of March 2015, SASP personnel have not performed site visits to donees to review federal surplus property utilization requirements since July 2013 and SASP personnel do not follow up on utilization reports that are either incomplete or do not contain sufficient information.

The SASP maintains a list of concerns identified regarding donees not using federal surplus property for its intended purpose. This list is considered when SASP personnel schedule donees to visit. Our review noted the list includes concerns from May 2013 that have not been investigated. In addition, during our review of utilization reports submitted by 10 donees, we noted reports submitted by 5 donees were not complete or did not contain sufficient information such as the use, condition, or location of the surplus property. The SASP did not obtain the missing information from the donees and did not require the donees to resubmit the utilization reports with complete information.

Federal Management Regulation, 41 CFR Section 102-37.450, requires that surplus property be used only for its authorized purpose, placed in use within one year, and used for one year by the eligible donee. The donee is not allowed to sell, trade, lease, loan, cannibalize, encumber, or otherwise dispose of the property within the restriction period without prior approval from the SASP or the General Services Administration (GSA). If the donee cannot meet these requirements, the donee is required to return the property to the SASP at the donee's expense. In addition, according to the State Plan of Operations, if the item has an original acquisition cost of \$5,000 or more, or is a passenger motor vehicle, the restriction period is 18 months instead of one year. When the restriction period expires, the SASP and the GSA are no longer responsible to monitor donee compliance.

In addition, 41 CFR Section 102-37.480, requires the SASP to conduct utilization reviews, as provided in the State Plan of Operations, to ensure that donees are using surplus property during the period of restriction for the purposes for which it was donated. The State Plan of Operations requires the SASP to perform a physical inspection or requires the donee to submit a written utilization report during the restriction period.

Recommendation

The SASP perform periodic site visits of donees and require donees to submit complete utilization reports to ensure donee compliance with federal regulations.

Auditee's Response

We agree with the recommendation.

- *We have started performing site visits once a month or 12 times a year.*



Office of Administration
Division of Purchasing and Materials Management
State Agency for Surplus Property
Management Advisory Report - State Auditor's Finding

- *The SASP has written internal procedures in place for handling utilization reports. They have recently been updated to include specific instructions for handling incomplete forms.*
- *We have received a list from the State Auditor's office of the 5 utilization reports that were not complete at the time of the audit. The SASP will follow up on these reports to ensure completion.*

2. Sale of State Surplus Property

There is no statewide policy to prohibit state employees involved with the surplus property process from purchasing state surplus property disposed of by their agency of employment. As a result, some state employees may receive an unfair advantage when purchasing surplus property.

The SASP frequently sells state surplus property using a public auction website. If another state agency or donee shows no interest in the property and the property has been determined to still have value, the SASP will post the property on the public auction website. During the 2 years ended June 30, 2014, the SASP received \$3 million from sales through this website.

During our test of state surplus property dispositions we reviewed 15 lots, consisting of 172 total property items, sold on the public auction website. We noted 2 lots, consisting of 104 total property items, were sold for a total of \$646 to state employees employed by the disposing agencies. Without a policy prohibiting state employees involved with the surplus property process from purchasing surplus property, some state employees may have an unfair advantage over other bidders by having knowledge of the property being sold.

Internal operating procedures of the SASP prohibit SASP employees or any other Office of Administration, Division of Purchasing and Materials Management (DPMM) staff that supervises the SASP, and members of their immediate household, from purchasing, directly or indirectly, any federal surplus property or state surplus property sold or disposed of by the SASP, unless a waiver is given to the SASP employee by the Director of the DPMM or his/her designee. The SASP should work with other state agencies to develop a similar policy statewide to prohibit state employees involved with the surplus property process from purchasing state surplus property disposed of by an employee's agency of employment.

Recommendation

The SASP work with other state agencies to develop a statewide policy to prohibit state agency employees involved with the surplus property process from purchasing state surplus property disposed of by the employee's agency of employment.



Auditee's Response

We agree with the recommendation.

- *State Surplus Forms SS1's and SS2's will require supervisor signature approval with the implementation of the SASP's new inventory software. The initiating person will enter the form into the new system and then a different person with approval authority will have to approve the entry before the form is processed and sent to the SASP. Having a different person approve the form prior to processing provides verification that the initial entry is an accurate assessment of the content and condition of the property listed for disposal.*
- *We will add a provision to State Surplus Property Policies and Procedures to advise agencies not to allow employees to purchase their agency's surplus property items when they are involved with the surplus property process either through direct responsibility, involvement, or approval authority. A notice regarding this policy addition can be shared with the Purchasing Committee, the Financial Management Advisory Committee, and the Office of Administration, Information Technology Services Division to share with the Information Technology agency community.*

3. Federal Surplus Property On Hand

The SASP's supply of some federal surplus property items exceeds the current needs of donees and some items have been on hand for several years. The SASP has no policy to provide guidelines on maintaining appropriate inventory balances.

The GSA requires the SASP maintain adequate inventory procedures and records to account for and control surplus property when received, stored, and distributed. The SASP maintains two types of inventory records, line items and F-items. Line items are accounted for by each item and consist of the larger, more expensive items such as vehicles and heavy equipment. F-items are the less costly items which are accounted for in broad groupings and valued at an average unit cost. There are 40 F-item groupings. Examples of F-items include office supplies, hand tools, furniture, tires, electrical accessories, clothing, and footwear. The inventory records account for property in quantities such as number of items or by weight, and by the federal government's original acquisition cost.

We reviewed the supply of federal surplus property on hand as of June 30, 2014, per the SASP inventory records, and noted property on hand for 35 of the 40 F-item groupings (88 percent) exceeded a 6 month's supply. Examples of these items include the following:



Office of Administration
Division of Purchasing and Materials Management
State Agency for Surplus Property
Management Advisory Report - State Auditor's Finding

Description	Quantity on Hand	Issued/Sold During the Year	Months Supply on Hand
		Ended June 30, 2014	
Miscellaneous Cleaning Supplies	15,271	1,292	142
Electrical Accessories	35,385	5,969	71
Hardware and Abrasives	16,375	2,772	71
Brushes, Paints, Sealers, Adhesives	6,338	1,246	61
Clothing	14,088	3,732	45
Footwear	3,797	1,002	45

Even though the F-item examples in the above table indicated excessive quantities on hand, the SASP continued to receive additional inventory items for each of these categories during the fiscal year ended June 30, 2014.

In addition, some line items have been on hand for several years. For example, a generator received in August 2006 is still on hand. The SASP had a total of 1,831 line items on hand as of June 30, 2014, with a total original acquisition value of \$9.3 million. Of these line items, 578 (31%) were received prior to fiscal year 2013. Many of the older items are generators, but also include items such as tool kits, compressors, cargo trucks, and snow blowers.

Excess inventories cause an unnecessary burden on staff to maintain the property and inventory records. A policy to provide guidelines on maintaining appropriate inventory balances would reduce the amount of inventory on hand. The SASP should only acquire items in quantities that donees will purchase in a reasonable time.

Similar conditions were noted in our prior report.

Recommendation

The SASP obtain surplus property in quantities to meet the current needs of donees, reduce inventory levels, and implement a policy providing guidelines on maintaining appropriate inventory balances.

Auditee's Response

We agree with the recommendation.

- We have started placing items on GSA Online Auction again in order to reduce inventory.*
- We are putting approximately 30 older model generators on the next GSA Online Auction and the snow blowers on a later auction.*
- We have transferred most of the tool kits and two of the cargo trucks.*



- *The new inventory system will help track the items to assist in the movement of the property sold. On a semi-annual or quarterly basis, we will look at items to determine if the older property needs to be placed on GSA Online Auction.*

4. Accounts Receivable and Perpetual Inventory

The SASP does not always post property transfers to the accounts receivable ledger or the perpetual inventory system timely.

When property is transferred to a donee, an invoice is created by the SASP. The transaction is then posted to the accounts receivable ledger and the property is removed from the perpetual inventory system. During a test of 25 invoices for transfers of federal surplus property, we noted an invoice dated January 29, 2013, totaling \$2,034, was not posted to the accounts receivable ledger or the perpetual inventory system until March 13, 2013. The payment for this property was received and deposited on February 13, 2013, resulting in an improper credit balance to the donee's account until the invoice was subsequently posted.

All transactions should be posted timely to ensure accounting records for accounts receivable balances and the perpetual inventory system are accurate and reflect current information.

Recommendation

The SASP ensure the accounting records for accounts receivable balances and the perpetual inventory system are updated timely.

Auditee's Response

We agree with the recommendation.

- *The cited invoice was held until the property was checked into inventory. As an additional safeguard going forward, the new software will not allow property to be transferred unless it is already checked into the inventory system.*
- *This was an isolated oversight and is not the SASP's standard practice. Policies and procedures are in place to address this issue and we will be closely monitoring going forward to ensure this issue does not reoccur.*

5. Capital Assets

The SASP capital asset records are incomplete and lack sufficient information to accurately identify the description or location of some assets. In addition, some assets are not properly tagged to identify the assets as state property and, some asset dispositions are not documented in the capital asset records. As of June 30, 2014, the SAM II capital asset system indicated total assets of approximately \$3.6 million for the SASP.

SASP personnel could not easily locate or identify some capital assets we selected during our review because the capital asset listing did not include



Office of Administration
Division of Purchasing and Materials Management
State Agency for Surplus Property
Management Advisory Report - State Auditor's Finding

details of the make, model, and location of some assets. In addition, one asset we selected for review had been disposed, but the disposition was not recorded in the capital asset listing until we discussed the issue with SASP personnel.

Some assets selected did not have a state property tag attached. SASP personnel stated all assets are tagged when they are acquired; however, over time some tags are destroyed or fall off. The SASP personnel indicated they do not replace the missing tags, but in some instances they note the tag number on the property by other means, such as paint. However, 2 of the 8 capital assets we reviewed did not have a property tag attached or a painted number.

The Code of State Regulations, 15 CSR 40-2.031, requires each department to account for all acquisitions and dispositions of equipment items with a cost of \$1,000 or more and to maintain adequate capital asset records that contain certain information. Required information includes identification number; description of the item including name, make, model, and serial number, where appropriate; acquisition cost; date of acquisition; estimated useful life at the date of acquisition; physical location in sufficient detail to readily locate the item; and method and date of disposition.

The failure to maintain complete and accurate capital asset records and not properly tagging all capital assets reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected.

Recommendation

The SASP maintain complete and accurate capital asset records and ensure all capital assets are properly tagged to identify the assets as state property.

Auditee's Response

We agree with the recommendation.

- *We will review the SASP's current policy and procedures to see if any updates are needed. Also, we will put in place the necessary steps to follow when tags fall off or property is not clearly marked as agency use.*
- *We will clearly mark these assets, "For SASP Use," and with the tag numbers.*

Office of Administration - Division of Purchasing and Materials Management

State Agency for Surplus Property

Organization and Statistical Information

The Missouri State Agency for Surplus Property (SASP) is authorized by Sections 37.075 through 37.090, RSMo. The SASP is under the Division of Purchasing and Materials Management within the Office of Administration.

The federal General Services Administration oversees the SASP management of the federal surplus property donation program. This program enables certain nonfederal organizations to obtain property the federal government no longer needs. The SASP obtains this surplus property from the federal government and donates it to eligible donees for a service charge. Eligible donees include public agencies, not-for-profit educational and public health activities, agencies that primarily serve the homeless, agencies that provide assistance to the needy, and agencies that receive funds from the Older Americans Act.

In addition to the federal donation program, SASP operates the state surplus property program. This program provides an opportunity for the same donees to obtain surplus property from state agencies. The SASP may also sell state surplus property to the general public using a public auction website.

The SASP is designed to be self-sustaining. Eligible donees pay a nominal service charge to obtain property. In addition, the SASP retains a percentage of the proceeds from sales to the public through the public auction website.

Lee Ann Braun has served as Manager of the SASP since September 1, 2012. As of June 30, 2014, the agency employed 15 full time employees and 4 part-time employees.

Appendix A-1

State Agency for Surplus Property
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2014

	Federal Surplus Property Fund	Proceeds of Surplus Property Fund	Total (Memorandum Only)
RECEIPTS			
Federal surplus property sales	\$ 2,293,949	0	2,293,949
State surplus property sales	0	2,157,524	2,157,524
Recycling program	205,570	0	205,570
Sales tax	0	39,372	39,372
Interest	19,521	0	19,521
Refunds/rebates	15,795	0	15,795
Miscellaneous	0	83	83
Total Receipts	<u>2,534,835</u>	<u>2,196,979</u>	<u>4,731,814</u>
DISBURSEMENTS			
Personal services	613,119	0	613,119
Employee fringe benefits	326,619	0	326,619
Expense and equipment	244,428	1,823	246,251
Professional services	160,179	122,557	282,736
Fixed price vehicle program	1,454,900	0	1,454,900
Program distributions	0	135,588	135,588
Cost allocation	2,196	0	2,196
Other	6,819	38,862	45,681
Total Disbursements	<u>2,808,260</u>	<u>298,830</u>	<u>3,107,090</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(273,425)</u>	<u>1,898,149</u>	<u>1,624,724</u>
TRANSFERS			
Transfers from:			
Proceeds of Surplus Property Fund	144,730	0	144,730
Transfers to:			
Various funds-surplus property sale proceeds	0	(1,724,464)	(1,724,464)
Department of Social Services Federal & Other Sources Fund	<u>(30,000)</u>	<u>0</u>	<u>(30,000)</u>
Total Transfers	<u>114,730</u>	<u>(1,724,464)</u>	<u>(1,609,734)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	<u>(158,695)</u>	<u>173,685</u>	<u>14,990</u>
CASH AND INVESTMENTS, JULY 1, 2013	<u>3,549,540</u>	<u>242,096</u>	<u>3,791,636</u>
CASH AND INVESTMENTS, JUNE 30, 2014	<u>\$ 3,390,845</u>	<u>415,781</u>	<u>3,806,626</u>

Appendix A-2

State Agency for Surplus Property
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2013

	Federal Surplus Property Fund	Proceeds of Surplus Property Fund	Total (Memorandum Only)
RECEIPTS			
Federal surplus property sales	\$ 2,988,491	281	2,988,772
State surplus property sales	0	1,635,657	1,635,657
Recycling program	230,908	0	230,908
Sales tax	0	25,154	25,154
Interest	20,384	0	20,384
Refunds/rebates	21,011	0	21,011
Miscellaneous	0	218	218
Total Receipts	<u>3,260,794</u>	<u>1,661,310</u>	<u>4,922,104</u>
DISBURSEMENTS			
Personal services	617,122	0	617,122
Employee fringe benefits	330,316	0	330,316
Expense and equipment	234,860	1,394	236,254
Professional services	262,739	98,229	360,968
Fixed price vehicle program	1,450,300	0	1,450,300
Program distributions	0	145,657	145,657
Cost allocation	1,434	22,585	24,019
Other	5,001	36,671	41,672
Total Disbursements	<u>2,901,772</u>	<u>304,536</u>	<u>3,206,308</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>359,022</u>	<u>1,356,774</u>	<u>1,715,796</u>
TRANSFERS			
Transfers from:			
Proceeds of Surplus Property Fund	136,826	0	136,826
General Revenue Fund	3,767	0	3,767
Transfers to:			
Various funds-surplus property sale proceeds	0	(1,403,704)	(1,403,704)
Department of Social Services Federal & Other Sources Fund	(30,000)	0	(30,000)
Total Transfers	<u>110,593</u>	<u>(1,403,704)</u>	<u>(1,293,111)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	<u>469,615</u>	<u>(46,930)</u>	<u>422,685</u>
CASH AND INVESTMENTS, JULY 1, 2012	<u>3,079,925</u>	<u>289,026</u>	<u>3,368,951</u>
CASH AND INVESTMENTS, JUNE 30, 2013	<u>\$ 3,549,540</u>	<u>242,096</u>	<u>3,791,636</u>

Appendix B

State Agency for Surplus Property
Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,					
		2014			2013		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
FEDERAL SURPLUS PROPERTY FUND							
Fixed Price Vehicle Program	\$	1,495,994	1,493,941	2,053	1,500,000	1,499,208	792
Office of Administration Information Technology							
Consolidation - Expense and Equipment		12,639	495	12,144	12,639	1,209	11,430
Surplus Property - Personal Service		765,994	566,006	199,988	760,371	570,332	190,039
Surplus Property - Expense and Equipment		495,698	321,649	174,049	500,000	401,408	98,592
Surplus Property Recycle - Personal Service		47,153	47,113	40	46,865	46,790	75
Surplus Property Recycle - Expense and Equipment		50,322	50,241	81	51,610	51,075	535
Total Federal Surplus Property Fund		2,867,800	2,479,445	388,355	2,871,485	2,570,022	301,463
PROCEEDS OF SURPLUS PROPERTY FUND							
Surplus Property Sale Proceeds		299,894	298,830	1,064	300,000	281,951	18,049
Total Proceeds Of Surplus Property Fund		299,894	298,830	1,064	300,000	281,951	18,049
Total All Funds	\$	3,167,694	2,778,275	389,419	3,171,485	2,851,973	319,512

Appendix C

State Agency for Surplus Property Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	\$ 613,119	617,122	603,489	592,596	645,046
Travel, in-state	3,301	2,245	2,487	1,874	1,301
Travel, out-of-state	10,585	10,320	10,692	10,930	7,607
Fuel and utilities	14,276	13,960	9,403	407	900
Supplies	101,248	107,618	114,014	94,944	83,827
Professional development	2,821	4,766	3,040	2,195	2,202
Communication services and supplies	6,443	6,902	7,232	7,281	14,521
Services:					
Professional	282,736	360,968	445,448	402,694	208,808
Housekeeping and janitorial	2,204	2,054	2,275	1,642	5,483
Maintenance and repair	44,474	34,930	52,633	33,121	45,033
Equipment:					
Computer	0	0	958	0	2,596
Motorized	5,500	0	0	0	0
Office	0	30	0	595	4,771
Other	15,660	18,230	29,344	3,143	913
Property and improvements	37,889	32,099	27,549	0	151,132
Building lease payments	1,850	3,100	3,368	2,821	19,212
Equipment rental and leases	0	0	0	209	2,014
Miscellaneous expenses	29,031	28,535	30,790	29,310	21,786
Rebillable expenses	1,454,900	1,450,300	1,928,100	565,169	1,225,254
Refunds	16,650	13,137	7,370	958	7,089
Program distributions	135,588	145,657	148,794	106,703	67,282
Total Expenditures	\$ <u>2,778,275</u>	<u>2,851,973</u>	<u>3,426,986</u>	<u>1,856,592</u>	<u>2,516,777</u>



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Howard County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Howard County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Beard-Boehmer & Associates, PC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

July 2015
Report No. 2015-050

AUDITED FINANCIAL STATEMENTS

HOWARD COUNTY, MISSOURI

**FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013**

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BEARD-BOEHMER & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI

HOWARD COUNTY, MISSOURI
TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report	1 – 2
FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash— All Governmental Funds—Regulatory Basis For the Years ended December 31, 2014 and 2013.....	3
Comparative Statements of Receipts, Disbursements and Changes in Cash— Budget and Actual—Regulatory Basis For the Years ended December 31, 2014 and 2013.....	4 – 16
Notes to Financial Statements	17 – 25
Supplementary Information:	
Schedule of Expenditures of Federal Awards For the Years Ended December 31, 2014 and 2013	27
Notes to the Schedule of Expenditures of Federal Awards	28
COMPLIANCE SECTION	
AUDITORS' REPORTS PURSUANT TO GOVERNMENTAL AUDITING STANDARDS	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30 – 31
Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	32 – 33
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action) For the Years Ended December 31, 2014 and 2013	
Section I – Summary of Auditors' Results	34
Section II – Financial Statement Findings	35
Section III – Federal Award Findings and Questioned Costs	35 – 36
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	38

June 19, 2015

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Howard County, MO

Report on the Financial Statements

We have audited the accompanying financial statements of Howard County, Missouri, which collectively comprise cash for each fund as of December 31, 2014 and 2013, and the related statements of cash receipts and disbursements-budget to actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Howard County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Howard County, Missouri, as of December 31, 2014 and 2013, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Howard County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of Howard County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Howard County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Howard County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

HOWARD COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Fund	Cash January 1, 2013	Receipts	Disbursements	Cash December 31, 2013	Receipts	Disbursements	Cash December 31, 2014
General Revenue	\$ 176,058	1,388,841	1,163,092	\$ 401,807	1,529,183	1,318,517	\$ 612,473
Special Road and Bridge	183,562	1,381,225	1,282,253	282,534	1,706,233	1,699,118	289,649
Assessment	46,137	157,808	155,738	48,207	158,746	149,347	57,606
Law Officers Training	509	1,428	1,513	424	1,583	1,502	505
Prosecuting Attorney Training	580	246	-	826	286	-	1,112
Recorder's User Fee	5,355	4,091	3,543	5,903	3,662	3,300	6,265
Recorder's Technology	9,540	2,631	-	12,171	2,366	-	14,537
Keller Building	13,056	130,720	128,098	15,678	154,148	134,198	35,628
Keller Building Maintenance	44,381	765	8,341	36,805	6,580	13,195	30,190
Victims of Domestic Violence	13,794	1,155	-	14,949	2,042	-	16,991
Civil Defense	29	27,281	25,416	1,894	25,698	26,449	1,143
County Law Enforcement Restitution	5,092	5,090	5,553	4,629	6,648	-	11,277
Sheriff's Civil Fee	4,657	10,683	8,434	6,906	9,609	11,103	5,412
Sheriff's Benevolent	234	1,526	903	857	1,489	1,771	575
Sheriff's Revolving Fee	8,103	14,030	5,771	16,362	7,651	16,524	7,489
Inmate Security	-	503	-	503	8,122	-	8,625
Deputy Salary Supplement	240	3,700	3,640	300	3,560	3,420	440
Prosecuting Attorney Administrative Handling Cost	882	9,047	9,902	27	11,103	9,300	1,830
Prosecuting Attorney Delinquent	1,390	501	828	1,063	113	1,081	95
Prosecuting Attorney Supplemental	4,260	15,079	16,116	3,223	15,836	15,415	3,644
Election Services	1,461	2,889	964	3,386	1,597	2,024	2,959
Economic Development	432,009	51,502	70,212	413,299	134,421	25,213	522,507
Tax Maintenance	55,198	14,093	12,864	56,427	14,277	16,589	54,115
Jail Sales Tax	21,307	683	3,673	18,317	154	14,988	3,483
Law Enforcement	3,062	535,148	522,819	15,391	598,597	568,167	45,821
Howard County Water Project	-	-	-	-	1,080	1,080	-
Sheltered Services Board	276,880	504,604	505,871	275,613	146,465	112,758	309,320
Totals	\$ 1,307,776	4,265,269	3,935,544	\$ 1,637,501	4,551,249	4,145,059	\$ 2,043,691

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

General Revenue Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 320,000	327,800	7,800	\$ 325,000	318,729	(6,271)
Sales and use taxes	705,079	762,321	57,242	580,000	626,270	46,270
Intergovernmental	3,704	14,553	10,849	13,251	5,977	(7,274)
Charges for services	361,400	364,972	3,572	384,825	388,898	4,073
Interest income	7,500	10,872	3,372	5,000	7,586	2,586
Other	39,500	48,665	9,165	31,800	41,381	9,581
Operating transfers in	-	-	-	6,291	-	(6,291)
Total Receipts	\$ 1,437,183	1,529,183	92,000	\$ 1,346,167	1,388,841	42,674
DISBURSEMENTS						
General County Government-						
County Commission	\$ 83,168	82,259	(909)	\$ 83,305	82,365	(940)
County Clerk	83,380	81,905	(1,475)	81,755	80,744	(1,011)
Elections	70,972	57,329	(13,643)	32,372	22,110	(10,262)
Buildings and grounds	72,630	60,546	(12,084)	69,940	59,951	(9,989)
Employee fringe benefits	145,100	129,434	(15,666)	124,075	109,802	(14,273)
Treasurer	41,100	40,305	(795)	41,350	41,008	(342)
Collector	73,800	69,769	(4,031)	72,222	72,020	(202)
Recorder of Deeds	39,230	30,916	(8,314)	39,230	29,321	(9,909)
Circuit Clerk	25,200	9,921	(15,279)	25,200	9,196	(16,004)
Court Administration	30,670	5,847	(24,823)	29,220	3,754	(25,466)
Public Administrator	63,145	63,019	(126)	63,736	63,436	(300)
Other	202,947	156,614	(46,333)	173,500	118,814	(54,686)
Public Safety-						
Prosecuting Attorney	78,999	77,989	(1,010)	78,619	77,874	(745)
Juvenile Officer	69,510	64,463	(5,047)	73,000	64,251	(8,749)
Coroner	15,600	14,705	(895)	15,500	13,730	(1,770)
Public Defender	5,259	5,231	(28)	5,260	4,990	(270)
Public Health and Welfare Services	215,809	186,852	(28,957)	226,898	197,901	(28,997)
Operating transfers out	178,130	178,130	-	116,836	111,780	(5,056)
Emergency Fund	55,000	3,283	(51,717)	53,072	45	(53,027)
Total Disbursements	\$ 1,549,649	1,318,517	(231,132)	\$ 1,405,090	1,163,092	(241,998)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (112,466)	210,666	323,132	\$ (58,923)	225,749	284,672
CASH, JANUARY 1	401,807	401,807	-	176,058	176,058	-
CASH, DECEMBER 31	\$ 289,341	612,473	323,132	\$ 117,135	401,807	284,672

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Special Road and Bridge Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 260,000	253,547	(6,453)	\$ 230,000	254,917	24,917
Sales taxes	280,000	271,226	(8,774)	240,405	250,023	9,618
Intergovernmental	1,137,096	1,056,890	(80,206)	693,639	688,607	(5,032)
Charges for services	120,700	90,726	(29,974)	86,700	84,652	(2,048)
Interest income	6,500	7,136	636	6,000	6,262	262
Other	4,199	6,693	2,494	70,515	96,764	26,249
Operating transfers in	11,500	20,015	8,515	-	-	-
Total Receipts	\$ 1,819,995	1,706,233	(113,762)	\$ 1,327,259	1,381,225	53,966
DISBURSEMENTS						
Salaries	\$ 300,000	254,468	(45,532)	\$ 312,493	247,278	(65,215)
Employee fringe benefits	107,250	87,562	(19,688)	92,662	80,466	(12,196)
Supplies	150,000	122,980	(27,020)	151,000	131,903	(19,097)
Insurance	30,141	29,507	(634)	29,641	28,799	(842)
Road and bridge materials	35,240	34,566	(674)	28,500	22,507	(5,993)
Equipment repairs	63,465	50,351	(13,114)	51,000	39,823	(11,177)
Rentals	500	-	(500)	500	-	(500)
Equipment purchases	256,292	253,023	(3,269)	189,892	174,702	(15,190)
Road and bridge construction	837,420	758,924	(78,496)	514,640	472,282	(42,358)
Other	111,734	107,737	(3,997)	86,389	84,493	(1,896)
Operating transfers out	-	-	-	5,291	-	(5,291)
Total Disbursements	\$ 1,892,042	1,699,118	(192,924)	\$ 1,462,008	1,282,253	(179,755)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (72,047)	7,115	79,162	\$ (134,749)	98,972	233,721
CASH, JANUARY 1	282,534	282,534	-	183,562	183,562	-
CASH, DECEMBER 31	\$ 210,487	289,649	79,162	\$ 48,813	282,534	233,721

Assessment Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 144,540	142,920	(1,620)	\$ 144,474	141,195	(3,279)
Charges for services	10,100	6,606	(3,494)	10,100	12,894	2,794
Interest income	1,200	1,269	69	1,200	1,441	241
Other	3,700	3,951	251	1,700	2,278	578
Operating transfers in	4,000	4,000	-	4,000	-	(4,000)
Total Receipts	\$ 163,540	158,746	(4,794)	\$ 161,474	157,808	(3,666)
DISBURSEMENTS						
Assessor	\$ 181,212	149,347	(31,865)	\$ 164,271	155,738	(8,533)
Total Disbursements	\$ 181,212	149,347	(31,865)	\$ 164,271	155,738	(8,533)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,672)	9,399	27,071	\$ (2,797)	2,070	4,867
CASH, JANUARY 1	48,207	48,207	-	46,137	46,137	-
CASH, DECEMBER 31	\$ 30,535	57,606	27,071	\$ 43,340	48,207	4,867

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Officers Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,500	1,574	74	\$ 1,500	1,418	(82)
Interest income	6	9	3	-	10	10
Total Receipts	\$ 1,506	1,583	77	\$ 1,500	1,428	(72)
DISBURSEMENTS						
Sheriff	\$ 1,506	1,502	(4)	\$ 2,009	1,513	(496)
Total Disbursements	\$ 1,506	1,502	(4)	\$ 2,009	1,513	(496)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	81	81	\$ (509)	(85)	424
CASH, JANUARY 1	424	424	-	509	509	-
CASH, DECEMBER 31	\$ 424	505	81	\$ -	424	424

Prosecuting Attorney Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 200	270	70	\$ 150	233	83
Interest income	-	16	16	-	13	13
Total Receipts	\$ 200	286	86	\$ 150	246	96
DISBURSEMENTS						
Prosecuting Attorney	\$ 1,026	-	(1,026)	\$ 730	-	(730)
Total Disbursements	\$ 1,026	-	(1,026)	\$ 730	-	(730)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (826)	286	1,112	\$ (580)	246	826
CASH, JANUARY 1	826	826	-	580	580	-
CASH, DECEMBER 31	\$ -	1,112	1,112	\$ -	826	826

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Recorder's User Fee Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,600	3,578	(22)	\$ 3,600	4,002	402
Interest income	65	84	19	65	89	24
Total Receipts	\$ 3,665	3,662	(3)	\$ 3,665	4,091	426
DISBURSEMENTS						
Recorder of Deeds	\$ 9,568	3,300	(6,268)	\$ 7,715	3,543	(4,172)
Total Disbursements	\$ 9,568	3,300	(6,268)	\$ 7,715	3,543	(4,172)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,903)	362	6,265	\$ (4,050)	548	4,598
CASH, JANUARY 1	5,903	5,903	-	5,355	5,355	-
CASH, DECEMBER 31	\$ -	6,265	6,265	\$ 1,305	5,903	4,598

Recorder's Technology Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,800	2,146	346	\$ 1,800	2,419	619
Interest income	275	220	(55)	275	212	(63)
Total Receipts	\$ 2,075	2,366	291	\$ 2,075	2,631	556
DISBURSEMENTS						
Recorder of Deeds	\$ 14,246	-	(14,246)	\$ 10,356	-	(10,356)
Total Disbursements	\$ 14,246	-	(14,246)	\$ 10,356	-	(10,356)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (12,171)	2,366	14,537	\$ (8,281)	2,631	10,912
CASH, JANUARY 1	12,171	12,171	-	9,540	9,540	-
CASH, DECEMBER 31	\$ -	14,537	14,537	\$ 1,259	12,171	10,912

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Keller Building Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 123,080	153,394	30,314	\$ 113,126	120,636	7,510
Interest income	350	373	23	250	486	236
Other	-	381	381	9,598	9,598	-
Total Receipts	<u>\$ 123,430</u>	<u>154,148</u>	<u>30,718</u>	<u>\$ 122,974</u>	<u>130,720</u>	<u>7,746</u>
DISBURSEMENTS						
Salaries and benefits	\$ 33,905	33,463	(442)	\$ 32,735	32,514	(221)
Building operations	105,200	100,735	(4,465)	103,295	95,584	(7,711)
Total Disbursements	<u>\$ 139,105</u>	<u>134,198</u>	<u>(4,907)</u>	<u>\$ 136,030</u>	<u>128,098</u>	<u>(7,932)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (15,675)	19,950	35,625	\$ (13,056)	2,622	15,678
CASH, JANUARY 1	15,678	15,678	-	13,056	13,056	-
CASH, DECEMBER 31	<u>\$ 3</u>	<u>35,628</u>	<u>35,625</u>	<u>\$ -</u>	<u>15,678</u>	<u>15,678</u>

Keller Building Maintenance Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 200	549	349	\$ 80	765	685
Other	-	6,031	6,031	-	-	-
Total Receipts	<u>\$ 200</u>	<u>6,580</u>	<u>6,380</u>	<u>\$ 80</u>	<u>765</u>	<u>685</u>
DISBURSEMENTS						
Building maintenance	\$ 36,000	13,195	(22,805)	\$ 44,381	8,341	(36,040)
Total Disbursements	<u>\$ 36,000</u>	<u>13,195</u>	<u>(22,805)</u>	<u>\$ 44,381</u>	<u>8,341</u>	<u>(36,040)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (35,800)	(6,615)	29,185	\$ (44,301)	(7,576)	36,725
CASH, JANUARY 1	36,805	36,805	-	44,381	44,381	-
CASH, DECEMBER 31	<u>\$ 1,005</u>	<u>30,190</u>	<u>29,185</u>	<u>\$ 80</u>	<u>36,805</u>	<u>36,725</u>

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HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Victims of Domestic Violence Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 800	1,780	980	\$ 700	878	178
Interest income	25	262	237	250	277	27
Total Receipts	\$ 825	2,042	1,217	\$ 950	1,155	205
DISBURSEMENTS						
Shelter expenses	\$ 15,200	-	(15,200)	\$ 14,400	-	(14,400)
Total Disbursements	\$ 15,200	-	(15,200)	\$ 14,400	-	(14,400)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,375)	2,042	16,417	\$ (13,450)	1,155	14,605
CASH, JANUARY 1	14,949	14,949	-	13,794	13,794	-
CASH, DECEMBER 31	\$ 574	16,991	16,417	\$ 344	14,949	14,605

Civil Defense Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 15,610	13,076	(2,534)	\$ 19,451	17,145	(2,306)
Interest income	-	22	22	-	36	36
Operating transfers in	12,600	12,600	-	11,336	10,100	(1,236)
Total Receipts	\$ 28,210	25,698	(2,512)	\$ 30,787	27,281	(3,506)
DISBURSEMENTS						
Salaries and benefits	\$ 14,610	14,530	(80)	\$ 13,860	13,815	(45)
Emergency management	13,220	11,919	(1,301)	12,300	11,601	(699)
Total Disbursements	\$ 27,830	26,449	(1,381)	\$ 26,160	25,416	(744)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 380	(751)	(1,131)	\$ 4,627	1,865	(2,762)
CASH, JANUARY 1	1,894	1,894	-	29	29	-
CASH, DECEMBER 31	\$ 2,274	1,143	(1,131)	\$ 4,656	1,894	(2,762)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

County Law Enforcement Restitution Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,000	6,500	500	\$ 6,000	4,950	(1,050)
Interest income	-	148	148	-	140	140
Total Receipts	\$ 6,000	6,648	648	\$ 6,000	5,090	(910)
DISBURSEMENTS						
Sheriff	\$ 5,311	-	(5,311)	\$ 5,546	2,776	(2,770)
Prosecuting Attorney	5,311	-	(5,311)	5,546	2,777	(2,769)
Total Disbursements	\$ 10,622	-	(10,622)	\$ 11,092	5,553	(5,539)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,622)	6,648	11,270	\$ (5,092)	(463)	4,629
CASH, JANUARY 1	4,629	4,629	-	5,092	5,092	-
CASH, DECEMBER 31	\$ 7	11,277	11,270	\$ -	4,629	4,629

Sheriff's Civil Fee Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 8,000	9,513	1,513	\$ 8,000	10,566	2,566
Interest income	100	96	(4)	-	117	117
Total Receipts	\$ 8,100	9,609	1,509	\$ 8,000	10,683	2,683
DISBURSEMENTS						
Sheriff	\$ 13,200	11,103	(2,097)	\$ 10,900	8,434	(2,466)
Operating transfers out	1,800	-	(1,800)	1,757	-	(1,757)
Total Disbursements	\$ 15,000	11,103	(3,897)	\$ 12,657	8,434	(4,223)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,900)	(1,494)	5,406	\$ (4,657)	2,249	6,906
CASH, JANUARY 1	6,906	6,906	-	4,657	4,657	-
CASH, DECEMBER 31	\$ 6	5,412	5,406	\$ -	6,906	6,906

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Sheriff's Benevolent Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ -	14	14	\$ -	26	26
Other	1,250	1,475	225	1,500	1,500	-
Total Receipts	\$ 1,250	1,489	239	\$ 1,500	1,526	26
DISBURSEMENTS						
Sheriff	\$ 2,105	1,771	(334)	\$ 1,700	903	(797)
Total Disbursements	\$ 2,105	1,771	(334)	\$ 1,700	903	(797)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (855)	(282)	573	\$ (200)	623	823
CASH, JANUARY 1	857	857	-	234	234	-
CASH, DECEMBER 31	\$ 2	575	573	\$ 34	857	823

Sheriff's Revolving Fee Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,500	7,518	1,018	\$ 6,500	13,730	7,230
Interest income	200	133	(67)	-	300	300
Total Receipts	\$ 6,700	7,651	951	\$ 6,500	14,030	7,530
DISBURSEMENTS						
Sheriff	\$ 19,462	16,524	(2,938)	\$ 11,000	5,771	(5,229)
Operating transfers out	3,600	-	(3,600)	3,603	-	(3,603)
Total Disbursements	\$ 23,062	16,524	(6,538)	\$ 14,603	5,771	(8,832)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (16,362)	(8,873)	7,489	\$ (8,103)	8,259	16,362
CASH, JANUARY 1	16,362	16,362	-	8,103	8,103	-
CASH, DECEMBER 31	\$ -	7,489	7,489	\$ -	16,362	16,362

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HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Inmate Security Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,000	2,596	1,596	\$ -	502	502
Interest income	-	73	73	-	-	-
Other	-	5,453	5,453	-	1	1
Total Receipts	\$ 1,000	8,122	7,122	\$ -	503	503
DISBURSEMENTS						
Sheriff	\$ -	-	-	\$ -	-	-
Total Disbursements	\$ -	-	-	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,000	8,122	7,122	\$ -	503	503
CASH, JANUARY 1	503	503	-	-	-	-
CASH, DECEMBER 31	\$ 1,503	8,625	7,122	\$ -	503	503

Deputy Salary Supplement Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,000	3,560	(1,440)	\$ 4,000	3,700	(300)
Total Receipts	\$ 5,000	3,560	(1,440)	\$ 4,000	3,700	(300)
DISBURSEMENTS						
Sheriff	\$ 5,000	3,420	(1,580)	\$ 4,000	3,640	(360)
Total Disbursements	\$ 5,000	3,420	(1,580)	\$ 4,000	3,640	(360)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	140	140	\$ -	60	60
CASH, JANUARY 1	300	300	-	240	240	-
CASH, DECEMBER 31	\$ 300	440	140	\$ 240	300	60

Prosecuting Attorney Administrative Handling Cost Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 9,866	8,835	(1,031)	\$ 9,660	8,843	(817)
Interest income	-	8	8	-	7	7
Other	50	10	(40)	-	17	17
Operating transfers in	-	2,250	2,250	-	180	180
Total Receipts	\$ 9,916	11,103	1,187	\$ 9,660	9,047	(613)
DISBURSEMENTS						
Prosecuting Attorney	\$ 8,416	8,310	(106)	\$ 9,040	8,541	(499)
Other	1,500	990	(510)	1,500	1,361	(139)
Total Disbursements	\$ 9,916	9,300	(616)	\$ 10,540	9,902	(638)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	1,803	1,803	\$ (880)	(855)	25
CASH, JANUARY 1	27	27	-	882	882	-
CASH, DECEMBER 31	\$ 27	1,830	1,803	\$ 2	27	25

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HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Prosecuting Attorney Delinquent Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 250	110	(140)	\$ 700	475	(225)
Interest income	-	3	3	-	26	26
Total Receipts	\$ 250	113	(137)	\$ 700	501	(199)
DISBURSEMENTS						
Prosecuting Attorney	\$ 1,313	1,081	(232)	\$ 2,090	828	(1,262)
Total Disbursements	\$ 1,313	1,081	(232)	\$ 2,090	828	(1,262)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,063)	(968)	95	\$ (1,390)	(327)	1,063
CASH, JANUARY 1	1,063	1,063	-	1,390	1,390	-
CASH, DECEMBER 31	\$ -	95	95	\$ -	1,063	1,063

Prosecuting Attorney Supplemental Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 15,000	15,000	-	\$ 18,750	15,030	(3,720)
Interest income	-	126	126	-	49	49
Other	-	710	710	-	-	-
Total Receipts	\$ 15,000	15,836	836	\$ 18,750	15,079	(3,671)
DISBURSEMENTS						
Prosecuting Attorney	\$ 9,023	6,215	(2,808)	\$ 15,510	8,616	(6,894)
Operating transfers out	9,200	9,200	-	7,500	7,500	-
Total Disbursements	\$ 18,223	15,415	(2,808)	\$ 23,010	16,116	(6,894)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,223)	421	3,644	\$ (4,260)	(1,037)	3,223
CASH, JANUARY 1	3,223	3,223	-	4,260	4,260	-
CASH, DECEMBER 31	\$ -	3,644	3,644	\$ -	3,223	3,223

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Election Services Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,000	466	(534)	\$ 1,000	2,465	1,465
Charges for services	1,000	1,071	71	1,000	369	(631)
Interest income	-	60	60	-	55	55
Total Receipts	\$ 2,000	1,597	(403)	\$ 2,000	2,889	889
DISBURSEMENTS						
Elections	\$ 5,386	2,024	(3,362)	\$ 3,461	964	(2,497)
Total Disbursements	\$ 5,386	2,024	(3,362)	\$ 3,461	964	(2,497)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,386)	(427)	2,959	\$ (1,461)	1,925	3,386
CASH, JANUARY 1	3,386	3,386	-	1,461	1,461	-
CASH, DECEMBER 31	\$ -	2,959	2,959	\$ -	3,386	3,386

Economic Development Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 7,653	7,651	(2)	\$ 9,243	8,572	(671)
Other	54,219	126,770	72,551	40,703	42,930	2,227
Total Receipts	\$ 61,872	134,421	72,549	\$ 49,946	51,502	1,556
DISBURSEMENTS						
Economic development	\$ 451,278	25,213	(426,065)	\$ 428,322	70,212	(358,110)
Total Disbursements	\$ 451,278	25,213	(426,065)	\$ 428,322	70,212	(358,110)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (389,406)	109,208	498,614	\$ (378,376)	(18,710)	359,666
CASH, JANUARY 1	413,299	413,299	-	432,009	432,009	-
CASH, DECEMBER 31	\$ 23,893	522,507	498,614	\$ 53,633	413,299	359,666

Tax Maintenance Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 14,000	13,361	(639)	\$ 14,613	12,991	(1,622)
Interest income	1,300	916	(384)	1,410	1,102	(308)
Total Receipts	\$ 15,300	14,277	(1,023)	\$ 16,023	14,093	(1,930)
DISBURSEMENTS						
Collector	\$ 71,727	16,589	(55,138)	\$ 71,221	12,864	(58,357)
Total Disbursements	\$ 71,727	16,589	(55,138)	\$ 71,221	12,864	(58,357)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (56,427)	(2,312)	54,115	\$ (55,198)	1,229	56,427
CASH, JANUARY 1	56,427	56,427	-	55,198	55,198	-
CASH, DECEMBER 31	\$ -	54,115	54,115	\$ -	56,427	56,427

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HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Jail Sales Tax Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ -	-	-	\$ -	314	314
Interest income	200	154	(46)	-	369	369
Total Receipts	\$ 200	154	(46)	\$ -	683	683
DISBURSEMENTS						
Jail building/maintenance	\$ 18,517	14,988	(3,529)	\$ 20,307	3,673	(16,634)
Operating transfers out	-	-	-	1,000	-	(1,000)
Total Disbursements	\$ 18,517	14,988	(3,529)	\$ 21,307	3,673	(17,634)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (18,317)	(14,834)	3,483	\$ (21,307)	(2,990)	18,317
CASH, JANUARY 1	18,317	18,317	-	21,307	21,307	-
CASH, DECEMBER 31	\$ -	3,483	3,483	\$ -	18,317	18,317

Law Enforcement Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 300,000	328,852	28,852	\$ 290,000	302,652	12,652
Intergovernmental	32,850	32,823	(27)	34,298	32,027	(2,271)
Charges for services	51,000	48,969	(2,031)	58,800	44,414	(14,386)
Interest income	160	172	12	160	168	8
Other	48,351	38,766	(9,585)	46,600	46,887	287
Operating transfers in	145,900	149,015	3,115	114,360	109,000	(5,360)
Total Receipts	\$ 578,261	598,597	20,336	\$ 544,218	535,148	(9,070)
DISBURSEMENTS						
Sheriff's department personnel	\$ 260,838	260,041	(797)	\$ 261,525	252,043	(9,482)
Sheriff other expenses	83,701	81,908	(1,793)	73,332	70,169	(3,163)
Jail personnel	158,176	143,734	(14,442)	130,221	119,509	(10,712)
Jail other expenses	82,654	82,484	(170)	82,134	81,098	(1,036)
Total Disbursements	\$ 585,369	568,167	(17,202)	\$ 547,212	522,819	(24,393)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,108)	30,430	37,538	\$ (2,994)	12,329	15,323
CASH, JANUARY 1	15,391	15,391	-	3,062	3,062	-
CASH, DECEMBER 31	\$ 8,283	45,821	37,538	\$ 68	15,391	15,323

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HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Howard County Water Project Fund						
2014						
	Final Budget	Actual	Actual Over (Under) Budget			
RECEIPTS						
Intergovernmental	\$ 1,080	1,080	-			
Total Receipts	\$ 1,080	1,080	-			
DISBURSEMENTS						
Water regionalization project	\$ 1,080	1,080	-			
Total Disbursements	\$ 1,080	1,080	-			
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-			
CASH, JANUARY 1	-	-	-			
CASH, DECEMBER 31	\$ -	-	-			

Sheltered Services Board Fund						
2014			2013			
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 95,000	115,097	20,097	\$ 95,000	113,629	18,629
Intergovernmental	-	28,586	28,586	380,000	386,255	6,255
Interest income	-	1,865	1,865	-	3,762	3,762
Other	-	917	917	2,200	958	(1,242)
Total Receipts	\$ 95,000	146,465	51,465	\$ 477,200	504,604	27,404
DISBURSEMENTS						
Administration	\$ 20,875	18,561	(2,314)	\$ 20,000	17,847	(2,153)
Services	105,000	94,197	(10,803)	503,000	488,024	(14,976)
Total Disbursements	\$ 125,875	112,758	(13,117)	\$ 523,000	505,871	(17,129)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (30,875)	33,707	64,582	\$ (45,800)	(1,267)	44,533
CASH, JANUARY 1	275,613	275,613	-	276,880	276,880	-
CASH, DECEMBER 31	\$ 244,738	309,320	64,582	\$ 231,080	275,613	44,533

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, the Sheltered Services Board, or elected county officials.

The financial statements referred to above include the primary government of Howard County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. This would include the local public health unit and Sheltered Services Board.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund and the Sheltered Services Board for its budget.

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The Sheltered Services Board will prepare its budget document and submit its budget to the County Commission also.
3. The County Clerk and Sheltered Services Board submit to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budgets include estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures should not exceed budgeted revenues plus anticipated beginning fund balance. The County did not have any funds that reflected a deficit budgeted cash balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Sheltered Services Board, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission and the Sheltered Services Board for its budget document.
7. Subsequent to its formal approval of the budget, the County Commission and Sheltered Services Board have the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission or Sheltered Services Board. The County Commission amended budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue	2014 and 2013
Special Road and Bridge	2014 and 2013
Assessment	2014 and 2013
Keller Building	2014 and 2013
Sheriff's Benevolent	2014 and 2013
Law Officers Training	2014
Civil Defense	2013
Law Enforcement	2013

8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and Sheltered Services Board.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2014 and 2013.

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

1. E. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county. The total assessed valuation for the county of the tangible property for calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
Real Estate	\$ 74,983,100	\$ 73,527,510
Personal Property	27,437,095	24,657,054
Railroad and Utilities	15,102,709	15,073,887
Total Assessed Valuation	\$ <u>117,522,904</u>	\$ <u>113,258,451</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
General Revenue Fund	\$ 0.2675	\$ 0.2790
Special Road and Bridge Fund *	0.3008	0.2998
Sheltered Services Board Fund	0.1000	0.1000

* The county retains all tax proceeds from areas not within special road districts. The county has two road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

1. F. SALES TAXES AND USE TAX

The county has the following sales tax and use tax rates:

General sales tax-subject to rollback 50%	1/2 %	\$.00500
General sales tax	1/2 %	.00500
Law Enforcement sales tax	1/2 %	.00500
Capital Improvement sales tax	1/2 %	.00500
911 sales tax	5/8 %	<u>.00625</u>
Total sales tax rate		\$ <u>.02625</u>
Use tax		\$.02625

1. G. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

1. G. CASH DEPOSITS AND INVESTMENTS (CONTINUED)

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

1. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "operating transfers in" by the recipient fund and as "operating transfers out" by the disbursing fund. Transfers between funds for the years ended December 31, 2014 and 2013 were as follows:

FUNDS:	Year Ended December 31, 2014	
	Transfers In	Transfers Out
General Revenue	\$ -	\$ 178,130
Special Road and Bridge	20,015	-
Assessment	4,000	-
Civil Defense	12,600	-
Prosecuting Attorney Administrative Handling Cost	2,250	-
Prosecuting Attorney Supplemental	-	9,200
Law Enforcement	149,015	-
Totals	\$ 187,880	\$ 187,330

FUNDS:	Year Ended December 31, 2013	
	Transfers In	Transfers out
General Revenue	\$ -	\$ 111,780
Civil Defense	10,100	-
Prosecuting Attorney Administrative Handling Cost	180	-
Prosecuting Attorney Supplemental	-	7,500
Law Enforcement	109,000	-
Totals	\$ 119,280	\$ 119,280

In 2014, \$550 was transferred from the General Revenue Fund to the Prosecuting Attorney Administrative Handling Cost Fund but was reflected as disbursements from the Emergency Fund.

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2014 and 2013, the published

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

1. I. PUBLISHED FINANCIAL STATEMENTS (CONTINUED)

financial statements included all applicable funds. The Sheltered Services Board also published its financial statements for the two years ended December 31, 2014.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All bank balances at the county's banking facilities at December 31, 2014 and December 31, 2013 were covered by Federal Deposit Insurance Coverage (FDIC) and additional collateral held at the Federal Reserve Bank in the county's name or by its agent in the county's name.

The Sheltered Services Board's deposits at December 31, 2014 and 2013 were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the board's custodial bank in the board's name.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Howard County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of credited service will be refunded accumulated plan contributions. As of December 31, 2014, Howard County had 42 employees enrolled in LAGERS.

3) Funding Policy

Howard County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2014 is 4.6% (general) and 6.6% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2014 and 2013, total payments to LAGERS were \$42,033 and \$21,165, respectively.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The CERF is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; county sheriffs covered under sections 57.949 to 57.997, RSMo; and certain personnel not defined as an

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions. As of December 31, 2014, Howard County had 43 employees enrolled in CERF.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203 or toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF total contributions of \$117,545 and \$117,701, respectively, for the years then ended.

C. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$2,244 for each of the years ended December 31, 2014 and 2013.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Vacation time is accrued for every full-time employee in the county and accrues at different rates up to a maximum of twenty-one days per year. An employee may carry annual vacation leave days over to the following year up to the maximum earned in one year to be taken in the following year. Compensation for unused vacation is at the discretion of the County Commission. The county provides full-time county employees with up to one day of sick leave time per month and may accumulate to an unlimited amount of days. Sick leave is not paid upon termination of employment with the county. Vacation and personal leave amounts are reported as disbursements when they are paid.

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS (CONTINUED)

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the County provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The County incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

NOTE 6. RISK MANAGEMENT

The County carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. Management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The County is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LEASE-PURCHASE AGREEMENTS

- A. The County Commission entered into a lease-purchase agreement on August 31, 2012 for the lease-purchase of three graders. The lease is for sixty months with five annual payments of \$32,904 and a final payment of \$430,480 plus interest in 2017. At December 31, 2014, the county owed \$475,203 in principal plus \$28,510 in interest.
- B. The County Commission entered into an agreement on June 15, 2010 for the lease-purchase of an excavator. The total lease for the grader is for 60 months with five annual payments of \$23,173. At December 31, 2013, the County owed \$22,156, which was paid in 2014.

NOTE 8. LONG-TERM DEBT

The county had the following long-term debt:

- A. The County Commission entered into an energy efficiency loan agreement with the Missouri Department of Natural Resources (DNR) to finance major repairs at the courthouse and the Keller Building. In July 2008, DNR issued a sixteen-year loan in the amount of \$49,336 with a 4.1% interest rate. The county paid off this debt in 2013.

HOWARD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 8. LONG-TERM DEBT (CONTINUED)

- B. The County Commission entered into an energy efficiency loan agreement with the DNR to finance major repairs at the courthouse and the Keller Building. In July 2012, DNR issued an eight-year loan in the amount of \$75,557 with no interest to be repaid through 2020.

The County paid \$9,987 in 2013 and 2014 in semi-annual payments. At December 31, 2014, the County owed \$55,583 to the DNR. The annual debt service requirements for the DNR energy efficient loan on principal payments at December 31, 2014 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>
2015	\$ 9,987
2016	9,987
2017	9,987
2018	9,987
2019	9,987
2020	5,648
Total	<u>\$ 55,583</u>

- C. The County Commission borrowed funds in 2014 from a local bank for the purchase of a tractor. The total bank note is for \$68,815, due in five annual payments of \$15,377 (principal plus interest) beginning September 1, 2014 and ending September 1, 2018. At December 31, 2014, the County's long-term debt on this note is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 13,245	\$ 2,132
2016	13,745	1,632
2017	14,272	1,105
2018	14,814	563
Totals	<u>\$ 56,076</u>	<u>\$ 5,432</u>

NOTE 9. RENTAL OF KELLER BUILDING SPACE

The County owns the old hospital building and rents out various office spaces to many outside organizations and receives lease payments every year per a written lease contract agreement. The building also houses the County's public health unit, the Prosecuting Attorney, and the 911 office. During the years ended December 31, 2014 and 2013, the County received total lease rental payments of \$153,394 and \$120,636, respectively.

SUPPLEMENTARY INFORMATION

HOWARD COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2014	2013
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health and Senior Services-				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS04515098 ERS04514144	\$ 30,695 -	\$ - 28,641
10.559	Summer Food Service Program for Children	N/A	-	90
10.560	State Administrative Expenses for Child Nutrition	DH130002091	-	630
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Economic Development-				
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		1,080	-
U. S. DEPARTMENT OF JUSTICE				
Passed through:				
State Department of Public Safety-				
16.738	Local Law Enforcement Block Grant Program	2013-LLEBG-035	4,185	-
16.803	Local Law Enforcement Block Grant	2012-LLEBG-035	-	8,998
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO - BO45(27) BRO - BO45(28) BRO - BO45(29)	- 249,955 257,787	250,243 35,750 -
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration-				
39.003	Donation of Federal Surplus Personal Property	N/A	21,827	-
ELECTION ASSISTANCE COMMISSION				
Passed through state:				
Office of Secretary of State-				
90.401	Help America Vote Act Requirements Payments	N/A	1,411	3,018
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program:				
93.008	National Association of County and City Health Officials (NAACHO)	MRC 14-2505	2,370	-
Passed through state:				
Department of Health and Senior Services-				
93.008	Medical Reserve Corps Small Grant Program		-	404
93.069	Bioterrorism/Emergency Preparedness (HHS)	DH120009037 DH140021027	12,097 6,590	18,985 -
93.575	Child Care and Development Block Grant	ERS22014037 DH130002091 DH140004100	1,940 - 577	910 599 -
93.889	National Bioterroism Hospital Preparedness Program	TP000531-02J	1,417	1,658
93.994	Maternal and Child Health Services Block Grant to the States		34,252	29,240
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state:				
Department of Public Safety-				
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	FEMA-4130-DR-MO	116,677	-
97.042	Emergency Management Performance Grants		14,322	-
Total Expenditures of Federal Awards			\$ 757,182	\$ 379,166

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

HOWARD COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Howard County, Missouri.

B. BASIS OF PRESENTATION

OMB Circular A-133 includes these definitions, which govern the contents of the schedule.

Federal financial assistance means assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value (23.3 percent of original acquisition cost) of the property at the time of receipt.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

D. MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule. The schedule does include the County's 20% credit or soft match funds that were distributed by the federal government to each of the BRO projects totaling \$101,228 for 2014 and \$57,199 for 2013.

NOTE 2. SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2014 and 2013.

COMPLIANCE SECTION

June 19, 2015

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the County Commission
and Officeholders of
Howard County, MO

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the county funds of Howard County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Howard County, Missouri's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Howard County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Howard County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Howard County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Howard County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*. (See finding 2014-01)

Howard County, Missouri's Response to Finding

Howard County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Howard County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

June 19, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

To the County Commission
and Officeholders of
Howard County, MO

Report on Compliance for Each Major Federal Program

We have audited Howard County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Howard County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Howard County, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Howard County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Howard County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Howard County, Missouri's compliance.

Opinion on Major Federal Program

In our opinion, Howard County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2014 and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-02. Our opinion on the major federal program is not modified with respect to this matter.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133 (CONTINUED)**

Howard County, Missouri's response to the noncompliance finding identified in our audit is disclosed in the accompanying schedule of findings and questioned costs. Howard County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Howard County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Howard County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Howard County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

**HOWARD COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? X yes no

Identification of major program:

<u>CFDA Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

**HOWARD COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

SECTION II – FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

2014-01 Budgetary Noncompliance on Expenditure Use

Condition: Expenditures were made in 2014 and 2013 from the General Revenue Fund Emergency Fund classification totaling \$3,283 and \$45, respectively, which did not meet the statutory requirement of being emergency-type expenditures.

Criteria: Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: The County Commission and County Clerk did not understand the statutory provision for use of the Emergency Fund within the General Revenue Fund.

Effect: The County Commission and the County Clerk did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendation:

The County Commission and County Clerk should only use the Emergency Fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.

Response: The Howard County Commission and the County Clerk concur with the recommendation and will use the Emergency Fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.

SECTION III – FEDERAL AWARD FINDING

2014-02 Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture, U.S. Department of Housing and Urban Development, U.S. Department of Justice, U.S. Department of Transportation, General Services Administration, Election Assistance Commission, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security

Pass-Through Grantor: Various

Federal CFDA Number: Various

Program Title: Various

Pass-Through Entity

Identifying Number: N/A

Award Year: 2014 and 2013

Questioned Costs: N/A

Condition: The County's Schedule of Expenditures of Federal Awards (SEFA) contained some errors and omissions of information required by the federal government. Purchases of state surplus property and federal disaster payments were not reported on the 2014 SEFA, and federal awards for the County's public health unit were not properly reported or some not reported on the SEFA for both 2014 and 2013. Also,

**HOWARD COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

federal bridge 20% credit or soft match funds distributed to the county totaling \$101,228 for 2014 and \$57,199 for 2013 were also excluded by the county. Total amendments to the County's SEFA for 2014 and 2013 were \$242,263 and \$50,535, respectively.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Cause: The County Commission and County Clerk did not take the appropriate steps to ensure the accuracy of the SEFA.

Effect: The SEFA schedules prepared for the County's federal programs were misstated for both years of 2014 and 2013.

Recommendation:

Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The county should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly reported on the SEFA.

Response: *The Howard County Commission and the County Clerk concurs with the recommendation and is taking steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly reported on the SEFA.*

**FOLLOW- UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

**HOWARD COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Because Howard County, Missouri, did not obtain an audit of its financial statements for the two years ended December 31, 2012, this section does not report the status of any prior audit findings.



Nicole R. Galloway, CPA

Missouri State Auditor

Ray County



July 2015

Report No. 2015-051

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of Ray County

Financial Condition and Budgets	The General Revenue Fund is in poor condition. The General Revenue Fund cash balance steadily decreased from 2012 to 2014, as receipts sharply declined in 2013, and disbursements exceeded receipts in both 2013 and 2014. County budgets are not approved timely and expenditures occurred before establishment of approved budgets. The Noxious Weed Board has accumulated a significant cash reserve of \$207,572 without any specific plans for its use.
County Procedures	The County Clerk's office does not maintain centralized compensatory time records and no formal compensatory time policy exists. Regarding the election account, the County Clerk did not issue receipt slips, restrictively endorse checks upon receipt, make timely deposits, prepare adequate monthly lists of monies held for political subdivisions or reconcile those lists to the bank balance. The County Clerk does not transmit monies received timely to the County Treasurer.
Sheriff's Controls and Procedures	Procedures are not in place to properly identify and prepare a month-end list of liabilities of inmate monies and compare these liabilities to the reconciled bank balance. Manual receipt slips issued for inmate monies received prior to November 17, 2014, were not retained in accordance with state law. Additionally, commissary profits are not transmitted to the County Treasurer and were used to purchase items for jail operations and the Sheriff's office. The Sheriff's office does not issue receipt slips for some monies received for concealed and carry weapon licenses, and these monies are not timely transmitted to the County Treasurer. The Sheriff's office does not reconcile fuel transactions charged to the fuel account to vehicle logs.
Prosecuting Attorney's Controls and Procedures	Bad check payments are not always receipted when received, not restrictively endorsed until entered in the computer system, and are not deposited timely. The Prosecuting Attorney does not have controls and procedures in place to ensure payments received for bad checks are timely remitted to victims.
Recorder of Deeds' Controls and Procedures	Receipts are not issued for some monies received and some receipts were not disbursed. As noted in the two prior audit reports, receipts are not deposited timely.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Ray County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Financial Condition and Budgets4 2. County Procedures6 3. Sheriff's Controls and Procedures7 4. Prosecuting Attorney's Controls and Procedures10 5. Recorder of Deeds' Controls and Procedures11
-------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	13
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NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Ray County

We have audited certain operations of Ray County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Ray County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

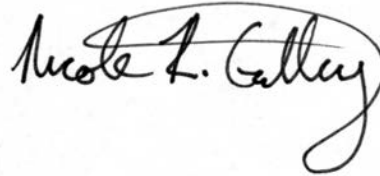
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Ray County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Colby Dollens, CPA, CFE
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Lisa Schlup

Ray County

Management Advisory Report

State Auditor's Findings

1. Financial Condition and Budgets

The General Revenue (GR) Fund is in poor financial condition. Budgets are not approved timely and non-payroll expenses were incurred before the final budget was approved. Also, the Noxious Weed Fund has accumulated a significant cash reserve.

1.1 Financial condition

The GR Fund is in poor financial condition. The following table reflects actual receipts, disbursements, and ending cash balance of the GR Fund over the last 3 years and anticipated for 2015, as reported in county budget documents:

		Year Ended December 31,			
		2015 (Budgeted)	2014 (Actual)	2013 (Actual)	2012 (Actual)
Beginning balance	\$	21,087	53,210	81,438	77,667
Receipts		3,323,988	3,391,323	3,357,631	3,887,769
Disbursements		3,278,186	3,423,446	3,385,859	3,883,998
Ending balance	\$	66,889	21,087	53,210	81,438

The GR Fund balance steadily decreased from 2012 to 2014, as receipts sharply declined in 2013, and disbursements exceeded receipts in both 2013 and 2014. The 2014 ending balance of \$21,087 is less than 1 percent of 2014 disbursements.

Debt

In order to maintain a positive cash balance in the GR Fund the County Commission has borrowed money from several sources. On November 22, 2013, the County Assessor agreed to loan the GR Fund \$75,000 from the Assessment Fund because the GR Fund balance was insufficient to pay the county's bills. As of December 31, 2014, the GR Fund owed \$65,000 to the Assessment Fund. In addition, as of December 31, 2014, the county had \$72,000 in debt related to the purchase of two Sheriff's vehicles and a \$50,000 debt on the county's line of credit with a local bank.

It is essential the County Commission address the county's financial condition both in the immediate and long-term future. Reducing spending where possible, evaluating controls and management practices to ensure efficient use of county resources, maximizing all sources of receipts, and closely monitoring the county's budgets will help the County Commission improve the county's financial condition.

1.2 Budgets

County budgets are not approved timely and expenditures occurred before establishment of approved budgets. The 2015, 2014, and 2013 budgets were approved in February 2015, March 2014, and March 2013, respectively. In all 3 years, the county expended county funds, including significant non-payroll expenses, without a final approved budget. In 2015, the County disbursed approximately \$476,000 in non-payroll-related disbursements prior to the budget being approved in February.



Ray County
Management Advisory Report - State Auditor's Findings

Section 50.540, RSMo, requires the County Clerk to submit the budget to the County Commission by February 1. Section 50.740, RSMo, states the county shall not pay any expenses, other than payroll, until the finalized county budget is filed with the State Auditor's office. Approving the county budget as close to the beginning of the fiscal year as possible allows the commission and office holders to more effectively monitor county finances.

1.3 Noxious Weed Fund cash reserves

The Noxious Weed Board (Board) has accumulated a significant cash reserve in the Noxious Weed Fund without any specific plans for its use. During the year ended December 31, 2014, the Board's accumulated cash reserves increased to \$207,572, which based on previous spending patterns, represents more than 5 years of funding for noxious weed control. Despite the significant accumulated cash balance, the Board continues to assess the maximum property tax rate allowed.

Accumulating an excessive cash balance with no specific long-term plans for use of these monies puts an unnecessary burden on taxpayers. The Board should determine its future needs, and consider reducing future tax levies if a specific use for the cash reserves is not determined. Pursuant to Section 263.462, RSMo, the County Commission is given the taxing authority to levy a property tax rate for controlling noxious weeds. Thus, the County Commission has final approval of the proposed tax rate to be levied and does not necessarily have to set the rate recommended by the Board.

Similar conditions previously reported

Similar conditions to sections 1.1 and 1.2 were noted in our prior audit report.

Recommendations

The County Commission:

- 1.1 Closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund. The County Commission should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.
- 1.2 Approve budgets prior to approving expenditures other than payroll.
- 1.3 Work with the Noxious Weed Board to evaluate funding needs and consider reducing the property tax levy. If plans have been made for expending the accumulated cash balance, such plans should be set forth publicly in the budget document.

Auditee's Response

- 1.1 *The County Commissioners have been monitoring the financial condition of the county. We are making progress. The jail debt has been paid off, and we are cutting expenses, but revenues continue to*



Ray County Management Advisory Report - State Auditor's Findings

decline. We operate on sales and use taxes only. We don't believe taxing the citizens of Ray County further is the answer. We have made strides and will continue to monitor and address the situation.

1.2 We will do our best to complete the budget timely and ensure a budget is in place prior to incurring any non-payroll expenses.

1.3 The Noxious Weed Fund tax levy will be reduced to zero until we see the need to change it. We will monitor the fund closely and only raise the tax levy when necessary to cover expenses.

2. County Procedures

Improvement is needed in the county's controls and procedures over compensatory time, the election account, and the County Clerk's transmittal of fees to the County Treasurer.

2.1 Compensatory time

As noted in our prior report, the County Clerk's office does not maintain centralized compensatory time records. Additionally, no formal compensatory time policy has been adopted. The Road and Bridge department is the only county office or department allowing employees to earn compensatory time. Records for compensatory time are maintained by the road and bridge foreman and are only provided annually to the County Clerk.

Without centralized records, the County Commission cannot ensure employees' compensatory time usage and balances are accurate. Also, centralized records aid in ensuring equitable treatment of employees, and compliance with federal regulations. A formal compensatory time policy is important to establish formal procedures for monitoring compensatory time and provide clarity for when compensatory time is permissible.

2.2 Election account

Significant weaknesses exist in accounting controls and record-keeping procedures for the election account.

- The County Clerk did not issue receipt slips for any payments received for the election account during the year ended December 31, 2014. In addition, checks are not always restrictively endorsed upon receipt and deposits are not made timely.
- The County Clerk does not prepare monthly lists of monies held for political subdivisions in the election bank account, and reconcile those lists to the bank balance. Monies in the election account are payments made from political subdivisions participating in elections handled by the county, and usually are not disbursed until the election is held.

To reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received for the election account



Ray County
Management Advisory Report - State Auditor's Findings

are properly receipted, restrictively endorsed, and deposited timely. In addition, maintaining a list of election monies on hand and reconciling it to the bank balance helps ensure monies held for political subdivisions is accounted for properly.

2.3 Transmittal of fees

The County Clerk does not timely transmit monies received to the County Treasurer. We reviewed transmittals for June 2014 and noted delays as much as 13 days between receipt and transmittal. Timely transmitting procedures are necessary to reduce risk of loss, theft, or misuse of monies received.

Recommendations

- 2.1 The County Commission ensure the County Clerk maintains centralized compensatory time records for all employees. In addition, the County Commission should adopt a formal compensatory time policy.

The County Clerk:

- 2.2 Establish procedures to ensure all monies received for the election account are properly receipted, restrictively endorsed upon receipt, and deposited timely. In addition, the County Clerk should prepare a monthly list of monies held for the Election Fund account and reconcile it to the reconciled bank balance.
- 2.3 Ensure fees received are transmitted timely to the County Treasurer.

Auditee's Response

The County Commission provided the following response:

- 2.1 *A compensatory time policy has been written and is being finalized. The County Clerk will track all compensatory time going forward.*

The County Clerk provided the following responses:

- 2.2 *All receipts will be receipted, all checks will be restrictively endorsed, and will be deposited timely. In addition, a listing of monies held for each entity will be kept with the receipt book and compared to the bank reconciliation monthly.*
- 2.3 *Our new policy is to make a transmittal weekly, or when receipts exceed \$500.*

3. Sheriff's Controls and Procedures

Weaknesses exist in the accounting controls and procedures of the Sheriff's office. The Sheriff's office collected approximately \$362,000 in bonds, inmate monies, civil services fees, and conceal and carry weapon (CCW) fees for the year ended December 31, 2014.



Ray County Management Advisory Report - State Auditor's Findings

3.1 Inmate liabilities and records

Procedures regarding the receipting and tracking of inmate monies are not adequate. Upon incarceration, monies in the custody of an inmate are receipted and deposited into the inmate bank account. Inmate monies are refunded to the inmate upon release. However, we noted the following concerns:

- Procedures are not in place to properly identify and prepare a month-end list of liabilities and compare these liabilities to the reconciled bank balance. Monthly, the Sheriff reconciles the bank statement to the check register but does not reconcile the balance to a list of liabilities. Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected timely, and sufficient cash is available for the payment of all liabilities.
- Manual receipt slips issued for inmate monies received prior to November 17, 2014, were not retained in accordance with state law. Section 109.270, RSMo, indicates all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law. Adequate retention of records is necessary to ensure the validity of transactions and provide an audit trail.

3.2 Commissary profits

The Sheriff maintains profits from commissary sales in an account outside the county treasury and uses these monies to purchase items for jail operations and the Sheriff's office. The County Commission did not approve these purchases and purchases did not go through the normal county procurement or budget process. As of December 31, 2014, there was approximately \$6,400 of profits remaining in the commissary account that should be distributed to the Inmate Prisoner Detainee Security Fund.

Section 221.102, RSMo (effective August 28, 2013), requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (profits) into the county Inmate Prisoner Detainee Security Fund.

3.3 Receipting and depositing

The Sheriff's office does not issue receipt slips for some monies received for CCW licenses. Our review of CCW receipts noted receipt slips were not written for \$250 transmitted to the County Treasurer on June 6, 2014. We also noted the Sheriff's office does not transmit CCW receipts to the County Treasurer timely. These monies are transmitted to the County Treasurer weekly. The Sheriff's office collected approximately \$28,540 for CCW licenses for the year ended December 31, 2014.



Ray County Management Advisory Report - State Auditor's Findings

In addition, the Sheriff's office does not deposit civil service fees intact or timely. The civil service clerk deposits receipts on a weekly basis and does not deposit all receipts on hand. During our review of civil service deposits we noted receipts from June 9, 2014, through June 11, 2014, were not deposited with the June 11, 2014, deposit but deposited on June 18, 2014. The Sheriff's office collected approximately \$63,000 in civil service fees during the year ended December 31, 2014.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected. Issuing and maintaining records on pre-numbered receipt slips for all monies received, and depositing and transmitting all monies received intact and timely would help ensure all monies are accounted for and deposited properly.

3.4 Fuel bills

The Sheriff's office does not reconcile fuel transactions charged to the fuel account to vehicle logs. Mileage and fuel logs are maintained for each vehicle, and mileage is reviewed for reasonableness. Reconciling mileage and fuel logs to fuel purchases is necessary to ensure the completeness of logs and to help ensure all fuel charged is for appropriate purposes.

Similar conditions
previously reported

Similar conditions to sections 3.1 and 3.3 were noted in our prior audit report.

Recommendations

The Sheriff:

- 3.1 Prepare a monthly list of liabilities for the inmate account and reconcile it to the reconciled bank balance. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law. In addition, the Sheriff should ensure accounting records are properly retained.
- 3.2 Ensure existing and future commissary profits not necessary to meet cash flow needs or current operating expenses are turned over to the County Treasurer for deposit to the Inmate Prisoner Detainee Security Fund.
- 3.3 Issue official pre-numbered receipt slips for all monies received, and deposit and transmit all monies intact and timely.
- 3.4 Establish procedures to reconcile vehicle mileage and fuel use to fuel purchases for all county-owned vehicles in the Sheriff's office and investigate any significant discrepancies.



Ray County
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 3.1 *A manual listing of liabilities was compiled as of the end of May 2015 and agreed to the reconciled balance of the Inmate Account. We will continue this reconciliation going forward. In addition, we are in the process of installing a program to help track all inmate monies electronically. All records will be retained for future periods.*
- 3.2 *We have determined a balance of \$3,000 is necessary for cash flow purposes in the commissary account. The money exceeding this amount will be transferred to the Inmate Prisoner Detainee Security Fund.*
- 3.3 *We will ensure pre-numbered receipt slips are issued for all monies received, and will maintain separate receipt slip books for the various types of monies received. CCW monies will be transmitted timely, and the depositing of civil service monies will be monitored more closely to ensure all monies are deposited intact and timely.*
- 3.4 *Procedures have been updated to match all fuel tickets to the fuel statement. Procedures have also been added to monitor fuel use to ensure it is reasonable.*

4. Prosecuting Attorney's Controls and Procedures

Weaknesses exist in the accounting controls and procedures of the Prosecuting Attorney's office for bad checks. The Prosecuting Attorney's office collected approximately \$57,000 for bad check payments and fees for the year ended December 31, 2014.

4.1 Receipts and deposits

Bad check payments are not always receipted when received, and are not restrictively endorsed until payment are entered in the computer system. In addition, the clerk does not always deposit receipts timely. Our review of deposits for 5 months noted deposits were only made 1 to 3 times per month, with several receipts held as long as 2 months before being deposited.

To reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are properly receipted, restrictively endorsed upon receipt, and deposited timely.

4.2 Disbursements

The Prosecuting Attorney does not have controls and procedures in place to ensure payments received for bad checks are timely remitted to victims. The clerk receipts and deposits bad check payments received into the bad check bank account and disburses the monies to victims; however some payments received have been held for extended time periods. We reviewed 3 cases with bad check payments totaling \$648 and noted none were disbursed timely to victims. Office personnel received payments on these cases in



Ray County
Management Advisory Report - State Auditor's Findings

May 2014, but did not make disbursements to victims until August 20, 2014.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, bad check monies received should be disbursed timely.

Recommendations

The Prosecuting Attorney:

- 4.1 Establish procedures to ensure all monies received are properly receipted, restrictively endorsed immediately upon receipt, and deposited timely.
- 4.2 Develop procedures to ensure bad check monies collected are disbursed to victims timely.

Auditee's Response

- 4.1 *We will establish procedures to ensure receipts get processed when received, including restrictively endorsing upon receipt, and are deposited timely.*
- 4.2 *We will make the timely distribution of bad check monies a higher priority going forward.*

5. Recorder of Deeds' Controls and Procedures

Weaknesses exist in accounting controls and procedures in the Recorder of Deeds' office. The Recorder of Deeds' office collected fees of approximately \$148,000 for issuing marriage licenses, recording deeds and releases, filing of tax liens, and providing copies for the year ended December 31, 2014.

5.1 Receipts

Receipts are not issued for some monies received and some receipts were not disbursed. The Recorder of Deeds receives ACH payments from federal and state government agencies filing tax liens, yet these payments were not recorded in the computer system and were not assigned receipt numbers. In addition, approximately \$4,000 in tax lien receipts had not disbursed to the County Treasurer as of December 31, 2014, and had accumulated in the Recorder of Deeds' bank account for more than a year.

To reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are properly receipted and disbursed appropriately.

5.2 Deposits

As noted in previous audit reports, the Recorder of Deeds does not deposit receipts timely. During our review of the June 2014 bank statement, only 4 deposits were made during the month with each deposit totaling between \$2,000 and \$5,500. We also noted the Recorder of Deeds held receipts for up to 13 days prior to depositing.



Ray County
Management Advisory Report - State Auditor's Findings

Timely deposits help to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds.

Recommendations

The Recorder of Deeds:

- 5.1 Ensure all monies received are properly receipted and disbursed.
- 5.2 Deposit receipts timely.

Auditee's Response

- 5.1 *A software update has been installed to our system that resolved our inability to receipt and disburse the ACH payments received.*
- 5.2 *Procedures have been updated to ensure receipts are deposited at the close of business each day or the next morning.*

Ray County

Organization and Statistical Information

Ray County is a county-organized, third-class county. The county seat is Richmond.

Ray County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 81 full-time employees and 10 part-time employees on December 31, 2014.

In addition, county operations include a Senate Bill 40 Board, 911 Board, Senior Citizens Services Board, and Noxious Weed Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Bob King, Presiding Commissioner	\$	30,380
Allen Dale, Associate Commissioner		27,390
Michael Twyman, Associate Commissioner		28,390
Shirley O'Dell, Recorder of Deeds		43,000
Glenda Powell, County Clerk		43,000
Danielle Rogers, Prosecuting Attorney		125,287
Garry Bush, Sheriff		50,000
Joann Burnine, County Treasurer		43,000
Toby Polley, County Coroner		15,000
Kenneth A. Nolker, Public Administrator		43,000
Margie A. Bowman, County Collector (1), year ended February 28,	79,585	
Kent Wollard, County Assessor, year ended August 31,		43,000
Thomas Sisco, County Surveyor (2)		

(1) Includes \$32,177 of commissions earned for collecting city property taxes.

(2) Not compensated by the county.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Holt County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Holt County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

July 2015
Report No. 2015-052

ANNUAL FINANCIAL REPORT

HOLT COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

HOLT COUNTY, MISSOURI

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
List of Elected Officials	i
FINANCIAL SECTION	
Independent Auditors' Report	ii
BASIC FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis	1
Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds	2
Notes to Financial Statements	15
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	23
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133	25
Schedule of Expenditures of Federal Awards	27
Notes to the Schedule of Expenditures of Federal Awards	28
Schedule of Federal Findings and Questioned Costs	29
Findings and Recommendations	31
Follow Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32

INTRODUCTORY SECTION

HOLT COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Mark Sitherwood
Associate Commissioner – Bill Gordon
Associate Commissioner – David Carroll

Other Elected Officials

Assessor – LaDonna Jones
Circuit Clerk/Recorder – Vicki Book
Collector – Donna Cotton
Coroner – Susan Lentz
County Clerk – Kathy Holstine
Prosecuting Attorney – Robert Shepherd
Public Administrator – Ed Meng
Sheriff – Scott Wedlock
Treasurer – Gay Quick

FINANCIAL SECTION

MCBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of Holt County, Missouri

We have audited the accompanying financial statements of Holt County, Missouri as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Holt County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between this regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Holt County, Missouri, as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Holt County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Holt County, Missouri’s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2015, on our consideration of Holt County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Holt County, Missouri's internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
May 26, 2015

HOLT COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2014

Fund	Cash and Cash Equivalents January 1, 2013	Receipts 2013	Disbursements 2013	Cash and Cash Equivalents December 31, 2013	Receipts 2014	Disbursements 2014	Cash and Cash Equivalents December 31, 2014
General Revenue	\$ 417,086	\$ 1,515,080	\$ 1,544,835	\$ 387,331	\$ 1,529,755	\$ 1,523,989	\$ 393,097
Special Road and Bridge	482,936	1,196,772	1,499,699	180,009	1,191,912	1,123,779	248,142
Assessment	58,901	140,905	121,872	77,934	154,421	153,593	78,762
Law Enforcement Training	1,200	4,480	3,930	1,750	4,310	4,898	1,162
Prosecuting Attorney Training	664	783	959	488	702	963	227
Recorder's Special	7,632	4,022	2,993	8,661	3,782	3,299	9,144
Local CART	73,313	175,509	202,131	46,691	190,141	185,523	51,309
State CART	126,658	337,064	288,123	175,599	346,955	343,840	178,714
Sheriff's Civil Fees	6,528	11,987	12,307	6,208	5,756	6,710	5,254
Prosecuting Attorney's Check Collection	3,345	867	323	3,889	1,338	100	5,127
Neighborhood Improvement District Pool	542	3,261	3,400	403	2,852	3,000	255
Clerk's Election Fees	5,114	1,530	4,195	2,449	1,861	2,344	1,966
Victims of Domestic Violence	35	140	-	175	180	170	185
Johnson Grass	47,604	40,948	24,234	64,318	49,682	30,620	83,380
Mausoleum Trust	28,300	457	250	28,507	337	245	28,599
Community Development Block Grant	37,866	1,506,876	1,533,942	10,800	47,953	58,753	-
Collector's Tax Maintenance	23,304	10,276	100	33,480	9,162	1,185	41,457
Senior Citizen's Services	8,043	50,248	48,000	10,291	59,661	55,398	14,554
911	191,547	183,166	209,616	165,097	195,959	152,829	208,227
Local Emergency Planning Committee	8,500	45	760	7,785	42	50	7,777
Sheriff's Revolving	8,103	10,731	6,452	12,382	3,189	2,916	12,655
Deputy Sheriff Salary Supplementation	4,784	21,003	17,072	8,715	20,812	25,335	4,192
Law Library	2,104	3,175	3,380	1,899	2,250	3,529	620
Jail Commissary	-	5,566	1,000	4,566	3,326	3,467	4,425
Inmate, Prisoner, Detainee Security	-	2,247	-	2,247	7,115	4,781	4,581
Total	\$ 1,544,109	\$ 5,227,138	\$ 5,529,573	\$ 1,241,674	\$ 3,833,453	\$ 3,691,316	\$ 1,383,811

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOLT COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	General Revenue Fund			
	Year Ended December 31,			
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 378,000	\$ 387,764	\$ 396,000	\$ 471,068
Sales taxes	625,000	552,287	555,000	518,241
Intergovernmental	212,710	198,622	182,625	202,256
Charges for services	192,500	206,436	205,300	212,215
Interest	3,000	2,942	3,000	3,154
Other	2,000	1,641	-	50
Transfers in	184,500	165,388	174,000	122,771
Total Receipts	\$ 1,597,710	\$ 1,515,080	\$ 1,515,925	\$ 1,529,755
DISBURSEMENTS				
County Commission	\$ 81,490	\$ 80,376	\$ 81,240	\$ 79,408
County Clerk	106,600	98,597	106,600	101,620
Elections	33,225	15,797	68,250	51,039
Buildings and grounds	71,750	67,645	71,500	53,710
Employee fringe benefits	278,000	247,534	281,500	240,220
Treasurer	42,000	40,477	42,000	40,570
Collector	67,600	64,003	67,600	65,589
Recorder of Deeds	22,250	15,631	25,250	21,063
Circuit Court	13,500	5,057	18,000	10,194
Court Administration	10,900	1,016	10,900	3,127
Public Administrator	23,115	22,795	23,550	23,202
Sheriff	220,180	266,538	207,780	223,907
Jail	237,500	196,478	271,500	190,264
Prosecuting Attorney	88,500	81,784	88,500	78,453
Juvenile Officer	10,100	7,548	12,500	9,400
Coroner	20,150	19,297	20,150	28,282
Other County Government	182,090	176,198	184,100	166,367
Health Department	130,135	121,607	127,535	120,158
Health and Welfare	6,750	6,750	6,750	6,750
Transfers out	12,000	9,707	12,500	10,666
Emergency fund	50,000	-	50,000	-
Total Disbursements	\$ 1,707,835	\$ 1,544,835	\$ 1,777,705	\$ 1,523,989
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (110,125)	\$ (29,755)	\$ (261,780)	\$ 5,766
CASH AND CASH EQUIVALENTS, JANUARY 1	417,086	417,086	387,331	387,331
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 306,961	\$ 387,331	\$ 125,551	\$ 393,097

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Special Road and Bridge Fund			Assessment Fund		
	Year Ended December 31,			Year Ended December 31,		
	2013	2014		2013	2014	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 380,000	\$ 373,657	\$ 383,500	\$ 453,296	\$ -	\$ -
Sales taxes	215,000	175,035	175,000	189,608	-	-
Intergovernmental	533,000	274,957	393,100	162,201	110,324	113,550
Charges for services	1,500	76	75	-	12,000	8,910
Interest	1,500	2,047	2,000	1,807	250	250
Other	1,100	-	-	-	486	552
Transfers in	437,000	371,000	390,000	385,000	9,000	9,000
Total Receipts	\$ 1,569,100	\$ 1,196,772	\$ 1,343,675	\$ 1,191,912	\$ 131,574	\$ 131,710
						\$ 154,421
DISBURSEMENTS						
Salaries	\$ 295,000	\$ 245,345	\$ 232,000	\$ 221,821	\$ 101,116	\$ 94,077
Employee fringe benefits	112,000	80,846	90,000	81,139	14,200	10,739
Materials and supplies	671,500	641,404	589,000	510,640	21,208	1,995
Services and other	163,800	139,494	143,300	124,800	40,771	13,561
Capital outlay	211,000	216,744	134,180	131,866	-	-
Construction	350,000	104,478	250,000	-	-	-
Transfers out	90,000	71,388	75,000	53,513	-	1,500
Total Disbursements	\$ 1,893,300	\$ 1,499,699	\$ 1,513,480	\$ 1,123,779	\$ 177,295	\$ 121,872
						\$ 178,760
						\$ 153,593
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (324,200)	\$ (302,927)	\$ (169,805)	\$ 68,133	\$ (45,721)	\$ 19,033
						\$ (47,050)
						\$ 828
CASH AND CASH EQUIVALENTS, JANUARY 1	482,936	482,936	180,009	180,009	58,901	77,934
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 158,736	\$ 180,009	\$ 10,204	\$ 248,142	\$ 13,180	\$ 77,934
						\$ 30,884
						\$ 78,762

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Law Enforcement Training Fund			Prosecuting Attorney Training Fund		
	Year Ended December 31,			Year Ended December 31,		
	2013	2014		2013	2014	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,500	1,369	1,500	1,447	-	-
Charges for services	3,000	3,104	3,000	2,805	-	-
Interest	10	7	10	7	700	700
Other	-	-	-	-	5	2
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 4,510	\$ 4,480	\$ 4,510	\$ 4,310	\$ 783	\$ 702
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	100	-	100	-	-	-
Services and other	5,500	3,930	5,500	4,898	1,250	963
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 5,600	\$ 3,930	\$ 5,600	\$ 4,898	\$ 1,250	\$ 963
RECEIPTS OVER (UNDER)	\$ (1,090)	\$ 550	\$ (1,090)	\$ (588)	\$ (445)	\$ (261)
DISBURSEMENTS						
CASH AND CASH EQUIVALENTS, JANUARY 1	1,200	1,200	1,750	1,750	488	488
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 110	\$ 1,750	\$ 660	\$ 1,162	\$ 19	\$ 227

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Recorder's Special Fund			Local CART Fund			
	Year Ended December 31,			Year Ended December 31,			
	2013		2014	2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget
RECEIPTS							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	4,000	3,985	4,000	-	-	-	-
Interest	20	37	30	100	572	500	533
Other	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total Receipts	\$ 4,020	\$ 4,022	\$ 4,030	\$ 225,100	\$ 175,509	\$ 175,500	\$ 190,141
DISBURSEMENTS							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-
Services and other	11,600	2,993	11,600	7,500	6,956	7,500	7,077
Capital outlay	-	-	-	-	-	-	-
Disbursements to Rd Districts	-	-	-	-	-	-	-
Transfers out	-	-	-	101,800	64,175	47,500	43,446
Total Disbursements	\$ 11,600	\$ 2,993	\$ 11,600	\$ 298,300	\$ 202,131	\$ 190,000	\$ 185,523
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	\$ (7,580)	\$ 1,029	\$ (7,570)	\$ (73,200)	\$ (26,622)	\$ (14,500)	\$ 4,618
CASH AND CASH EQUIVALENTS, JANUARY 1	7,632	7,632	8,661	73,313	73,313	46,691	46,691
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 52	\$ 8,661	\$ 1,091	\$ 113	\$ 46,691	\$ 32,191	\$ 51,309

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	State CART Fund			Sheriff's Civil Fees Fund			
	Year Ended December 31,			Year Ended December 31,			
	2013		2014	2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	
RECEIPTS							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Sales taxes	-	-	-	-	-	-	-
Intergovernmental	301,500	335,887	330,000	5,000	4,719	-	-
Charges for services	-	-	-	6,000	7,268	7,500	5,719
Interest	1,200	1,177	1,000	25	-	25	37
Other	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total Receipts	\$ 302,700	\$ 337,064	\$ 331,000	\$ 11,025	\$ 11,987	\$ 7,525	\$ 5,756
DISBURSEMENTS							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Employee fringe benefits	-	-	-	-	-	-	-
Materials and supplies	-	-	-	10,800	7,192	11,000	6,710
Services and other	-	-	-	5,000	5,115	-	-
Capital outlay	-	-	-	-	-	-	-
Disbursements to Rd Districts	168,500	48,123	120,000	-	-	-	-
Transfers out	260,000	240,000	250,000	-	-	-	-
Total Disbursements	\$ 428,500	\$ 288,123	\$ 370,000	\$ 15,800	\$ 12,307	\$ 11,000	\$ 6,710
RECEIPTS OVER (UNDER)	\$ (125,800)	\$ 48,941	\$ (39,000)	\$ (4,775)	\$ (320)	\$ (3,475)	\$ (954)
DISBURSEMENTS							
CASH AND CASH EQUIVALENTS, JANUARY 1	126,658	126,658	175,599	6,528	6,528	6,208	6,208
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 858	\$ 175,599	\$ 136,599	\$ 1,753	\$ 6,208	\$ 2,733	\$ 5,254

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Prosecuting Attorney's Check Collection Fund			Neighborhood Improvement District Pool Fund			
	Year Ended December 31,			Year Ended December 31,			
	2013		2014	2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	
RECEIPTS							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,261	\$ 2,852
Sales taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	250	630	1,480	1,313	-	-	-
Interest	10	19	20	25	-	-	-
Other	-	218	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total Receipts	\$ 260	\$ 867	\$ 1,500	\$ 1,338	\$ 3,000	\$ 3,261	\$ 2,852
DISBURSEMENTS							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-
Services and other	3,550	323	5,250	100	3,500	3,400	3,000
Capital outlay	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Disbursements	\$ 3,550	\$ 323	\$ 5,250	\$ 100	\$ 3,500	\$ 3,400	\$ 3,000
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	\$ (3,290)	\$ 544	\$ (3,750)	\$ 1,238	\$ (500)	\$ (139)	\$ (148)
CASH AND CASH EQUIVALENTS, JANUARY 1	3,345	3,345	3,889	3,889	542	542	403
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 55	\$ 3,889	\$ 139	\$ 5,127	\$ 42	\$ 403	\$ 255

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Clerk's Election Fees Fund			Victims of Domestic Violence Fund			
	Year Ended December 31,			Year Ended December 31,			
	2013		2014	2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	
RECEIPTS							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Sales taxes	-	-	-	-	-	-	-
Intergovernmental	500	804	750	325	-	-	-
Charges for services	-	-	-	-	-	-	-
Interest	10	19	15	10	150	150	180
Other	-	-	-	-	-	-	-
Transfers in	2,000	707	3,500	1,526	-	-	-
Total Receipts	\$ 2,510	\$ 1,530	\$ 4,265	\$ 1,861	\$ 150	\$ 150	\$ 180
DISBURSEMENTS							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Employee fringe benefits	-	-	-	-	-	-	-
Materials and supplies	1,500	-	1,500	-	-	-	-
Services and other	5,000	4,195	5,000	2,344	175	300	170
Capital outlay	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Disbursements	\$ 6,500	\$ 4,195	\$ 6,500	\$ 2,344	\$ 175	\$ 300	\$ 170
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	\$ (3,990)	\$ (2,665)	\$ (2,235)	\$ (483)	\$ (25)	\$ (150)	\$ 10
CASH AND CASH EQUIVALENTS, JANUARY 1	5,114	5,114	2,449	2,449	35	175	175
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,124	\$ 2,449	\$ 214	\$ 1,966	\$ 10	\$ 25	\$ 185

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Johnson Grass Fund				Mausoleum Trust Fund			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 40,505	\$ 40,203	\$ 41,005	\$ 47,667	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	100	362	495	1,480	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	200	383	500	535	600	457	457	337
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 40,805	\$ 40,948	\$ 42,000	\$ 49,682	\$ 600	\$ 457	\$ 457	\$ 337
DISBURSEMENTS								
Salaries	\$ 20,000	\$ 10,272	\$ 20,000	\$ 14,210	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	6,700	786	5,500	1,087	-	-	-	-
Materials and supplies	10,000	6,540	8,000	5,485	-	-	-	-
Services and other	4,000	4,136	43,000	4,775	28,800	250	28,800	245
Capital outlay	1,000	-	20,000	2,563	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,500	2,500	2,500	2,500	-	-	-	-
Total Disbursements	\$ 44,200	\$ 24,234	\$ 99,000	\$ 30,620	\$ 28,800	\$ 250	\$ 28,800	\$ 245
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,395)	\$ 16,714	\$ (57,000)	\$ 19,062	\$ (28,200)	\$ 207	\$ (28,343)	\$ 92
CASH AND CASH EQUIVALENTS, JANUARY 1	47,604	47,604	64,318	64,318	28,300	28,300	28,507	28,507
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 44,209	\$ 64,318	\$ 7,318	\$ 83,380	\$ 100	\$ 28,507	\$ 164	\$ 28,599

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Community Development Block Grant Fund			Collector's Tax Maintenance Fund		
	Year Ended December 31,			Year Ended December 31,		
	2013	2014		2013	2014	
	Budget	Actual	Budget	Budget	Actual	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	3,700,000	1,506,876	500,000	-	-	-
Charges for services	-	-	-	8,200	10,276	9,162
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 3,700,000	\$ 1,506,876	\$ 500,000	\$ 8,200	\$ 10,276	\$ 9,162
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	800	-	-
Services and other	-	-	-	7,650	100	1,185
Capital outlay	-	-	-	-	-	-
Disbursements to Levee Dist	3,735,000	1,533,942	500,000	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 3,735,000	\$ 1,533,942	\$ 500,000	\$ 8,450	\$ 100	\$ 1,185
RECEIPTS OVER (UNDER)	\$ (35,000)	\$ (27,066)	\$ -	\$ (250)	\$ 10,176	\$ 7,977
DISBURSEMENTS						
CASH AND CASH EQUIVALENTS, JANUARY 1	37,866	37,866	10,800	23,304	23,304	33,480
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 2,866	\$ 10,800	\$ 10,800	\$ 23,054	\$ 33,480	\$ 41,457

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Senior Citizen's Services Fund			911 Fund			
	Year Ended December 31,		2014	2013		Year Ended December 31,	
	Budget	Actual	Budget	Budget	Actual	Budget	Actual
RECEIPTS							
Property taxes	\$ 50,500	\$ 50,204	\$ 50,500	\$ 59,572	-	\$ -	-
Sales taxes	-	-	-	-	174,981	175,000	189,602
Intergovernmental	-	-	-	-	400	-	400
Charges for services	-	-	-	-	-	-	1,425
Interest	250	44	300	89	1,250	1,000	1,142
Other	-	-	-	-	6,535	3,000	3,390
Transfers in	-	-	-	-	-	-	-
Total Receipts	\$ 50,750	\$ 50,248	\$ 50,800	\$ 59,661	\$ 183,166	\$ 179,000	\$ 195,959
DISBURSEMENTS							
Salaries	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Employee fringe benefits	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	8,212	7,600	8,222
Services and other	-	-	-	-	104,084	110,000	74,500
Capital outlay	-	-	-	-	7,320	104,500	9,849
Disbursements to Senior Ctrs	58,000	48,000	58,000	55,398	-	-	-
Transfers out	-	-	-	-	90,000	95,000	60,258
Total Disbursements	\$ 58,000	\$ 48,000	\$ 58,000	\$ 55,398	\$ 209,616	\$ 317,100	\$ 152,829
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	\$ (7,250)	\$ 2,248	\$ (7,200)	\$ 4,263	\$ (26,450)	\$ (138,100)	\$ 43,130
CASH AND CASH EQUIVALENTS, JANUARY 1	8,043	8,043	10,291	10,291	191,547	165,097	165,097
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 793	\$ 10,291	\$ 3,091	\$ 14,554	\$ 74,797	\$ 26,997	\$ 208,227

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Local Emergency Planning Committee Fund			Sheriff's Revolving Fund			
	Year Ended December 31,			Year Ended December 31,			
	2013		2014	2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	
RECEIPTS							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Sales taxes	-	-	-	-	-	-	-
Intergovernmental	3,000	-	2,000	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Interest	25	45	10	7,000	10,670	7,500	3,120
Other	100	-	-	25	61	40	69
Transfers in	-	-	-	-	-	-	-
Total Receipts	\$ 3,125	\$ 45	\$ 2,010	\$ 7,025	\$ 10,731	\$ 7,540	\$ 3,189
DISBURSEMENTS							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Employee fringe benefits	-	-	-	-	-	-	-
Materials and supplies	50	46	50	11,000	2,819	12,000	2,367
Services and other	8,050	714	9,550	1,000	3,633	3,500	549
Capital outlay	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Disbursements	\$ 8,100	\$ 760	\$ 9,600	\$ 12,000	\$ 6,452	\$ 15,500	\$ 2,916
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	\$ (4,975)	\$ (715)	\$ (7,590)	\$ (4,975)	\$ 4,279	\$ (7,960)	\$ 273
CASH AND CASH EQUIVALENTS, JANUARY 1	8,500	8,500	7,785	8,103	8,103	12,382	12,382
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3,525	\$ 7,785	\$ 195	\$ 3,128	\$ 12,382	\$ 4,422	\$ 12,655

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Deputy Sheriff Salary Supplementation Fund			Law Library Fund			
	Year Ended December 31,			Year Ended December 31,			
	2013		2014	2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	
RECEIPTS							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Sales taxes	-	-	-	-	-	-	-
Intergovernmental	30,000	21,003	20,000	20,672	-	-	-
Charges for services	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Transfers in	-	-	-	140	3,000	3,200	2,250
Total Receipts	\$ 30,000	\$ 21,003	\$ 20,000	\$ 20,812	\$ 3,000	\$ 3,200	\$ 2,250
DISBURSEMENTS							
Salaries	\$ 22,500	\$ 15,837	\$ 21,500	\$ 18,865	\$ -	\$ -	-
Employee fringe benefits	2,000	1,235	2,000	1,470	-	-	-
Materials and supplies	-	-	-	-	-	-	-
Services and other	-	-	-	-	5,000	5,000	3,529
Capital outlay	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-
Transfers out	10,000	-	5,000	5,000	-	-	-
Total Disbursements	\$ 34,500	\$ 17,072	\$ 28,500	\$ 25,335	\$ 5,000	\$ 5,000	\$ 3,529
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	\$ (4,500)	\$ 3,931	\$ (8,500)	\$ (4,523)	\$ (2,000)	\$ (205)	\$ (1,279)
CASH AND CASH EQUIVALENTS, JANUARY 1	4,784	4,784	8,715	8,715	2,104	2,104	1,899
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 284	\$ 8,715	\$ 215	\$ 4,192	\$ 104	\$ 1,899	\$ 620

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	Jail Commissary Fund			Inmate, Prisoner, Detainee Security Fund		
	Year Ended December 31,			Year Ended December 31,		
	2013		2014	2013		2014
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	5,000	-	-	-	-	-
Charges for services	5,000	5,559	5,990	-	8,000	7,090
Interest	5	7	10	22	25	25
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	\$ 10,005	\$ 5,566	\$ 6,000	\$ 3,326	\$ 8,025	\$ 7,115
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	10,000	1,000	10,000	3,467	4,000	4,781
Services and other	-	-	-	-	4,750	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	\$ 10,000	\$ 1,000	\$ 10,000	\$ 3,467	\$ 8,750	\$ 4,781
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ 5	\$ 4,566	\$ (4,000)	\$ (141)	\$ (725)	\$ 2,334
CASH, JANUARY 1	-	-	4,566	4,566	2,247	2,247
CASH, DECEMBER 31	\$ 5	\$ 4,566	\$ 566	\$ 4,425	\$ 1,522	\$ 4,581

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Holt County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk/Recorder, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Holt County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk/Recorder and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Adoption of a formal budget is required by law. The County adopted a formal budget for all funds.
9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Total actual expenditures did not exceed total budgeted amounts in any funds.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation were:

	2014	2013
Real Estate	\$ 62,836,220	\$ 61,507,420
Personal Property	30,589,198	29,417,209
Railroad and Utilities	28,048,626	27,906,376

During 2014 and 2013, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2014 and 2013, for purposes of County taxation, as follows:

	2014	2013
General Revenue	\$ 0.3375	\$ 0.3413
Special Road and Bridge	0.4185	0.4185
Johnson Grass	0.0384	0.0384
Senior Citizen's Services Fund	0.0480	0.0480

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the County's deposits were \$1,383,811 and \$1,241,674, respectively. The corresponding bank balances at December 31, 2014 and 2013 were \$2,684,292 and \$2,849,181, respectively. Of the bank balances, \$279,219 for December 31, 2014 and \$295,973 for December 31, 2013, were covered by federal depository insurance and the remainder of the balances were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Johnson Grass, and Senior Citizen's Services Fund. Tax collections on deposit amounted to \$6,108,902 and \$6,464,470 at December 31, 2014 and 2013, respectively. Of the bank balances, \$250,000 for both December 31, 2014 and December 31, 2013, were covered by federal depository insurance and the remainder of the balances were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five with a reduced benefit. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF employee contributions of approximately \$26,407 and \$26,284, respectively, for the years then ended.

B. Local Government Employees Retirement System

1) Plan Description

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

The County's full-time employees contribute 4% of gross pay to the LAGERS pension plan. The County is required by State Statute to contribute at an actuarially determined rate; the rate for 2014 was 3.1% (general) and 0.2% (police) and in 2013 the rate contributed was 3.7% (general) and 0.2% (police) of annual covered payroll. During 2014 and 2013, the County contributed approximately \$26,180 and \$31,179 respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees and part-time employees who receive benefits with four hours of sick leave on the first day of each month, up to a maximum of 240 hours. Twenty-four hours of sick leave is accrued on January 1 of each year. Upon termination, the employee is not compensated for accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of one week per year for employees with one year of service; two weeks per year for employees with 2 to 19 years of service; and 3 weeks for employees with 20 or more years of service up to a maximum of 120 hours. Upon termination, the employee is compensated for accrued vacation, up to a maximum of 120 hours.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs and the refund of grant monies to the grantor agencies. Management believes that required refunds, if any, will be immaterial, and therefore no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Rural Services Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County's debt outstanding at December 31, 2014 consists of the following items associated with the purchases of equipment and property:

- A. \$10,125 owed on a lease payable for the purchase of a 2011 Ford Crown Victoria financed by Farmers State Bank of Oregon, Missouri. The note bears interest at 3.25% and is scheduled to be paid in annual payments of \$5,311 due September 1st of each year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
September 1, 2015	\$ 4,982	\$ 329	\$ 5,311
September 1, 2016	5,143	168	5,311

- B. \$35,696 owed on a note payable for the property purchase and construction of the Courthouse Annex building financed by the United States Department of Agriculture. The note bears interest at 0.00% and is scheduled to be paid in annual payments of \$19,116 due March 19th of each year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
March 19, 2015	\$ 19,116	\$ -	\$ 19,116
March 19, 2016	16,580	-	16,580

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 26, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that the following subsequent events occurred that require additional disclosure in the financial statements:

- A. \$14,250 owed on a lease payable for a 2011 Ford Crown Victoria purchased on March 9, 2015 financed by Home Exchange Bank. The lease bears interest at 3% and is scheduled to be paid in three annual payments of \$4,925 due June 1 of each year through 2017.
- B. \$184,500 owed on a lease payable for a 2015 John Deere motor grader purchased on January 28, 2015 financed by John Deere Financial. The lease bears interest at 2.76% and is scheduled to be paid in four annual payments of \$48,274 due March 31 of each year through 2018.
- C. \$193,765 owed on a lease payable for two 2016 Mack trucks purchased on April 1, 2015 financed by KS State Bank. The lease bears interest at 3.02% and is scheduled to be paid in five annual payments of \$41,099 due April 1 of each year through 2019.

COMPLIANCE SECTION

MCBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the County Commission and
Officeholders of Holt County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Holt County, Missouri as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Holt County, Missouri's basic financial statements and have issued our report thereon dated May 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Holt County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Holt County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Holt County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Holt County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted one immaterial instance of noncompliance we have reported to Holt County, Missouri in the accompanying Schedule of Findings and Recommendations as item 1.

Holt County, Missouri's Response to Findings

Holt County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Holt County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
May 26, 2015

MCBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the County Commission and
Officeholders of Holt County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Holt County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Holt County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Holt County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Holt County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Holt County, Missouri's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Holt County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Holt County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Report on Internal Control Over Compliance

Management of Holt County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Holt County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Holt County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
May 26, 2015

HOLT COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2014	2013
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
10.557	Department of Health and Senior Services -			
	Special Supplemental Nutrition Program	ERS04513143	\$ -	\$ 14,861
	for Women, Infants, and Children	ERS04514143	11,379	-
		ERS04515011	3,135	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
14.228	Department of Economic Development -			
	Community Development Block Grants/State's Program	2011-EM-04	-	42,815
	and Non-Entitlement Grants in Hawaii	2011-EM-10	-	100,696
		2011-EM-07	-	397,319
		2011-EM-08	-	539,449
		2011-EM-09	-	148,429
		2011-EM-05	-	198,062
	2011-EM-24	42,874	80,106	
U.S. DEPARTMENT OF INTERIOR				
15.226	Payment in Lieu of Taxes	n/a	20,008	-
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
20.205	Highway and Transportation Commission -			
	Highway Planning and Construction	BRO-31	-	126,520
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
93.268	Department of Health and Senior Services -			
	Immunization Grants		-	10,294
93.283	Centers for Disease Control and Prevention -	DH130003002	-	4,300
	Investigations and Technical Assistance			
93.069	Public Health Emergency Preparedness	DH120009027	7,144	10,320
		DH140021014	3,703	-
93.575	Child Care and Development Block Grant	ERS22014036	310	240
		DH130002002	-	1,356
		DH140004063	1,380	-
93.994	Maternal and Child Health Services	DH120004020	2,739	17,388
	Block Grant to the States	DH150006017	13,422	-
Total Expenditures of Federal Awards			\$ 106,094	\$ 1,692,155

HOLT COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

The amount reported for project BRO-31 under CFDA 20.205 for December 21, 2013 includes \$12,185 of expenditures that were incurred during 2012 but were not reported on the Schedule of Expenditures of Federal Awards for December 31, 2012. These amounts are included to ensure that the full amount of expenditures incurred on the project is reported.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2014 and 2013.

HOLT COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:

Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?

___ Yes X No

- Significant deficiencies identified that are
not considered to be material weaknesses?

___ Yes X None Reported

- Noncompliance material to financial
statements noted?

___ Yes X No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified?

___ Yes X No

- Significant deficiencies identified that are
not considered to be material weaknesses?

___ Yes X None Reported

Type of Auditor's Report Issued on Compliance
For Major Programs:

Unmodified

Any audit findings disclosed that are required to be
Reported in accordance with section 510(A) of
Circular A-133?

___ Yes X No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.228

Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii

Dollar Threshold Used to Distinguish Between
Type A and Type B Programs:

\$300,000

Auditee Qualified as Low-Risk:

___ Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Absence of Investment Policy

Summary of Schedule of Prior Audit Findings:

1. Inaccurate Published Financials
2. Outstanding Checks
3. Disbursement Approval

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

HOLT COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCY

None

ITEMS OF NONCOMPLIANCE

None

OTHER MATTERS

1. Absence of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however, an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: The County is willing to review other county's policies, draft and adopt a policy for Holt County that complies with Missouri statutes.

Auditor's Evaluation: The corrective action is responsive to the concern.

HOLT COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Holt County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012 and 2011.

1. Due to typographical errors, the published financial statements of the County for both years under review do not accurately report disbursements.

Status - Resolved.

2. As of December 31, 2012, the County Treasurer listed on the bank reconciliation one outstanding check that was written in 2005. As of December 31, 2011, the County Treasurer listed on the bank reconciliation seven outstanding checks that were written prior to 2010, with three checks going as far back as 2005.

Status – Resolved.

3. We noted that the Commissioner Meeting minutes do not note when checks are approved for payment by the Commission.

Status – Resolved.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Thirty-Seventh Judicial Circuit

City of West Plains Municipal Division



July 2015

Report No. 2015-053

<http://auditor.mo.gov>

Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division Follow-Up Report on Audit Findings Table of Contents

State Auditor's Letter	2
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Status of Findings

1. Municipal Division Records	3
2. Accounting Controls and Procedures	6
3. Municipal Division Procedures	8



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Thirty-Seventh Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the City Council
West Plains, Missouri

We have conducted follow-up work on audit report findings contained in Report No. 2014-121, *Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division* (rated as Fair), issued in December 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the municipal division about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the municipal division, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by municipal division and city officials, and held meetings with these officials. Documentation reviewed included transmittal reconciliations, receipt reports, deposit records, case management system reports, ticket logs, and various other financial and municipal division records. This report is a summary of the results of this follow-up work, which was substantially completed during June 2015.

Nicole R. Galloway, CPA
State Auditor

Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division

Follow-Up Report on Audit Findings

Status of Findings

- | | |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Municipal Division Records | Municipal division records were not maintained in an accurate, complete and organized manner. |
| 1.1 Recording and reconciliation | Court administrators did not always accurately or timely post receipts to the case management system. In addition, the court had no process to reconcile case information to manual receipt slips and deposit records. |

We reviewed 264 manual receipt slips issued during July 2013 and determined court administrators did not post 16 of the receipt slips to the case management system until 4 to 91 days after receipt. Also, the court administrators did not post 2 of the receipt slips to the system, posted 11 of the receipt slips with the wrong method of payment, and posted 3 of the receipt slips with the wrong amounts.

Our review of cases related to 115 defendants identified amounts recorded on 26 manual receipt slips and deposit records did not agree to amounts posted to the system. Court administrators indicated these differences were likely due to data entry errors.

Neither the municipal division nor city personnel reconciled a daily report of receipts posted to the case management system to the manual receipt slips and the deposit. As a result, court administrators did not identify discrepancies between manual records and system records and did not detect and correct posting errors.

Recommendation

The City of West Plains Municipal Division ensure case activity is accurately and timely recorded in the case management system and reconciled to manual receipt records and the deposits.

Status

Implemented

The municipal division implemented a policy that all transactions, both manual and electronic, shall be processed immediately. The court administrators review the transactions in the case management system prior to posting each batch of receipts to ensure the accuracy of the transactions entered. Beginning in April 2015, the court administrators transmit the monies collected, transaction (receipt) reports, manual receipt records, and daily distribution reports to city personnel. City personnel prepare a transmittal reconciliation of monies counted during the transmittal, verify the composition of monies received agrees to the composition of receipt records, and prepare the deposit. City personnel take the deposit to the bank and provide the court administrators with a copy of the validated deposit slip and the transmittal reconciliation. The municipal division implemented the electronic receipt recorder component of the case management system on June 22, 2015, and is working with the case management system vendor to update the violation charge codes. After a 30-day test period, the



Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division
Follow-up Report on Audit Findings
Status of Findings

electronic receipt recorder component will be fully implemented and the manual receipting system (peg board and handwritten receipts) will cease. Case activity will automatically update as receipts are recorded.

1.2 Fines and court costs

Court administrators did not always assess fines and court costs in accordance with the violations bureau (VB) schedule, Municipal Judge's orders, or plea agreements. In addition, court administrators did not ensure adequate supporting documentation was obtained for changes to the assessed fines and court costs.

- Court administrators did not properly update fines and court costs assessed in the system to amounts ordered by the Municipal Judge when those amounts varied from standard fines and court costs.
- Four cases related to 2 defendants were identified in which fines and court costs totaling \$825 were improperly waived and reduced to zero in the system.
- Court administrators did not ensure approved plea agreements were maintained in the case files.

Recommendation

The City of West Plains Municipal Division develop procedures to ensure fines and court costs assessed agree to the standard fines and court costs, plea agreement, or the Municipal Judge's orders. In addition, ensure changes to assessed fines and court costs contain a documented approval by the Prosecuting Attorney or the Municipal Judge and are properly posted to the case management system.

Status

Implemented

The municipal division implemented a policy that the court administrators confirm the amount assessed agrees to the Municipal Judge's orders on the docket sheet or the VB schedule. When the Municipal Judge verbally approves changes in fees over the phone, the court administrators place the case file on the Municipal Judge's desk for his review upon returning to the office. The Municipal Judge makes a docket sheet entry to record his approval for any changes in fees. In addition, the Prosecuting Attorney indicated he files all tickets received from the Police Department with the court and then formally dismisses or amends tickets as appropriate. The court administrators do not make any changes to cases in the case management system or accept payments on plea agreements until they receive documented approval of the change or plea agreement from the Prosecuting Attorney.



Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division
Follow-up Report on Audit Findings
Status of Findings

1.3 Case disposition

The municipal division did not have adequate procedures to properly monitor the status of cases through final disposition. The court administrators entered the case status and a future court date into the case management system. Neither the Municipal Judge nor city personnel adequately reviewed the status and disposition of cases entered in the system.

In our review of cases related to 115 defendants, we determined the disposition or status of cases related to 59 defendants were not adequately tracked. Errors noted included inaccurate statuses and court dates in the case management system, inaccurate balances due and no active warrant for defendants with delinquent balances. We also noted 2 instances where defendants received a suspended imposition of sentence and the court administrators incorrectly entered future case disposition court dates following a 1 year probationary period.

Because the municipal division did not have adequate procedures to properly monitor the status of cases through final disposition in the case management system, the court administrators were not aware of these errors until we brought them to their attention.

Recommendation

The City of West Plains Municipal Division ensure the status and disposition of all cases are accurately and timely recorded in the case management system and periodically reviewed by persons independent of the receipting and recording process.

Status

In Progress

As of the date of our follow up meeting, the court administrators had established parameters in the case management system to automatically assign appropriate future court dates for certain case statuses, and plan to work with the case management system vendor to determine if similar parameters can be established for other case statuses. The court administrators have generated a report listing citations with a balance due for all cases with no conviction date entered in the case management system. They are reviewing this report as time permits and determining the current status of the older cases and what procedures are necessary to complete these cases. Once they complete their review, the court administrators plan to provide this citation report to the Municipal Judge on a monthly basis for his review.

1.4 Missing records

The court administrators could not locate 20 manual case files requested during the audit. As a result, we could not determine if the case and financial activity and disposition of those tickets had been properly reflected in the case management system.



Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The City of West Plains Municipal Division ensure case records are appropriately retained.

Status

Implemented

The municipal division established a new filing system to ensure all case records are appropriately retained. The court administrators file case records by year with each year sorted by type of case (such as traffic ordinances, general ordinances, and DWI) and maintain confidential (closed) records in a separate room.

2. Accounting Controls and Procedures

Accounting controls and procedures needed improvement.

2.1 Accrued costs

Court administrators did not adequately monitor accrued costs and did not periodically reconcile the manual accrued costs report to balances recorded in the case management system.

Court administrators recorded fines, court costs, and restitution ordered by the Municipal Judge and defendant payments on a manual payment plan card maintained for each case. Information from the payment plan cards were compiled into a spreadsheet of accrued costs and reported to the city. Accrued costs related to restitution were not included in the report to the city because restitution represented monies owed to victims and not to the city. As of March 31, 2014, the spreadsheet reported accrued costs of \$106,910.

The court administrators did not review or reconcile accrued costs recorded in the case management system to the manual records. The case management system could generate a report of balances due for citations with a conviction entered. The system calculated the accrued costs based on defendants with a conviction date and a balance due. As of April 2, 2014, the case management system reported \$112,070 as the balance due to the court. After accounting for restitution and timing differences due to the different reporting dates, we were unable to reconcile the two reports.

We performed a comparison of the manual records and case management system reports by defendant name and reviewed all cases pertaining to 115 defendants. We identified numerous under and over statements of account balances in both records and incorrect conviction dates recorded in the system.

Recommendation

The City of West Plains Municipal Division ensure accrued costs are adequately tracked and properly reported.



Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

The municipal division reviewed and updated accrued costs for the open cases that have a recorded conviction date. The Municipal Judge issued two court orders to write off outstanding balances deemed uncollectable and withdrew some older outstanding warrants. The court administrators are currently reviewing accrued costs for open cases that do not have a conviction date entered in the case management system and updating these records as time allows. Once the accrued costs balances are updated and verified to be accurate in the case management system, the city's accounting department personnel plan to review the balances for reasonableness each month. The Municipal Judge is currently scanning the accrued costs balances as part of his monthly review.

2.2 Segregation of duties

The municipal division did not have an adequate segregation of accounting duties or independent review processes in place. Neither the Municipal Judge nor city personnel performed adequate reviews of accounting records maintained by the court administrators. City personnel reviewed copies of manual receipt slips and deposit slips but did not compare these records to the case management system and payment plan records.

Recommendation

The City of West Plains Municipal Division segregate accounting duties to the extent possible. If it is not possible to segregate duties, documented periodic reviews of municipal division records should be performed by a person independent of accounting functions.

Status

Implemented

The municipal division improved segregation and oversight of accounting duties by reassignment of the deposit function to city personnel and implementing additional reconciliation and review procedures (for more details, see the status at section 1.1). The Municipal Judge also documents his monthly reviews of various reports generated from the case management system and prepared by the court administrators.

2.3 Noncash transactions

The municipal division did not ensure noncash transactions in the case management system were properly documented and had not established procedures for review and approval of noncash transactions by persons independent of the receipting process. The court administrators made noncash transactions to document community service performed in lieu of fines due, to correct posting errors, and to waive fines and court costs. Most noncash transactions should have been supported by a judicial order on the docket sheet and a community service work form signed by a designated city supervisor attesting to hours of service completed. However, the municipal division did not maintain sufficient documentation to support numerous noncash transactions that occurred during the audit period.



Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The City of West Plains Municipal Division require an independent review and approval of all noncash transactions, and retain adequate documentation to support noncash transactions.

Status

Implemented

The Municipal Judge receives a monthly packet that includes a noncash transaction report from the case management system and another report prepared by the court administrators listing cases with fees waived by judicial order or reduced for community service worked. The Municipal Judge reviews these reports to determine if the transactions appear proper and makes notations on the reports to explain specific transactions; and signs the cover page to document his review of the monthly packet. The city Finance Director also reviews the noncash transaction report to determine if the transactions appear proper and is maintaining documentation of his reviews.

For community service work performed, the municipal division implemented a new procedure requiring documentation of hours worked on official prenumbered forms. These forms contain 3 parts; the court and defendant each receive a part upon the defendant's completion of the community service work, and the entity where the work was performed also receives one. The court administrators control access to blank forms and require a signature indicating receipt for each batch of forms distributed. Court administrators indicated when hours worked apply to multiple cases, case numbers are noted on the form and a copy is placed in each applicable case file.

3. Municipal Division Procedures

Procedures related to ticket accountability for traffic tickets, parking ticket receipts, and monitoring excess revenues needed improvement.

3.1 Traffic ticket accountability

Neither the police department nor the municipal division adequately accounted for the ultimate disposition of all traffic tickets.

For 2 of 20 traffic tickets tested, neither the court administrators nor police department personnel could locate any record of the issuance, voiding, filing, or dismissal of the tickets. In addition, for 3 of 20 traffic tickets tested, the police department's manual log and computerized system indicated the tickets had been issued; however, neither the court administrators nor the personnel from the West Plains Prosecuting Attorney's office had a record of these tickets being filed and could not verify the final disposition. As a result, the court and city could not account for 5 of 20 traffic tickets tested.



Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The City of West Plains Municipal Division work with the police department to ensure the numerical sequence and ultimate disposition of all traffic tickets are accounted for properly.

Status

Partially Implemented

The police department clerk, who also serves as the Prosecuting Attorney's office clerk, maintains a log of traffic tickets and follows up with police officers on a weekly basis to account for any missing tickets. Voided tickets are included in the log and are physically maintained by the police department clerk. The Prosecuting Attorney files all tickets with the municipal division and subsequently decides whether to prosecute, amend the charges, or dismiss the ticket and provides the court with documentation to support the amendments or dismissals. However, there is still no reconciliation between the court case management system records and the log of traffic tickets to ensure all tickets filed with the court are accounted for properly.

3.2 Parking ticket receipts

The municipal division did not maintain adequate records to account for all parking ticket payments received and deposited by the court administrators.

The police officer responsible for issuing the parking tickets was also responsible for collecting payments made at courtesy collection points. The court administrators did not issue a receipt slip to the police officer for total monies received when he transmitted them to the court.

Recommendation

The City of West Plains Municipal Division issue receipt slips for all parking ticket payments received and reconcile to the deposits.

Status

Implemented

Parking tickets are no longer issued and the municipal division is not responsible for receiving any money on previously issued parking tickets.

3.3 Monitoring of excess revenues

The municipal division had not provided a report of traffic violation tickets and associated fines and court costs revenues to the city for inclusion in the calculation and reporting required in the city's annual financial report filed with the State Auditor's office (SAO).

The municipal division did not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected and transmitted to the city. This information was needed by the city to calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, determine whether excess revenues should have been distributed to the state Department of Revenue, and provide an accounting of the percent in its annual financial report as required by state



Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division
Follow-up Report on Audit Findings
Status of Findings

law. The city's fiscal year end March 31, 2014, did not provide an accounting of the percent of annual general operating revenue from fines and court costs related to traffic violations.

Recommendation

The City of West Plains Municipal Division develop procedures and records to identify applicable traffic violations and the associated fines and court costs revenues and provide this information to the city.

Status

Implemented

The municipal division worked with the case management system vendor to implement software changes and is now able to track traffic violation tickets and the associated fines and court costs collected and transmitted to the city. As of April 1, 2015, the city added a revenue line to its chart of accounts to separately account for revenue from fines and court costs related to traffic violations and report the required information in its financial statements. The city Finance Director indicated he has already spoken with the financial auditors to ensure the required information is included in their report on the city's financial statements.



Nicole R. Galloway, CPA
Missouri State Auditor

Thirteenth Judicial Circuit

Boone County



July 2015

Report No. 2015-054

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Thirteenth Judicial Circuit, Boone County

Recusal	In accordance with <i>Government Auditing Standards</i> , the State Auditor has recused herself from participation in this audit and has directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff.
Circuit Clerk's Accounting Controls and Procedures	The Circuit Clerk has not adequately segregated accounting duties or limited user access rights in the Judicial Information System (JIS) and adequate supervisory reviews of accounting records are not performed. The Circuit Clerk has not performed periodic reviews of user access to data and other information in the JIS to ensure access rights are commensurate with job responsibilities and remain appropriate. The Circuit Clerk does not have adequate receipting procedures in place. Personnel independent of the receipting process do not review and approve non-monetary, adjusted and voided transactions in the JIS. The Circuit Clerk does not reconcile the general bank account timely. The Circuit Clerk has not adequately reviewed cases with liabilities to ensure bond, garnishments or other monies are disbursed timely. The Circuit Clerk and the court do not periodically review accrued case costs owed to the court. The Circuit Clerk has not established proper controls or procedures for manual receipt slips and books. The Circuit Clerk does not properly safeguard or limit access to records and monies.
Court Administrator's Accounting Controls and Procedures	The court has not adequately segregated accounting duties or performed adequate supervisory or independent reviews of the Court Administrator's financial activities. The Court Administrator does not have adequate receipting procedures nor are there proper procedures to ensure reimbursement claims for monies due from Callaway County and juvenile justice grant monies are submitted timely. The Circuit Court Drug Fund and the Family Services and Justice Fund have accumulated a significant cash reserve without any specific plans for its use.
Juvenile Justice Center	The Court Administrator has not adequately segregated accounting duties or performed supervisory or independent reviews of the Juvenile Justice Center's (JJC) financial activities. JJC personnel do not always issue prenumbered receipt slips, maintain a mail log or transmit receipts timely. The JJC has not ensured receipts are properly safeguarded from inappropriate access.

Law Library

The court has not adequately segregated the accounting duties or performed independent reviews of the law library bank account and financial activities. Court personnel do not maintain an inventory list of law library materials and could provide no documentation to show that physical inventories of law library materials were performed. The Law Library Fund has accumulated a significant cash reserve without any specific plans for its use.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Thirteenth Judicial Circuit

Boone County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Circuit Clerk's Accounting Controls and Procedures	4
2. Court Administrator's Accounting Controls and Procedures	13
3. Juvenile Justice Center	16
4. Law Library	18

Organization and Statistical	21
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Thirteenth Judicial Circuit
Boone County, Missouri

In accordance with *Government Auditing Standards*, the State Auditor has recused herself from participation in this audit and has directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited certain operations of the Thirteenth Judicial Circuit, Boone County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the court's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Boone County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the Thirteenth Judicial Circuit, Boone County.

A handwritten signature in cursive script, reading "John Luetkemeyer".

John Luetkemeyer, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Amanda Locke, M.Acct.
Audit Staff:	Sherrye Lesmes

Thirteenth Judicial Circuit

Boone County

Management Advisory Report - State Auditor's Findings

1. Circuit Clerk's Accounting Controls and Procedures

We identified significant weaknesses with accounting controls and procedures.

According to court records, receipts collected during the year ended December 31, 2014, totaled approximately \$6.2 million. Fines, bonds, garnishments, court costs and other receipts are collected; recorded in the Judicial Information System (JIS), the Missouri Courts automated case management system; and deposited into the Circuit Clerk's general bank account by personnel of the Consolidated Circuit Court offices.

1.1 Segregation of duties and supervisory review

The Circuit Clerk has not adequately segregated accounting duties or limited user access rights in the JIS (as further discussed in section 1.2), and adequate supervisory reviews of accounting records are not performed. The Circuit Clerk and 44 employees have the ability to assess fees, receipt monies, post non-monetary transactions, void transactions, and adjust costs in the JIS. In addition, the Circuit Clerk and 19 of these employees have the ability to prepare deposits and disbursements in the JIS. The Circuit Clerk indicated typically 2 supervisors prepare deposits (with the Circuit Clerk as the backup), the Circuit Clerk prepares the bank reconciliation, and the Circuit Clerk, the 2 supervisors, and 2 other employees typically prepare disbursements. As a result, there are instances where the Circuit Clerk and some court employees could be responsible for transactions from initial receipt to disbursement without involvement from other court employees.

In addition, 10 Court Administrator employees have the ability to assess fees, receipt monies, post non-monetary transactions, void transactions, and adjust costs in the JIS and one of those employees also has the ability to prepare deposits and disbursements in the JIS. These Court Administrator employees assess and/or collect court costs and other receipts related to the Juvenile Office and the Juvenile Justice Center (JJC). The Circuit Clerk is responsible for depositing these monies, and for segregation of duties and supervisory review of the transactions posted by the Court Administrator's employees in the JIS.

Neither the Circuit Clerk nor other personnel independent of the cash custody and record-keeping functions provide adequate supervision or review of the work performed by court employees to ensure transactions are appropriate.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating duties to the extent possible, and performing adequate independent or supervisory reviews of work as appropriate.



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

1.2 Periodic review of user accounts

The Circuit Clerk has not performed periodic reviews of user access to data and other information in the JIS to ensure access rights are commensurate with job responsibilities and remain appropriate.

We obtained a data file from the Office of State Courts Administrator (OSCA) of user accounts having access to the JIS as of December 2014. This report showed 58 employees had 74 user accounts in the JIS, as some employees had multiple user accounts. Upon our request, the Circuit Clerk reviewed the 74 user accounts with access to the JIS and identified 54 user accounts (of 45 employees) had unnecessary access based on current job responsibilities. As a result, most users had more access than required to perform their job responsibilities. For example, the Circuit Clerk indicated 16 of the 19 employees had unnecessary access to review and approve daily cashier sessions, prepare deposits, disbursements, and process month-end reports.

A periodic review of user accounts ensures the right type and level of access has been provided. Otherwise, user accounts and access may be granted to or maintained for users who should not have access.

1.3 Receipting procedures

The Circuit Clerk does not have adequate receipting procedures in place.

Court personnel do not record monies received in the mail on a mail log and checks or money orders received are not restrictively endorsed immediately upon receipt.

We conducted a cash count on December 16 and December 17, 2014, and identified 89 checks and money orders on hand, totaling \$5,855. The checks had dates ranging from August 12, 2014, to December 9, 2014. It is unknown how long these checks and money orders had been on hand, but the extensive date range of the checks may indicate some monies are not being recorded timely. In addition, we identified 28 checks or money orders that were not restrictively endorsed immediately upon receipt.

To reduce the risk of loss, theft, or misuse of funds, an initial record of monies received combined with procedures to reconcile these monies to the JIS and deposit records is necessary, and checks and money orders should be restrictively endorsed immediately upon receipt.

1.4 Non-monetary, voided, and adjusting transactions

Personnel independent of the receipting process do not review and approve non-monetary, adjusting, and voided transactions in the JIS. Non-monetary transactions totaled approximately \$4.5 million, case fee adjustments totaled \$170,224, and voided transactions totaled \$205,189, during the year ended December 31, 2014.



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

Adjusting and non-monetary transactions, including judicial orders, garnishment payouts, and application of bonds, are transactions where no monies are received; however, a credit is applied or the amount due is changed. As noted in section 1.1 above, the Circuit Clerk, 44 of her employees, and 10 court administrator employees have the ability to enter non-monetary transactions, adjust costs, and void receipts in the JIS. Personnel independent of the receipting process do not perform a review of JIS reports of adjusting and non-monetary transactions. These reviews are performed by supervisors involved in the receipting process. In addition, the Circuit Clerk indicated no independent review is performed of non-monetary garnishment payout transactions which are primarily handled by one employee. Those garnishment transactions totaled approximately \$2.4 million during 2014.

In October 2014, the Circuit Clerk issued guidance to staff limiting the use of voided receipt transactions in JIS to 3 court employees; however, other employees continued to post voided transactions. All employees used the same password to void receipt transactions in the JIS and the password had not been changed in several years. During 2014, we identified 16 employees processed a monetary voided receipt transaction in the JIS.

To ensure all non-monetary, adjusting, and voided transactions are valid and to reduce the risk of loss, theft, or misuse of funds, proper documentation should be maintained and someone independent of receipting and recording function should review and approve these transactions. Additionally, to reduce the risk of unauthorized voided transactions, procedures should be established to periodically change the voided receipt transaction password.

1.5 Bank reconciliations and liabilities

The Circuit Clerk procedures regarding monthly bank reconciliations and liabilities need improvement.

Bank reconciliations

The Circuit Clerk does not reconcile the general bank account timely. As of December 2014, the Circuit Clerk had not completed monthly bank reconciliations since April 2014. As of March 2015, the Circuit Clerk had completed bank reconciliations through June 2014. The Circuit Clerk indicated the reconciliations had not been completed timely because office personnel had been trying to identify reconciling differences primarily associated with the February 2014 implementation of the eFiling system, a web-based document filing and on-line payment system, in the JIS. The Circuit Clerk has requested assistance from the OSCA to determine the reasons for the reconciling differences.

Court Operating Rule (COR) 4.59 requires reconciliation of all bank balances and open items records at least monthly. In addition, monthly bank reconciliations and routine investigation and follow-up procedures for



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

reconciling items are necessary to ensure all accounting records balance, transactions have been properly recorded, and errors and discrepancies are detected and corrected timely.

Liabilities

We noted the following concerns during our review of the Circuit Clerk's liabilities.

- The Circuit Clerk has not adequately reviewed cases with liabilities to ensure bonds or other monies are disbursed timely. Our review of the JIS liabilities report generated on May 31, 2014, identified cases with a final case disposition date more than one year old and for which monies had been held more than one year including 11 bonds totaling \$7,343 and 119 receipts (in an open items/suspense account) totaling \$7,109.
- The Circuit Clerk has not disbursed garnishments timely. The court's procedure is to disburse the garnishment receipts within the 10-day holding period as established by Supreme Court rule. However, as of May 31, 2014, the Circuit Clerk was holding approximately \$4,176 in garnishment monies due to garnishors, which had been held more than 10 days.

Procedures to routinely investigate monies remaining on the liabilities list over a specified period of time are necessary to properly monitor and ensure monies are appropriately disbursed. In addition, the Circuit Clerk should attempt to identify and distribute the funds held and dispose of any unclaimed or unidentified funds. Also, Supreme Court Rule 90.11 states garnishments paid shall be disbursed to the garnishor by the clerk, less costs, within 10 days and without an order of the court if the garnishee has not requested an allowance under Supreme Court Rule 90.12(a). Procedures should be established to ensure disbursement of garnishment payments are timely and in accordance with the Supreme Court rule.

1.6 Accrued case costs

The Circuit Clerk and the court do not periodically review accrued case costs owed to the court (fines and court costs, incarceration costs, and court-ordered restitution). Accrued costs as of January 5, 2015, totaled approximately \$8.4 million and included accrued case costs over 5 years old of approximately \$4.4 million. In addition, the court has not created payment plans for all amounts not paid in full at case disposition.

- The court does not follow its formal administrative plan for collection of court debt. In August 2013, the court adopted a formal Administrative Plan for Collection of Court Debt, as required by COR 21.11. This plan calls for the Circuit Clerk to review accounts receivable reports (accrued case costs) from the JIS and the debt collection vendor annually for cases with amounts due 5 or more years old for which no payment has been received in the last year. The



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

purpose of this review is to make the court aware of cases in which responsible parties have failed to meet their financial obligations so the court can take appropriate action such as the issuance of show cause orders or the establishment of payment plans. If amounts due are deemed uncollectible, they may be written off by court order. The court has not performed adequate reviews of the required reports and thus, has not complied with the court debt collection plan.

- The court has not established payment plans in the JIS for all amounts not paid in full at case disposition as required by state court operating rules. As of January 5, 2015, 886 cases with balances due totaling approximately \$743,000 were not associated with payment plans. The Circuit Clerk indicated about \$524,000 of this balance related to cases from prior to the conversion to the JIS in 2000.

The formal administrative plan for collection of court debt requires the court to review accounts receivable reports developed by the OSCA and the debt collection vendor. To ensure the accuracy of the accrued case costs, and to provide the Judge and Circuit Clerk with the necessary information to make a determination about collectability, accrued case costs should be reviewed at least annually in compliance with the court's administrative plan. Accounts deemed uncollectible may be written off by court order by the assigned judge. Adherence to the provisions of COR 21, as adopted by the Missouri Supreme Court, is required for courts automated on the JIS. COR 21.07 requires all courts using the JIS to participate in the tax offset and debt collection programs and requires the court to create payment plans in the JIS for all amounts not paid in full at case disposition. Failure to follow these rules could result in lost revenues.

1.7 Manual receipt slips

The Circuit Clerk has not established proper controls or procedures for manual receipt slips and books. We obtained all available manual receipt slip books, 85 in total, which were located in various locations throughout the court, including the Juvenile Office and the JJC. These 85 books pertained to receipts for the period of 2005 through 2014. Multiple manual receipt slip books were used concurrently and some receipt slip books no longer in use contained numerous receipt slips that had not been used. By March 2014, the Circuit Clerk implemented new procedures, and manual receipt slips are now only used when the JIS is unavailable or as authorized by order of the Presiding Judge. We noted the following concerns during a review of the manual receipt slips:

- The Circuit Clerk issues generic prenumbered manual receipt slips rather than official prenumbered receipt slips. In addition, the Circuit Clerk does not maintain a comprehensive list of manual receipt slip books purchased or distributed.



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

- The method of payment was not recorded on 18 (13 percent) of the 135 manual receipt slips issued during 2014.
- Receipt slips are not accounted for properly. Our review of the 2014 manual receipt slips identified 4 manual receipt slips for which both the original and carbon copy were torn from the receipt slip book and not retained. Circuit Clerk personnel subsequently determined 2 of the 4 receipt slips were issued during 2013 and were recorded in the JIS. However, the Circuit Clerk could not account for the other 2 receipt slips.
- There is no independent review to ensure manual receipt slips issued are properly recorded in the JIS and the related monies are subsequently deposited. Receipts are only included in daily deposits if they are recorded in the JIS as monetary transactions.
- The court has not ensured manual receipt slip books are properly safeguarded from unnecessary access. The receipt slip books were maintained in various locations throughout the court. Multiple employees can access these locations that do not need access to the receipt slip books to perform their duties.

Controls over manual receipt slips are necessary to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds. Necessary controls include utilizing official prenumbered manual receipt slips, limiting or restricting use, accounting for the numerical sequence, indicating the method of payment, and ensuring proper and timely recording of manual receipt slip receipts in the JIS. In addition, effective January 1, 2014, COR 4.53.2 restricts courts using the JIS or other approved local automated systems to only issue manual receipt slips when the automated system is unavailable or as authorized by order of the presiding judge.

1.8 Safeguarding of records and monies

The Circuit Clerk does not properly safeguard or limit access to records and monies. Processed receipts, blank checks, signed checks, and the signature stamps of the Circuit Clerk and supervisor are maintained in areas accessible to multiple employees, some of which do not need access to these items to perform their job duties. In addition, employees who use the signature stamp do not initial to indicate use nor is there any review of the checks stamped.

Without adequate safeguards over records and monies, there is the increased risk of inappropriate access. To reduce the risk of loss, theft, or misuse of funds, processed receipts, blank and signed checks, and the signature stamps, should be adequately safeguarded and proper controls established over use of the signature stamps.



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

Recommendations

The Circuit Clerk:

- 1.1 Segregate accounting duties, limit user access rights in the JIS to only those necessary for the user to perform job duties, and implement appropriate reviews and monitoring procedures.
- 1.2 Periodically review user access to data and other information resources within the JIS to ensure access rights are commensurate with job duties and responsibilities.
- 1.3 Improve controls over mail receipts and restrictively endorse all checks and money orders immediately upon receipt.
- 1.4 Ensure adequate documentation is maintained to support all non-monetary, adjusting, and voided transactions, and ensure an independent review and approval of these transactions is performed and documented. In addition, the Circuit Clerk should require the voided receipt transaction password be changed periodically.
- 1.5 Perform monthly bank reconciliations, resolve reconciling items and make appropriate adjustments to the accounting records timely. In addition, the Circuit Clerk should establish procedures to review the status of liabilities to determine the appropriate disposition of funds held and establish procedures to ensure garnishment payments are disbursed timely and in accordance with the Supreme Court rule.
- 1.6 Develop procedures to review accrued costs and uncollectible accounts at least annually in compliance with the court's administrative plan. In addition, the Circuit Clerk should ensure payment plans are established in accordance with court operating rules.
- 1.7 Obtain and establish adequate controls over official receipt slip books. In addition, the Circuit Clerk should account for the numerical sequence of receipt slips issued. The Circuit Clerk should also ensure manual receipt slip receipts are recorded timely in the JIS and reviewed and reconciled to the JIS and to the related deposits by someone independent of the receipting process.
- 1.8 Ensure processed receipts, blank and signed checks, and signature stamps are properly secured and safeguarded and controls are established over the signature stamps.



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

Auditee's Response

1.1 JIS user access rights were addressed as noted below in section 1.2.

Accounting duties were segregated as follows:

- a. Receipting/disbursing/check printing access: All staff members with these rights were identified and appropriate changes made. The garnishment initiation clerk is no longer receipting funds from employers, disbursing funds, or printing checks and these duties were assigned to other staff.*
- b. Adjustments/voids: Adjustments are only performed by supervisory staff. The process is documented and new request forms were developed. Closed session voids can only be performed by the Circuit Clerk, Unit Manager and the Accounting Supervisor. Same or active session voids can be performed by supervisory staff.*
- c. Review/Monitoring: Processes were implemented for daily close outs, cash bonds, non-monetary receipts, adjustments, voids, and manual receipt slips.*

1.2 The Circuit Clerk will perform an annual review of security rights of all staff. However, if duties change for a specific staff member, when the transfer is made security rights will be reviewed at that time to ensure they have the appropriate rights. The 16 employees with unnecessary account access were resolved on or before February 15, 2015.

1.3 Checks and money orders received daily in the mail are now restrictively endorsed immediately upon delivery to the appropriate division to be receipted on the day of receipt. Boone County is unique in that we receipt money for the Sheriff's Department from other counties or states, which can result in the appearance of a delay in receipting due to the issued date of the check. These monies are now restrictively endorsed immediately and receipted daily. Receipts are reconciled during the daily close out process.

1.4 The non-monetary receipt reports were being verified; however, verification was not done by independent personnel nor were the reviews documented. We began documenting reviews on December 18, 2014. Effective July 1, 2015, reviews will be done and documented by independent personnel. Effective April 1, 2015, adjusting and voiding transactions are being documented, maintained, and reviewed based on the processes developed. The password for voids and adjustments was changed on April 1, 2015, will be changed periodically, and is only known by the supervisors.



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

- 1.5 *The court went live on eFiling February 3, 2014. Prior to this, monthly bank reconciliations were performed in a timely manner and were current. Due to the changes in eFiling accounting processes and procedures, the reconciliation was attempted, however not fully reconciled. The OSCA was made aware and assistance was requested from the live date to year to date. The open items account is managed monthly by reviewing the pending open items balances to the status of the associated cases. The \$4,176 garnishment money held in open items was addressed on April 3, 2015, and to date is current with payouts. Effective April 3, 2015, a judicial order was entered for immediate payout to the trustee on bankruptcy cases.*
- 1.6 *The Court en Banc discussed and voted on April 7, 2015, to enter an order for cases with a balance older than 10 years to be written off as uncollectible. An order was issued on June 23, 2015. These cases are being identified and appropriate adjustments will be made. Payment plans are being established as ordered by the court for the collection of appropriate fees. Please note due to the conversion from MOCIS to Banner/JIS in 2000, payment plan functionality was not available, therefore numerous cases converted without a payment plan. This old debt will be resolved with the order that was issued and noted above.*
- 1.7 *Manual receipt slips books were collected and changes to the manual receipt slip process were implemented on February 1, 2015. Reviews of the manual receipt slips books are currently being completed; however, someone independent from the receipting process will begin to perform monthly reviews on July 1, 2015. This process will be performed monthly and documented. As noted in our responses to sections 1.1 and 1.3 above, additional control processes over receipts have been established.*
- 1.8 *All checks are now kept in a locked cabinet with limited and monitored access. All signature stamps were collected and disposed of except for required stamps, which are now maintained in a secure location with limited access. Processed receipts are kept in a locked safe and access has now been limited.*



2. Court Administrator's Accounting Controls and Procedures

We identified weaknesses with accounting controls and procedures of the Court Administrator. The Court Administrator receives and transmits monies related to grants, reimbursements from the Callaway County Circuit Court for costs incurred on behalf of Callaway County, and drug court, family court, and juvenile office receipts. The Court Administrator transmitted approximately \$181,000 to the Boone County Treasurer during the year ended December 31, 2014.

2.1 Segregation of duties and supervisory review

The court has not adequately segregated accounting duties or performed adequate supervisory or independent reviews of the Court Administrator's financial activities. One clerk is primarily responsible for the duties of billing, receipting, recording, and transmitting monies to the Boone County Treasurer, and performing reconciliations between Court Administrator records and the county's financial system. The supervisory or independent reviews performed are not adequate to ensure proper recording and transmittal of monies received.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Segregating duties to the extent possible, along with periodic supervisory or independent reviews of records, would reduce the possibility of errors, loss, theft, or misuse of funds going undetected.

2.2 Receipting procedures

The Court Administrator does not have adequate receipting procedures in place. Court Administrator personnel do not issue receipt slips or maintain a mail log. A listing of the monies on hand is recorded on a transmittal form when the monies are transmitted to the Boone County Treasurer.

An initial record of monies received combined with procedures to reconcile these monies to the financial and transmittal records is necessary to reduce the risk of loss, theft, or misuse of funds.

2.3 Billing procedures

The Court Administrator does not have proper procedures to ensure reimbursement claims for monies due from Callaway County and juvenile justice grant monies are submitted timely. We requested Court Administrator personnel identify the reimbursement requests that had not been billed for the year ended December 31, 2014. As of February 2015, personnel identified at least \$55,800 had not been billed for 2014. Of the \$55,800, at least \$12,900 related to billing claims that could have occurred between August and November 2014.

Failure to prepare or submit timely reimbursement claims could result in a loss of revenue to the county.



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

2.4 Excessive fund balances The Circuit Court Drug Fund and the Family Services and Justice Fund have accumulated a significant cash reserve without any specific plans for its use. The fees assessed provide significantly more revenue than is necessary to maintain the current operations of these funds.

The Circuit Court Drug Fund ending cash balance of \$297,600 at December 31, 2014, is approximately 4.5 times the 2014 disbursements total of \$66,053. The court has set drug court fees at \$50 per month. Fees for driving while intoxicated cases were \$150 per month for clients entering the program prior to February 2014, \$50 per month for clients entering the program during February through July 2014, and \$125 per month for clients entering the program during August through December 2014. Section 478.001, RSMo, authorizes the court to receive fees for substance abuse treatment programs. Section 478.007, RSMo, authorizes the court to assess all necessary costs for participation in the driving while intoxicated treatment program against the participant. The amount of fees and costs is not set by statute and the court has discretion to set the amounts assessed.

The Family Services and Justice Fund ending cash balance of \$94,700, is approximately 3 times the 2014 disbursements total of \$31,663. Section 488.2300, RSMo, indicates the Family Court fee is set at \$30 per case. The court also imposes other fees in certain cases based upon participation in specialized programs.

The court should determine future needs and consider reducing or suspending collection of these fees when applicable, until needed or until a plan to utilize these funds is developed.

Recommendations

The Court Administrator:

- 2.1 Segregate accounting duties to the extent possible or ensure an adequate supervisory or independent review of accounting records is performed and documented.
- 2.2 Ensure a mail log is maintained and prenumbered receipt slips are issued for all monies immediately upon receipt.
- 2.3 Establish procedures to ensure all amounts owed to the court are timely billed.
- 2.4 Work with the Court en Banc to determine the court's future needs and develop a plan to utilize the monies available or consider reducing the fees assessed.

Auditee's Response

- 2.1 *While one clerk will continue to have the primary duties of billing, receipting, recording, and transmitting monies; effective July 1,*



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

2015, the Deputy Court Administrator will review Boone County's monthly subsidiary report for each department under the Court Administrator, and cross-check it with the court's budget system and requisitions to ensure all monies were properly receipted, recorded and transmitted. The Juvenile Justice Center will perform its own cross-check as noted in the response to section 3.1.

- 2.2 *Effective June 18, 2015, the receptionist in the Court Administrator's office is responsible for maintaining a mail log of all monies received in the Court Administrator's office both through the mail and interoffice mail from other departments. In addition, the Court Administrator clerk who receives electronic payment notices will forward those notices to the receptionist who will add the electronic notices to the mail log. Further, effective July 1, 2015, all offices under the Court Administrator will maintain a similar mail log. Starting May 20, 2015, the Court Administrator's office began using prenumbered carbon copied receipt slips that include the unique Thirteenth Circuit heading and address to ensure it is a receipt specific to the Court Administrator's office. These prenumbered receipts are issued immediately upon acceptance of funds.*
- 2.3 *The Court Administrator's Office is in the process of creating a monthly check list of all agencies that pay funds to the Court Administrator or departments under the Court Administrator. This list will be used effective July 1, 2015, and will be checked on a monthly basis by the Court Administrator to ensure timely billing.*
- 2.4 *The Boone County Drug Court Fund and Family Services and Justice Fund both have high balances.*

Annually, the Thirteenth Circuit applies for grant funding from the Drug Court Coordinating Commission for funds for the Drug Court, DWI Court, and Veterans Treatment Court. For 2015-2016, the circuit was awarded \$353,745 for the Boone County Drug Court, \$5,000 for the Boone County DWI Court, and \$3,402 for the Veterans Treatment Court. One year of not receiving the grant funds would wipe out the entire Drug Court Fund, therefore a high balance is necessary. In addition, contract agencies may change the cost of their services on an annual basis, and the number of participants in each court may vary from year to year. Specifically, it is anticipated that the current Drug Court population will significantly increase over the next few years due to a grant, but the fund will need to be used to help continue services after the grant. For these reasons, it is necessary to maintain a high balance in this fund.



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

The Family Services and Justice Fund was previously (until September 2013) used to reimburse the state for the Family Court Commissioner's salary and benefits pursuant to statute. At that time, the circuit was concerned about the fund's ability to continue to reimburse these costs due to dwindling funds. There was a legislative change in 2013 so that after September 2013, the Thirteenth Circuit no longer needed to reimburse the state for the Family Court Commissioner. The court intentionally allowed this fund to grow in 2014 and, in 2015, has budgeted \$20,000 for professional services and contract services to help families in the Family Court as allowed under Section 488.2300, RSMo. We are currently drafting our budget for 2016 and consideration is being given to additional statutory ways in which we may utilize the fund to improve services to families.

3. Juvenile Justice Center

We identified weaknesses with accounting controls and procedures of the JJC. For the year ended December 31, 2014, the county's financial records indicate at least \$156,000 in receipts was received from the JJC. Financial activity of the JJC falls under the supervision of the Court Administrator.

3.1 Segregation of duties and supervisory review

The Court Administrator has not adequately segregated accounting duties or performed supervisory or independent reviews of the JJC's financial activities. The office manager is primarily responsible for the duties of billing, receipting, recording, and transmitting monies to the Boone County Treasurer; preparing and approving disbursements; and performing reconciliations between JJC records and the county's financial system. No supervisory or independent reviews of the office manager's work were performed.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Segregating duties to the extent possible, along with periodic supervisory or independent reviews of records, would reduce the possibility of errors, loss, theft, or misuse of funds going undetected.

3.2 Receipting procedures

The JJC does not have adequate receipting procedures.

- JJC personnel do not always issue prenumbered receipt slips, maintain a mail log, or transmit the receipts to the Boone County Treasurer timely. In addition, checks are not always restrictively endorsed immediately upon receipt.

Our December 17, 2014, cash count identified at least 4 receipts, totaling \$4,531, had not been issued a receipt slip. The Court Administrator does not require receipt slips to be issued or a mail log to be maintained. It is unknown how long these receipts had been on hand,



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

but some checks dated back to November 24, 2014, indicating some monies are being held and are not being transmitted timely. The JJC office manager indicated transmittals normally occur weekly. In addition, we identified 3 checks totaling \$4,523 were not restrictively endorsed immediately upon receipt.

- The JJC has not ensured receipts are properly safeguarded from inappropriate access. Receipts were located on an employee's desk, in an unlocked desk drawer and in a wall-mounted lockbox. The key to the lockbox was in an unlocked desk drawer. The room is locked when the responsible individual is not present. However, multiple employees also have access to the locked room. Those employees do not need access to these items to perform their job duties.

An initial record of monies received combined with procedures to reconcile these monies to the financial and transmittal records is necessary to adequately safeguard receipts. In addition, restrictively endorsing checks immediately upon receipt, maintaining receipts in a secure location until transmitted, and transmitting all receipts in a timely manner would reduce the risk of loss, theft, or misuse of funds.

Recommendations

The Court Administrator:

- 3.1 Segregate accounting duties to the extent possible or ensure an adequate supervisory or independent review of accounting records is performed and documented.
- 3.2 Ensure a mail log is maintained and prenumbered receipt slips are issued for all monies immediately upon receipt, checks are restrictively endorsed immediately upon receipt, and receipts are transmitted timely. In addition, the Court Administrator should ensure monies are properly secured and safeguarded.

Auditee's Response

- 3.1 *While one employee will continue to have the primary duties of billing, receipting, recording, and transmitting monies; effective July 1, 2015, the Juvenile Justice Center Superintendent will assign one of his two coordinators (a supervisory position) to review the Boone County monthly subsidiary report for the Juvenile Justice Center, and crosscheck it with the court's budget system and requisitions to ensure all monies were properly receipted, recorded and transmitted.*
- 3.2 *Effective July 1, 2015, the receptionist at the Juvenile Justice Center (JJC) will be responsible for maintaining a mail log of all monies received at the center both through the mail and electronically. The Judicial Information System (JIS) generates*



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

receipts for all situations when clients are paying court-ordered fees. When JIS is not available, a manual receipt slip may be used. Starting May 20, 2015, the JJC began using prenumbered carbon copied receipt slips that include the unique JJC heading and address to ensure it is a receipt specific to the center. These prenumbered receipt slips are issued immediately upon acceptance of funds. The clerical staff will restrictively endorse checks immediately upon receipt. When clerical staff are not at work or in the office, receipt slip books will be secured in a locked drawer that only the designated clerical staff and appropriate supervisors have a key to unlock. The JJC Superintendent will ensure receipts are transmitted timely.

4. Law Library

We identified weaknesses with accounting controls and procedures of the law library. According to financial records, law library receipts collected during the year ended December 31, 2014, were approximately \$26,000. The law library is administered by the Court Administrator.

4.1 Segregation of duties and supervisory review

The court has not adequately segregated the accounting duties or performed independent reviews of the law library bank account and financial activities. One clerk performs the accounting duties of receipting and recording payments received, preparing deposits and disbursements, and reconciling the bank account. This clerk also has authority to sign checks, although checks are usually signed by the Assistant Court Administrator. Another clerk and the Assistant Court Administrator occasionally perform some of the accounting duties when the clerk is unavailable. As a result, there are instances where court personnel could be responsible for law library transactions from initial receipt to disbursement, without involvement from other clerks or supervisory review.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, at a minimum, periodic and documented reviews of the records should be performed by someone independent of the accounting functions.

4.2 Library inventory

Court personnel do not maintain an inventory list of law library materials and could provide no documentation to show that physical inventories of law library materials were performed. Court personnel indicated expenditures for law library publications, subscriptions, and other materials totaled \$9,036 during the year ended December 31, 2014.

The law library, which includes legal publications and technical equipment, is maintained for use by court personnel and the community. Physical inventories of law library materials, and reconciliation of those inventories to the inventory records, are necessary to ensure inventory records are



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

accurate, identify unrecorded additions and dispositions, detect and deter theft of assets, and identify obsolete materials.

4.3 Excessive fund balance

The Law Library Fund has accumulated a significant cash reserve without any specific plans for its use. The \$15 law library fee provides significantly more revenue than is necessary to maintain the current operations of the law library. The Law Library Fund ending cash balance of \$150,498 at December 31, 2014, is approximately 17 times the 2014 disbursements total of \$9,036. Sections 488.426 and 488.429, RSMo, authorizes a fee of up to \$15.

The court should determine future needs and consider reducing or suspending collection of this fee until needed or until a plan to utilize these funds is developed.

Recommendations

The Court Administrator:

- 4.1 Segregate accounting duties to the extent possible or ensure an adequate supervisory or independent review of accounting records is performed and documented.
- 4.2 Ensure periodic physical inventories of law library materials are performed, reconciled to inventory records, and documented.
- 4.3 Work with the Court En Banc to determine the court's future needs and develop a plan to utilize the monies available in the Law Library Fund or consider reducing the law library fee.

Auditee's Response

- 4.1 *Effective April 22, 2015, the clerk responsible for receipting and recording payments received, preparing deposits and disbursements and reconciling the bank account for the Law Library Fund was removed as a person able to sign checks.*
- 4.2 *Effective April 15, 2015, the Deputy Court Administrator took inventory of the law library materials and will be reviewing inventory on a quarterly basis. In addition, the Deputy Court Administrator will update the inventory list based on purchases made each quarter. Each quarterly report will be filed with the Court Administrator.*
- 4.3 *The Court en Banc utilizes the Law Library Funds based on statutory authority in Section 488.429, RSMo. Currently the court is in the planning process with the Boone County Commission regarding an update to the Ground Floor courtroom video conferencing equipment. It is anticipated this update will cost \$50,000 and will be completed in 2015. In addition, Court*



Thirteenth Judicial Circuit
Boone County
Management Advisory Report - State Auditor's Findings

Administration has been reviewing the option of having electronic monitors available outside each courtroom to reflect cases being called in the courtroom. Court Administration will discuss options with the Court en Banc for utilizing the fund. Technology upgrades such as these are typically high dollar amounts, therefore it is anticipated that the fund balance will need to continue to be at a high amount to cover these large purchases.

Thirteenth Judicial Circuit

Boone County

Organization and Statistical Information

The Thirteenth Judicial Circuit consists of Boone County as well as Callaway County.

The Thirteenth Judicial Circuit consists of four circuit judges and six associate circuit judges. The circuit judges hear cases in Boone and Callaway Counties. Of the six associate circuit judges, four are located in Boone County and two in Callaway County. Circuit personnel located in Callaway County are not included in the scope of the audit. The Family Court Commissioner is appointed pursuant to Section 487.020, RSMo.

Personnel

At December 31, 2014, the judges, Family Court Commissioner, Circuit Clerk, Court Administrator, and Juvenile Officer of the Thirteenth Judicial Circuit, Boone County, were as follows:

Title	Name
Circuit Judge, Division I	Christine Carpenter
Circuit Judge, Division II	Gary Oxenhandler
Circuit Judge, Division III	Kevin Crane
Circuit Judge, Division IV	Jodie Capshaw Asel
Associate Circuit Judge	Michael W. Bradley
Associate Circuit Judge	Larry Bryson
Associate Circuit Judge	Deborah Daniels
Associate Circuit Judge	Leslie Schneider
Family Court Commissioner	Sara Miller
Circuit Clerk	Christy Blakemore
Court Administrator	Kathy Lloyd
Juvenile Officer	Cindy Garrett

In addition, the Thirteenth Judicial Circuit, Boone County, employed 119 full-time employees and 31 part-time employees on December 31, 2014.

Financial Information

Receipts of the Thirteenth Judicial Circuit, Boone County, were as follows:

	Year Ended December 31, 2014
Court deposits, fees, bonds, and other	\$6,133,580
Drug treatment court	37,439
Driving while intoxicated court	23,135
Veterans court	3,250
Interest income	3,825
Total	\$6,201,229



Thirteenth Judicial Circuit
Boone County
Organization and Statistical Information

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Thirteenth Judicial Circuit, Boone County, were as follows:

	Year Ended June 30, 2014
Civil	7,137
Criminal	8,984
Juvenile	541
Probate	1,603
Total	18,265



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Henry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Henry County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2015
Report No. 2015-055

ANNUAL FINANCIAL REPORT

HENRY COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

HENRY COUNTY, MISSOURI

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

List of Elected Officials	i
---------------------------	---

FINANCIAL SECTION

Independent Auditors' Report	ii
------------------------------	----

BASIC FINANCIAL STATEMENTS:

Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis	1
Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds	2
Notes to Financial Statements	14

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	22
Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control over Compliance Required By OMB Circular A-133	24
Schedule of Expenditures of Federal Awards	26
Notes to the Schedule of Expenditures of Federal Awards	27
Schedule of Findings and Questioned Costs	28
Findings and Recommendations	30
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	33

INTRODUCTORY SECTION

HENRY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Jim Stone

North District Commissioner – Daniel Doll

South District Commissioner – Jim Talley

Other Elected Officials

Assessor – Scott Largent

Circuit Clerk – Marsha Abbott

Collector/Treasurer – Maggie Stoddard

Coroner – Dain Sisk

County Clerk – Rick Watson

Prosecuting Attorney – Richard Shields

Public Administrator – Kay Holt

Recorder of Deeds – Ronda Ake

Sheriff – J. Kent Oberkrom

Surveyor – Jacob Hann

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Henry County, Missouri

We have audited the accompanying financial statements of Henry County, Missouri as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Henry County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Henry County, Missouri, as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Henry County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Henry County, Missouri’s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 30, 2015, on our consideration of Henry County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 30, 2015

FINANCIAL SECTION

HENRY COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2013 AND 2014

Fund	Cash and Investments January 1, 2013	Receipts 2013	Disbursements 2013	Cash and Investments December 31, 2013	Receipts 2014	Disbursements 2014	Cash and Investments December 31, 2014
General Revenue	\$ 417,505	\$ 2,785,869	\$ 2,209,251	\$ 994,123	\$ 2,768,562	\$ 2,274,094	\$ 1,488,591
Special Road and Bridge	645,751	1,110,310	885,694	870,367	1,640,542	1,547,092	963,817
Assessment	43,882	324,384	337,962	30,304	348,539	347,876	30,967
Central Emergency Communications	584,561	472,537	532,374	524,724	497,928	567,182	455,470
Law Enforcement Training	11,203	7,077	17,787	493	5,246	5,410	329
Prosecuting Attorney Training	1,460	1,108	1,472	1,096	1,279	1,515	860
P. A. Bad Check/Administrative Handling Cost	4,706	20,110	20,213	4,603	19,305	17,021	6,887
Prosecuting Attorney Delinquent Tax	32	-	32	-	-	-	-
Victims of Domestic Violence	287	898	912	273	953	887	339
Local Use Tax	232,338	206,584	65,000	373,922	139,586	50,000	463,508
Local Emergency Planning Commission	11,894	3,797	6,335	9,356	3,441	6	12,791
Recorder's Records Storage Preservation	26,224	13,637	8,687	31,174	11,902	19,799	23,277
Sheriff's Civil	1,662	33,558	28,620	6,600	23,589	27,126	3,063
Election Service	3,370	4,348	780	6,938	15,567	14,246	8,259
CDBG/Log Jam	34,347	4,037	4,037	34,347	16,615	16,615	34,347
Law Enforcement Contract	25,710	324,306	350,016	-	-	-	-
Tax Maintenance	113,068	31,175	38,923	105,320	30,791	51,588	84,523
County Grant	13,279	-	13,279	-	-	-	-
County Sheriff's Revolving	9,254	32,291	40,300	1,245	22,629	17,311	6,563
Inmate Security	1,856	26,352	12,932	15,276	113,710	69,735	59,251
Senior Citizens Service Tax	79,044	144,295	123,914	99,425	153,302	151,661	101,066
Henry County Law Enforcement	150,885	2,471,380	2,295,265	327,000	2,535,801	2,640,144	222,657
Total	<u>\$ 2,412,318</u>	<u>\$ 8,018,053</u>	<u>\$ 6,993,785</u>	<u>\$ 3,436,586</u>	<u>\$ 8,349,287</u>	<u>\$ 7,819,308</u>	<u>\$ 3,966,565</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND			
	Year Ended December 31,			
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 172,000	\$ 184,068	\$ 175,000	\$ 219,626
Sales taxes	1,130,000	1,150,919	1,135,000	1,211,536
Intergovernmental	809,468	742,627	652,601	619,443
Charges for services	584,500	588,693	534,500	599,372
Interest	1,300	781	1,000	770
Other	54,890	52,218	60,851	67,815
Transfers in	110,000	66,563	100,000	50,000
Total Receipts	<u>\$ 2,862,158</u>	<u>\$ 2,785,869</u>	<u>\$ 2,658,952</u>	<u>\$ 2,768,562</u>
DISBURSEMENTS				
County Commission	\$ 132,152	\$ 130,080	\$ 133,956	\$ 133,078
County Clerk	103,723	100,727	96,790	92,176
Elections	51,729	49,474	128,700	100,463
Buildings and grounds	168,050	128,458	223,020	158,318
Employee fringe benefits	181,722	172,456	231,516	212,777
Treasurer	95,000	92,000	92,605	92,180
Collector	29,043	27,580	24,200	23,227
Recorder of Deeds	93,320	88,285	100,270	96,499
Circuit Clerk	29,000	28,361	26,000	23,566
Court Administration	135,321	87,229	136,766	95,692
Public Administrator	16,500	9,596	23,000	18,037
Prosecuting Attorney	284,450	284,027	298,672	298,523
Juvenile Officer	296,969	240,394	323,574	285,623
Coroner	39,474	32,219	37,079	33,238
Other County Government	462,626	354,865	416,295	312,197
Health / Welfare	3,500	3,500	3,500	3,500
Debt Service	-	-	-	-
Transfers out	500,000	380,000	400,000	295,000
Emergency fund	85,000	-	85,000	-
Total Disbursements	<u>\$ 2,707,579</u>	<u>\$ 2,209,251</u>	<u>\$ 2,780,943</u>	<u>\$ 2,274,094</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 154,579	\$ 576,618	\$ (121,991)	\$ 494,468
CASH and INVESTMENTS, JANUARY 1	<u>417,505</u>	<u>417,505</u>	<u>994,123</u>	<u>994,123</u>
CASH and INVESTMENTS, DECEMBER 31	<u>\$ 572,084</u>	<u>\$ 994,123</u>	<u>\$ 872,132</u>	<u>\$ 1,488,591</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 108,000	\$ 115,534	\$ 114,000	\$ 117,401	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,025,200	852,845	1,379,000	1,365,109	326,707	317,778	338,217	343,308
Charges for services	25,000	21,431	25,000	40,837	-	-	-	-
Interest	2,500	1,606	2,000	1,387	120	56	120	47
Other	53,500	118,894	68,500	115,808	2,500	6,550	5,912	5,184
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,214,200</u>	<u>\$ 1,110,310</u>	<u>\$ 1,588,500</u>	<u>\$ 1,640,542</u>	<u>\$ 329,327</u>	<u>\$ 324,384</u>	<u>\$ 344,249</u>	<u>\$ 348,539</u>
DISBURSEMENTS								
Salaries	\$ 136,531	\$ 136,886	\$ 139,547	\$ 137,690	\$ 259,105	\$ 248,497	\$ 257,284	\$ 247,619
Employee fringe benefits	45,197	38,913	43,795	36,834	46,990	44,769	45,731	41,609
Materials and supplies	169,550	112,574	160,650	114,454	22,400	18,944	22,379	20,041
Services and Other	46,750	36,622	49,200	45,858	27,100	24,664	40,900	34,974
Capital outlay	122,000	44,557	142,000	194,967	6,132	1,088	8,000	3,633
Construction	775,045	516,142	1,119,045	1,017,289	-	-	-	-
Transfers out	-	-	-	-	8,947	-	-	-
Total Disbursements	<u>\$ 1,295,073</u>	<u>\$ 885,694</u>	<u>\$ 1,654,237</u>	<u>\$ 1,547,092</u>	<u>\$ 370,674</u>	<u>\$ 337,962</u>	<u>\$ 374,294</u>	<u>\$ 347,876</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (80,873)	\$ 224,616	\$ (65,737)	\$ 93,450	\$ (41,347)	\$ (13,578)	\$ (30,045)	\$ 663
CASH and INVESTMENTS, JANUARY 1	645,751	645,751	870,367	870,367	43,882	43,882	30,304	30,304
CASH and INVESTMENTS, DECEMBER 31	<u>\$ 564,878</u>	<u>\$ 870,367</u>	<u>\$ 804,630</u>	<u>\$ 963,817</u>	<u>\$ 2,535</u>	<u>\$ 30,304</u>	<u>\$ 259</u>	<u>\$ 30,967</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CENTRAL EMERGENCY COMMUNICATIONS FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	300,000	257,736	275,000	258,100	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	143,960	120,210	143,960	143,665	5,000	7,077	6,500	5,246
Interest	2,000	1,636	1,600	1,163	-	-	-	-
Other	-	2,955	-	-	3,000	-	-	-
Transfers in	90,000	90,000	95,000	95,000	-	-	-	-
Total Receipts	<u>\$ 535,960</u>	<u>\$ 472,537</u>	<u>\$ 515,560</u>	<u>\$ 497,928</u>	<u>\$ 8,000</u>	<u>\$ 7,077</u>	<u>\$ 6,500</u>	<u>\$ 5,246</u>
DISBURSEMENTS								
Salaries	\$ 321,521	\$ 315,693	\$ 330,350	\$ 336,688	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	70,909	62,596	74,476	63,818	-	-	-	-
Materials and supplies	92,603	84,112	93,156	89,223	-	-	-	-
Services and other	48,853	63,493	83,250	71,123	17,800	17,787	6,500	5,410
Capital outlay	4,500	6,480	6,500	6,330	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 538,386</u>	<u>\$ 532,374</u>	<u>\$ 587,732</u>	<u>\$ 567,182</u>	<u>\$ 17,800</u>	<u>\$ 17,787</u>	<u>\$ 6,500</u>	<u>\$ 5,410</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,426)	\$ (59,837)	\$ (72,172)	\$ (69,254)	\$ (9,800)	\$ (10,710)	\$ -	\$ (164)
CASH and INVESTMENTS, JANUARY 1	<u>584,561</u>	<u>584,561</u>	<u>524,724</u>	<u>524,724</u>	<u>11,203</u>	<u>11,203</u>	<u>493</u>	<u>493</u>
CASH and INVESTMENTS, DECEMBER 31	<u>\$ 582,135</u>	<u>\$ 524,724</u>	<u>\$ 452,552</u>	<u>\$ 455,470</u>	<u>\$ 1,403</u>	<u>\$ 493</u>	<u>\$ 493</u>	<u>\$ 329</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				P.A. BAD CHECK/ADMIN. HANDLING COST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	750	1,108	750	1,279	6,000	6,653	6,000	6,590
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	10,000	13,457	10,000	12,715
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 750</u>	<u>\$ 1,108</u>	<u>\$ 750</u>	<u>\$ 1,279</u>	<u>\$ 16,000</u>	<u>\$ 20,110</u>	<u>\$ 16,000</u>	<u>\$ 19,305</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,169	1,472	1,771	1,515	20,355	20,213	20,603	17,021
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,169</u>	<u>\$ 1,472</u>	<u>\$ 1,771</u>	<u>\$ 1,515</u>	<u>\$ 20,355</u>	<u>\$ 20,213</u>	<u>\$ 20,603</u>	<u>\$ 17,021</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,419)	\$ (364)	\$ (1,021)	\$ (236)	\$ (4,355)	\$ (103)	\$ (4,603)	\$ 2,284
CASH and INVESTMENTS, JANUARY 1	<u>1,460</u>	<u>1,460</u>	<u>1,096</u>	<u>1,096</u>	<u>4,706</u>	<u>4,706</u>	<u>4,603</u>	<u>4,603</u>
CASH and INVESTMENTS, DECEMBER 31	<u>\$ 41</u>	<u>\$ 1,096</u>	<u>\$ 75</u>	<u>\$ 860</u>	<u>\$ 351</u>	<u>\$ 4,603</u>	<u>\$ -</u>	<u>\$ 6,887</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,150	898	1,150	953
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ -	\$ 1,150	\$ 898	\$ 1,150	\$ 953
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	32	-	-	1,150	912	1,150	887
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ 32	\$ -	\$ -	\$ 1,150	\$ 912	\$ 1,150	\$ 887
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (32)	\$ -	\$ -	\$ -	\$ (14)	\$ -	\$ 66
CASH and INVESTMENTS, JANUARY 1	32	32	-	-	287	287	273	273
CASH and INVESTMENTS, DECEMBER 31	\$ 32	\$ -	\$ -	\$ -	\$ 287	\$ 273	\$ 273	\$ 339

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL USE TAX FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	130,000	206,290	205,000	139,349	-	-	-	-
Intergovernmental	-	-	-	-	1,200	3,797	3,700	3,441
Charges for services	-	-	-	-	-	-	-	-
Interest	250	294	250	237	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 130,250</u>	<u>\$ 206,584</u>	<u>\$ 205,250</u>	<u>\$ 139,586</u>	<u>\$ 1,200</u>	<u>\$ 3,797</u>	<u>\$ 3,700</u>	<u>\$ 3,441</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	4,200	41	4,100	6
Services and other	-	-	-	-	7,300	6,294	4,045	-
Capital outlay	60,000	-	100,000	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	50,000	65,000	-	50,000	-	-	-	-
Total Disbursements	<u>\$ 110,000</u>	<u>\$ 65,000</u>	<u>\$ 100,000</u>	<u>\$ 50,000</u>	<u>\$ 11,500</u>	<u>\$ 6,335</u>	<u>\$ 8,145</u>	<u>\$ 6</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 20,250	\$ 141,584	\$ 105,250	\$ 89,586	\$ (10,300)	\$ (2,538)	\$ (4,445)	\$ 3,435
CASH and INVESTMENTS, JANUARY 1	<u>232,338</u>	<u>232,338</u>	<u>373,922</u>	<u>373,922</u>	<u>11,894</u>	<u>11,894</u>	<u>9,356</u>	<u>9,356</u>
CASH and INVESTMENTS, DECEMBER 31	<u>\$ 252,588</u>	<u>\$ 373,922</u>	<u>\$ 479,172</u>	<u>\$ 463,508</u>	<u>\$ 1,594</u>	<u>\$ 9,356</u>	<u>\$ 4,911</u>	<u>\$ 12,791</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S RECORDS STORAGE PRESERVATION FUND				SHERIFF'S CIVIL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	12,000	13,597	10,000	11,849	30,000	28,758	30,000	23,589
Interest	20	40	20	53	-	-	-	-
Other	-	-	-	-	-	4,800	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 12,020	\$ 13,637	\$ 10,020	\$ 11,902	\$ 30,000	\$ 33,558	\$ 30,000	\$ 23,589
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,500	-	2,000	-	10,000	3,847	4,000	23,588
Services and other	500	-	500	-	5,000	5,671	-	2,743
Capital outlay	20,000	8,687	38,000	19,799	14,000	19,102	28,027	795
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 23,000	\$ 8,687	\$ 40,500	\$ 19,799	\$ 29,000	\$ 28,620	\$ 32,027	\$ 27,126
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (10,980)	\$ 4,950	\$ (30,480)	\$ (7,897)	\$ 1,000	\$ 4,938	\$ (2,027)	\$ (3,537)
CASH and INVESTMENTS, JANUARY 1	26,224	26,224	31,174	31,174	1,662	1,662	6,600	6,600
CASH and INVESTMENTS, DECEMBER 31	\$ 15,244	\$ 31,174	\$ 694	\$ 23,277	\$ 2,662	\$ 6,600	\$ 4,573	\$ 3,063

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICE FUND				CDBG/LOG JAM FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,200	4,348	14,086	15,567	-	4,037	16,615	16,615
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,200	\$ 4,348	\$ 14,086	\$ 15,567	\$ -	\$ 4,037	\$ 16,615	\$ 16,615
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,000	32	14,408	5,996	-	4,037	16,615	16,615
Capital outlay	2,500	748	2,000	8,250	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 4,500	\$ 780	\$ 16,408	\$ 14,246	\$ -	\$ 4,037	\$ 16,615	\$ 16,615
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,300)	\$ 3,568	\$ (2,322)	\$ 1,321	\$ -	\$ -	\$ -	\$ -
CASH and INVESTMENTS, JANUARY 1	3,370	3,370	6,938	6,938	34,347	34,347	34,347	34,347
CASH and INVESTMENTS, DECEMBER 31	\$ 70	\$ 6,938	\$ 4,616	\$ 8,259	\$ 34,347	\$ 34,347	\$ 34,347	\$ 34,347

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT CONTRACT FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	307,288	307,288	-	-	-	-	-	-
Charges for services	-	-	-	-	32,000	31,161	30,000	30,776
Interest	-	-	-	-	15	14	12	15
Other	4,518	4,518	-	-	-	-	-	-
Transfers in	12,500	12,500	-	-	-	-	-	-
Total Receipts	<u>\$ 324,306</u>	<u>\$ 324,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,015</u>	<u>\$ 31,175</u>	<u>\$ 30,012</u>	<u>\$ 30,791</u>
DISBURSEMENTS								
Salaries	\$ 199,979	\$ 204,212	\$ -	\$ -	\$ 16,000	\$ 10,175	\$ 21,900	\$ 16,900
Employee fringe benefits	50,304	51,583	-	-	842	765	1,300	1,300
Materials and supplies	25,489	22,177	-	-	5,500	5,828	13,000	17,976
Services and other	30,639	31,825	-	-	12,200	3,802	13,200	2,920
Capital outlay	8,213	4,827	-	-	18,000	18,353	21,000	12,492
Construction	-	-	-	-	-	-	-	-
Transfers out	35,392	35,392	-	-	-	-	-	-
Total Disbursements	<u>\$ 350,016</u>	<u>\$ 350,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,542</u>	<u>\$ 38,923</u>	<u>\$ 70,400</u>	<u>\$ 51,588</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (25,710)	\$ (25,710)	\$ -	\$ -	\$ (20,527)	\$ (7,748)	\$ (40,388)	\$ (20,797)
CASH and INVESTMENTS, JANUARY 1	<u>25,710</u>	<u>25,710</u>	<u>-</u>	<u>-</u>	<u>113,068</u>	<u>113,068</u>	<u>105,320</u>	<u>105,320</u>
CASH and INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,541</u>	<u>\$ 105,320</u>	<u>\$ 64,932</u>	<u>\$ 84,523</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY GRANT FUND				COUNTY SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	35,300	32,291	28,000	22,463
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	166
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,300</u>	<u>\$ 32,291</u>	<u>\$ 28,000</u>	<u>\$ 22,629</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	500	2,939	7,500	6,317
Services and other	10,000	11,716	-	-	6,300	6,604	9,500	3,720
Capital outlay	-	-	-	-	31,000	28,257	7,500	7,274
Construction	-	-	-	-	-	-	-	-
Transfers out	3,279	1,563	-	-	2,500	2,500	-	-
Total Disbursements	<u>\$ 13,279</u>	<u>\$ 13,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,300</u>	<u>\$ 40,300</u>	<u>\$ 24,500</u>	<u>\$ 17,311</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (13,279)	\$ (13,279)	\$ -	\$ -	\$ (5,000)	\$ (8,009)	\$ 3,500	\$ 5,318
CASH and INVESTMENTS, JANUARY 1	<u>13,279</u>	<u>13,279</u>	<u>-</u>	<u>-</u>	<u>9,254</u>	<u>9,254</u>	<u>1,245</u>	<u>1,245</u>
CASH and INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,254</u>	<u>\$ 1,245</u>	<u>\$ 4,745</u>	<u>\$ 6,563</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				SENIOR CITIZENS SERVICE TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 144,235	\$ 140,918	\$ 141,264	\$ 151,234
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,500	3,512	10,200	32,570	-	-	-	-
Interest	-	-	-	-	90	62	-	58
Other	14,500	22,840	65,000	81,140	-	3,315	-	2,010
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 18,000</u>	<u>\$ 26,352</u>	<u>\$ 75,200</u>	<u>\$ 113,710</u>	<u>\$ 144,325</u>	<u>\$ 144,295</u>	<u>\$ 141,264</u>	<u>\$ 153,302</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	7,000	5,766	50,000	44,005	1,306	1,652	2,080	1,126
Services and other	6,000	7,166	7,400	6,590	214,059	122,262	196,028	150,535
Capital outlay	-	-	18,500	19,140	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 13,000</u>	<u>\$ 12,932</u>	<u>\$ 75,900</u>	<u>\$ 69,735</u>	<u>\$ 215,365</u>	<u>\$ 123,914</u>	<u>\$ 198,108</u>	<u>\$ 151,661</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 5,000	\$ 13,420	\$ (700)	\$ 43,975	\$ (71,040)	\$ 20,381	\$ (56,844)	\$ 1,641
CASH and INVESTMENTS, JANUARY 1	<u>1,856</u>	<u>1,856</u>	<u>15,276</u>	<u>15,276</u>	<u>79,044</u>	<u>79,044</u>	<u>99,425</u>	<u>99,425</u>
CASH and INVESTMENTS, DECEMBER 31	<u>\$ 6,856</u>	<u>\$ 15,276</u>	<u>\$ 14,576</u>	<u>\$ 59,251</u>	<u>\$ 8,004</u>	<u>\$ 99,425</u>	<u>\$ 42,581</u>	<u>\$ 101,066</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

HENRY COUNTY LAW ENFORCEMENT FUND				
Year Ended December 31,				
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,210,000	1,246,664	1,200,000	1,320,612
Intergovernmental	2,160	2,644	-	-
Charges for services	691,498	775,645	1,172,856	915,002
Interest	100	130	100	127
Other	146,685	120,905	59,771	100,060
Transfers in	535,392	325,392	200,000	200,000
Total Receipts	<u>\$ 2,585,835</u>	<u>\$ 2,471,380</u>	<u>\$ 2,632,727</u>	<u>\$ 2,535,801</u>
DISBURSEMENTS				
Salaries	\$ 865,041	\$ 847,808	\$ 1,055,171	\$ 1,045,770
Employee fringe benefits	218,931	228,608	322,852	304,173
Materials and supplies	291,152	337,155	322,350	376,568
Services and other	918,304	106,808	932,637	134,434
Capital outlay	-	764,886	-	779,199
Construction	-	-	-	-
Transfers out	2,838	10,000	8,425	-
Total Disbursements	<u>\$ 2,296,266</u>	<u>\$ 2,295,265</u>	<u>\$ 2,641,435</u>	<u>\$ 2,640,144</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 289,569	\$ 176,115	\$ (8,708)	\$ (104,343)
CASH and INVESTMENTS, JANUARY 1	<u>150,885</u>	<u>150,885</u>	<u>327,000</u>	<u>327,000</u>
CASH and INVESTMENTS, DECEMBER 31	<u>\$ 440,454</u>	<u>\$ 327,000</u>	<u>\$ 318,292</u>	<u>\$ 222,657</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HENRY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Henry County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff, and Surveyor.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Henry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector/Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. All funds had budgeted expenditures which did not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds in 2013:

Prosecuting Attorney Delinquent Tax
CDBG/Log Jam

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for calendar years 2014 and 2013 were:

	2014	2013
Real Estate	\$ 209,411,080	\$209,533,690
Personal Property	81,084,436	78,219,798
Railroad and Utilities	31,201,923	28,698,759

For calendar years 2014 and 2013, the County Commission approved tax levies per \$100 of assessed valuation of tangible taxable property as follows:

	2014	2013
General Revenue	\$0.0687	\$0.0694
Senior Citizens Service Tax	\$0.0489	\$0.0488

In addition, the Special Road and Bridge fund receives 5% of property tax amounts collected on behalf of township road districts within the County.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes both deposits and short-term investments with maturities of ninety days or less. Investments consist of investments with maturities greater than 90 days.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the County's deposits were \$3,966,565 and \$3,436,586, respectively, and the bank balances were \$4,119,989 and \$3,542,368, respectively. Of the bank balances, \$831,449 and \$845,603 for December 31, 2014 and December 31, 2013, respectively, were covered by federal depository insurance. The remainder of the balances at December 31, 2014 and December 31, 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the Schools, Library, Health Center, and Fire District. Tax collections on deposit amounted to \$10,250,630 and \$10,422,892 at December 31, 2014 and 2013, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2014 and 2013. The remainder of the balances at December 31, 2014 and December 31, 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF employee contributions of approximately \$119,285 and \$115,665, respectively, for the years then ended.

B. Prosecuting Attorney's Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$7,752 for both the years ended December 31, 2014 and 2013.

C. Other Retirement Plan

Contributions to a voluntary retirement plan are paid by a deduction from employees' salaries. These contributions qualify under the Internal Revenue Code and are tax exempt. These contributions are then remitted to PEBSCO who administers the 414 Plan. Employee contributions were \$1,560 and \$1,560, respectively, for the years 2014 and 2013.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to three weeks of paid vacation based upon the number of years of continuous service. Employees can defer one week of vacation to the following year upon approval of the department head, or the employee shall be compensated if not allowed to take vacation before the end of the year. Upon termination from county employment, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. Upon termination from county employment, an employee is reimbursed for half of unused sick leave, except if the employee has not worked in the County for ten years. Employees may carry forward any and all unused sick leave accumulated during the year to a maximum of 90 days. Any days accrued in excess of these are to be forfeited at the end of the year.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is also a member of the Missouri Rural Services Workers Compensation Insurance Trust. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

A. CERTIFICATES OF PARTICIPATION:

The County issued Certificates of Participation to finance construction of a detention center. The Certificates of Participation are solely payable from rents paid by the County to the trustee under the lease purchase agreement. The County's obligations under the lease purchase agreements do not extend beyond the amount budgeted for any respective fiscal year. The County has the option to purchase the trustee's interest in the leased property on any date at an amount necessary to provide for the rent payments on each rent payment date through the end of the leases. The Certificates of Participation are secured by an interest in the leased property. Certificates of Participation payable at December 31, 2014 are as follows:

Year Ending December 31,	Principal Due	Interest Rate	Interest Due	Total Due
2015	\$ 400,000	3.1-3.3%	\$ 357,713	\$ 757,713
2016	425,000	3.3-3.6%	344,513	769,513
2017	425,000	3.6-3.75%	329,213	754,213
2018	450,000	3.75-4.0%	313,275	763,275
2019	475,000	4.00%	295,275	770,275
2020-2024	2,800,000	4.0-5.0%	1,148,975	3,948,975
2025-2028	2,875,000	5.0-5.2%	380,975	3,255,975
Totals	<u>\$ 7,850,000</u>		<u>\$ 3,169,939</u>	<u>\$ 11,019,939</u>

B. CAPITAL LEASES:

The County entered into a 48 month, \$138,846 capital lease for six 2013 Ford Taurus Squad Cars for the Sheriff's Department in April 2013. The lease is scheduled to be paid in quarterly payments of \$9,138 including interest. The schedule of remaining payments and interest is listed below:

Payment Date	Principal Due	Interest Due	Total Due
January 10, 2015	\$ 8,595	\$ 543	\$ 9,138
April 10, 2015	8,648	490	9,138
July 10, 2015	8,701	437	9,138
October 10, 2015	8,755	383	9,138
January 10, 2016	8,808	330	9,138
April 10, 2016	8,862	276	9,138
July 10, 2016	8,917	221	9,138
October 10, 2016	8,972	166	9,138
January 10, 2017	9,027	111	9,138
April 10, 2017	9,082	56	9,138
Totals	<u>\$ 88,367</u>	<u>\$ 3,013</u>	<u>\$ 91,380</u>

8. CHANGE IN REPORTING ENTITY

The County has changed its reporting entity to include certain funds which were previously excluded. The funds previously excluded are the Sheriff's Civil Fund, Law Enforcement Contract Fund and the Sheriff's Revolving Fund. The effect of this change is to increase the beginning cash balances at January 1, 2013 by the amount of the beginning balances of these three funds.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 30, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the County Commission and
Officeholders of Henry County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Henry County, Missouri as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Henry County, Missouri's basic financial statements and have issued our report thereon dated June 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Henry County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Henry County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Henry County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and

recommendations as items 1 and 2, that we consider to be significant deficiencies in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Henry County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as items 3 and 4.

We also noted one other matter that we reported to management of Henry County, Missouri in the accompanying schedule of findings and recommendations section as item 5.

Henry County, Missouri's Response to Findings

Henry County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Henry County, Missouri's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 30, 2015

McBRIDE, LOCK & ASSOCIATES, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the County Commission and
Officeholders of Henry County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Henry County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Henry County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Henry County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Henry County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Henry County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Henry County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Henry County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Report on Internal Control over Compliance

Management of Henry County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Henry County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Henry County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purposes.

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 30, 2015

HENRY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number		Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
	Federal Grantor/Pass-Through Grantor/Program Title		2013	2014
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
14.228	Department of Economic Development - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2010-PF-43	\$ 4,037	\$ 16,615
	U.S. DEPARTMENT OF INTERIOR			
	Direct programs:			
15.226	Payments in Lieu of Taxes	n/a	145,685	155,937
	Fish and Wildlife Service			
15.659	National Wildlife Refuge Fund	n/a	-	249
	U.S. DEPARTMENT OF JUSTICE			
	Direct programs:			
16.922	Equitable Sharing of Seized and Forfeited Property	n/a	50,000	-
	Passed through:			
	State Department of Public Safety -			
16.575	Crime Victim Assistance	2010-VOCA-019-SW 2011-VOCA-063-SW	15,569 4,443	- 20,588
N/A	CORPS OF ENGINEERS	W912DA-11-C-1017	66,610	67,943
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO - BO42(25) BRO - BO42(26) BRO - BO42(27)	65,338 5,448 30,417	307,906 8,753 267,301
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration -			
39.011	Election Reform Payments	n/a	1,408	1,408
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments	n/a	3,346	3,346
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Department of Social Services -			
93.563	Child Support Enforcement	ER10212SA06	94,793	-
93.569	Community Services Block Grant	2014-IV-D	-	100,491
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety:			
97.042	Emergency Management Performance Grants	EMW-2013-EP-00 2014-EP-00005-04	9,977 -	- 9,282
	Total Expenditures of Federal Awards		\$ 497,071	\$ 959,819

See accompanying Notes to the Schedule of Expenditures of Federal Awards

HENRY COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECIPIENTS

The County passed through \$16,615 in Community Development Block Grant funding to sub-recipients during the year ended December 31, 2014.

HENRY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported
- Noncompliance material to financial statements noted? X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of Auditor's Report Issued on Compliance
For Major Programs: Unmodified

Any audit findings disclosed that are required to be
Reported in accordance with section 510(A) of
Circular A-133? Yes X No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Department of Transportation – Highway Planning and Construction
15.226	Department of Interior – Payments in Lieu of Taxes

Dollar Threshold Used to Distinguish Between
Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Internal Controls and Risk Assessment
2. Accounting for Transfers
3. Budgetary Compliance
4. Bid Process
5. Absence of Investment Policy

Summary Schedule of Prior Audit Findings:

1. Budgetary Compliance
2. Documentation of Internal Controls
3. Formal Fraud Risk Assessment

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2012/11-01: Incorrect Schedule of Expenditures of Federal Awards (SEFA)

Federal Grantor: U.S. Department of Interior
Pass-through Grantor: N/A
Federal CFDA Number: 15.226
Program Title: PILT – Payment in Lieu of Taxes
Pass-through Entity Identifying Number: N/A
Award Years: 2012 and 2011
Questioned Costs: None

Federal Grantor: U.S. Department of Health and Human Services
Pass-through Grantor: Missouri Department of Social Services
Federal CFDA Number: 93.563
Program Title: Child Support Enforcement
Pass-through Entity Identifying Number: ER102125A06
Award Years: 2012 and 2011
Questioned Costs: None

Condition: The Schedule of Expenditures of Federal Awards was prepared with incorrect financial information.

Status: Resolved.

FINDINGS AND RECOMMENDATIONS

HENRY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Internal Controls and Risk Assessment

Condition: The County's internal control processes have not been documented, except for the County Clerk's office. AU-C Section 325, *Communicating Internal Control Related Matters Identified in an Audit*, considers inadequate documentation of the components of internal control to be indicative of an internal control deficiency. Without documented internal controls the County may not be able to ensure that controls are in place, communicated and operating consistently and effectively.

In addition, the County has no formal fraud risk assessment in place. Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the Committee of Sponsoring Organizations (COSO) internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively. We also recommend that the County address various risks in the environment, including risk of fraud occurring by performance assessments to identify, analyze and manage these risks.

County Response: The commission will request each elected office holder to formally adopt an internal control policy. The Commission will also adopt a policy that assesses various risks in the environment to aid in managing these risks.

Auditor's Evaluation: The response is appropriate to correct the concern.

2. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, the transfers reported in both 2013 and 2014 did not balance, in that transfers to other funds were not in agreement with transfers from other funds. In 2013, the County recorded as transfers the cost associated with administration of the Henry County Law Enforcement fund. In 2014, a transfer into the General Revenue fund from the Henry County Law Enforcement fund was incorrectly labeled as a "Capital Expense". Also, in both 2014 and 2013, a payment from the General Revenue fund to the Central Emergency Communications fund was not recorded as a transfer out by the General Revenue fund. Transfers

should only be recorded for transactions between County funds and balance at all times during the year.

Recommendation: In order to ensure that transfers are properly reported on the budgets and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers category.

County Response: Future budget documents will no longer report Capital Expenditures as operating transfers. However, the County's support of 911 is an expenditure to the county. The 911/Central Emergency Communication fund is operated by an independent Board of Directors. Agreements, between the Board and County Commission, were made that included the County to administer the funds of the 911 center. The 911/CECF fund is supported by a 15% land line tariff as well as support from various cities of the county, the hospital, and the county itself. The \$90,000 paid in 2013, and the \$95,000 paid in 2014 were the County's payments to support 911 service.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

3. Budgetary Compliance

Condition: The County's actual expenditures exceeded budgeted expenditures for the Prosecuting Attorney's Delinquent Tax Fund and the CDBG/Log Jam Fund for 2013. State statutes prohibit the County from approving expenditures in excess of budgeted amounts for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend that when the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: Both of these transactions occurred in 2013. Overspending appropriations will no longer happen without the adoption of an amended budget.

Auditor's Evaluation: The response is appropriate to correct the concern.

4. Bid Process

Condition: The County did not procure bids for the 2014 purchase of a server for the Central Communications Center. The old server crashed and the IT Specialist said the server needed to be replaced as soon as possible. There was no evidence per the County Commission minutes as to why the purchase was made without bids being collected. RSMo 50.780.2 allows the County to waive bidding in emergency situations provided that the County documents the reasoning for not performing competitive procurement procedures in the Commission minutes. RSMo 50.783 allows the County to waive the requirements for bidding in the case of a sole source purchase if the reasoning is documented in the minutes.

Recommendation: We recommend that the County prepare alternative procedures for emergency situations in which a large purchase must be made in a short timeframe. We also recommend the documentation of reasoning for bypassing bid procedures in the Commission's minutes in accordance with RSMO 50.782.2 or RSMO 50.783.

County Response: The 911/Central Emergency Communications Fund has an independent Board of Directors responsible for the operations of the center. However, the County will adopt procedures for emergency situations in which large purchases must be made in a short time frame and document the reasoning for bypassing the bid procedures in the Commission's minutes.

Auditor's Evaluation: The response is appropriate to correct the concern.

OTHER MATTERS

5. Absence of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. An investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: The County will adopt an investment policy and review it on an annual basis.

Auditor's Evaluation: The response is appropriate to correct the concern.

HENRY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Henry County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012 and 2011.

1. The County approved expenditures in excess of budgeted amounts for several funds during both 2011 and 2012. For the year ended December 31, 2012, the Prosecuting Attorney's Delinquent Tax Fund was deficit budgeted.

Status – Not resolved. See finding No. 3.

2. The County did not document their internal controls.

Status – Not resolved. See finding No. 1.

3. The County did not perform a formal fraud risk assessment.

Status – Not resolved. See finding No. 1.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Early Childhood Development, Education, and Care Fund



August 2015

Report No. 2015-056

<http://auditor.mo.gov>

Early Childhood Development, Education, and Care Fund Follow-Up Report on Audit Findings Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	DSS Contract Awards and Costs	4
2.1	Program Efficiency - Delivery of services.....	5
2.2	Program Efficiency - Duplicate billing.....	6

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

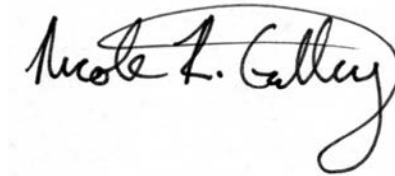
Honorable Jeremiah W. (Jay) Nixon, Governor
and
Dr. Margie Vandeven, Commissioner of Education
Department of Elementary and Secondary Education
and
Brian Kinkade, Director
Department of Social Services
Jefferson City, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2015-005, *Early Childhood Development, Education, and Care Fund* (rated as Poor), issued in February 2015, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the Department of Social Services (DSS) and the Department of Elementary and Secondary Education (DESE) about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the DSS and the DESE, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we received each department's written status to selected findings and related

supporting documentation. We reviewed this information and made additional inquiries as needed. This report is a summary of the results of this follow-up work, which was substantially completed during May and June 2015.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

Early Childhood Development, Education, and Care Fund

Follow-Up Report on Audit Findings

Status of Findings

1. DSS Contract Awards and Costs	In fiscal year 2014, the Department of Social Services (DSS) paid Early Head Start (EHS) contractors at least 2 times more money than the prior year but only required contractors to provide additional services for the last 5 months of the year. The DSS allowed some contractors to serve less children and expectant mothers than required. Some EHS contractors' budgeted expenditures did not appear reasonable and did not support the need to provide additional funding. Additionally, the DSS did not limit the cost per child, expectant mother, or family for the EHS or Home Visitation (HV) programs. The HV and EHS programs are funded with monies from the Early Childhood Development, Education, and Care (ECDEC) Fund.
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1.1 Early Head Start funding	During fiscal year 2014, the DSS increased EHS funding and paid EHS contractors a full year's funding, but only required contractors to increase services for the final 5 months of the fiscal year. Eight of the nine EHS contractors did not serve the required number of children and expectant mothers. The DSS paid these contractors their full contract amount of \$5.4 million, and as a result, paid approximately \$1.5 million (28 percent) for services not provided. The DSS allowed contractors up to 7 months to increase children and mothers served and even after the January 31, 2014 deadline, the DSS allowed four contractors to serve less children and expectant mothers than required. The DSS paid these contractors approximately \$133,000 for services not delivered and had not attempted to recover any monies. DSS officials indicated the contracts did not include provisions for not meeting these thresholds, and the DSS had not established procedures to request repayment of funds if contractors were unable to meet the minimum contract requirements.
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Budgets submitted by three contractors did not support the need to provide increased funding in fiscal year 2014. These contractors used the majority of additional fiscal year 2014 monies for personnel and administrative costs rather than direct services to children and expectant mothers. Payments for direct services represented less than 30 percent of total fiscal year 2014 expenditures for these contractors.

Recommendation	The DSS ensure contract decisions, including price increases, are reasonable, properly documented, and in the best interest of the state. In addition, the DSS should establish minimum thresholds for actual women and children served, recover overpayments from contractors that did not maintain contractually required enrollment for the EHS program after January 31, 2014, and thoroughly review contractor budgets.
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Status	Not Implemented The DSS, through the Office of Administration, issued a request for proposals and awarded new EHS contracts, effective November 1, 2014. As of June 2015, the DSS has not granted any price increases or additional funding to EHS contractors without an equivalent increase in services
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Early Childhood Development, Education, and Care Fund
Follow-up Report on Audit Findings
Status of Findings

provided. Effective with the new contracts, the DSS reimburses EHS contractors monthly for actual costs incurred. DSS officials indicated they review monthly invoices to ensure expenditures are allowable under the contract and comply with the contractor's budget and monitor monthly enrollment reports. However, the DSS has not established procedures or instituted contract amendments to address recovery of funds if the contractor fails to provide services to the required number of participants monthly.

As indicated in the department's response to the audit, the DSS has no plans to pursue recovery of any monies paid to EHS contractors during fiscal year 2014. DSS officials believe the additional monies paid to EHS contractors were justified in order for these contractors to expand the capacity of EHS programs including hiring and training additional staff, establishing curriculum, and expanding or opening facilities. DSS officials indicated the increased costs for the three contractors for personnel, vehicles, and playground equipment were necessary for them to meet federal and state EHS program requirements.

1.2 Price variation

The DSS did not limit the price paid per child or expectant mother for the EHS program or per family for the HV program, and there were significant differences in the prices paid to contractors for services. Additionally, the DSS provided little incentive for HV contractors to provide additional services.

During fiscal year 2013, the average amount paid for a child or an expectant mother served through the EHS program ranged from about \$6,200 to \$12,800 annually. The average cost to serve a family through the HV program ranged from about \$1,400 to \$5,200 annually. The DSS reimbursed HV contractors a fixed price per participating family each month. Thus, the DSS reimbursed contractors at the same rate regardless of how many home visits were provided per family per month.

Recommendation

The DSS evaluate possible cost containment measures for the HV and EHS programs such as establishing a maximum allowable price per child, expectant mother, or family. Additionally, the DSS should consider reimbursing contractors based on actual services completed.

Status

Not Implemented

As indicated in the department's response to the audit, the DSS does not plan to implement cost limits for the HV or EHS programs. DSS officials believe price variation is expected since contracts are competitively bid, multiple contracts are awarded, and HV contractors use varying models for delivery of services in various geographic regions. Effective November 1, 2014, the DSS reimburses EHS contractors actual costs regardless if the required number of children or expectant mothers were served and



Early Childhood Development, Education, and Care Fund
Follow-up Report on Audit Findings
Status of Findings

continues to reimburse HV contractors a fixed price per participating family each month.

**2.1 Program Efficiency -
Delivery of services**

Four state agencies administered six different HV programs for families with young children, representing an inefficient method to deliver services. The Department of Elementary and Secondary Education (DESE) and DSS HV programs were funded from the ECDEC Fund while Department of Health and Senior Services (DHSS) and OA Children's Trust Fund (CTF) programs were funded from other sources.

The DESE, DHSS, and CTF programs targeted families with children up to age 5. The DSS program targeted families with children up to age 3. All of the programs provided services to expectant mothers. While the various programs differed in terms of how services were delivered, the programs shared common objectives and each included an in-home visit component.

Recommendation

The DESE and the DSS study the current methods to deliver HV services to determine if these services could be delivered more efficiently by consolidating responsibility for programs under fewer state agencies.

Status

In Progress

DSS and DESE officials indicated they continue to participate on the Coordinating Board for Early Childhood (CBEC) along with various other state agencies and organizations. The CBEC has an HV committee that meets quarterly. In March 2015, the committee reviewed the results of the audit, approved an agreed-upon definition for HV statewide, began drafting a document describing how HV is a vital component of a comprehensive early childhood system, and agreed to consider revisions to the HV matrix established in 2012. The development of the HV document and revision of the matrix are ongoing. DESE officials indicated the HV committee members believe the current programs across various state agencies are meeting the intent of the legislative mandates.

**2.2 Program Efficiency -
Duplicate billing**

The DESE and the DSS had not implemented adequate controls to prevent duplication of services. In addition, these departments reimbursed two public school districts for the same HV services. One of the districts had billed the same families to both the DSS HV program and the DESE Parents as Teachers (PAT) program for at least 13 years. The DESE and the DSS did not have procedures to identify such duplication of services and did not consider this situation when determining if a recipient was higher risk and should have been subject to additional monitoring. Neither agency was familiar with the other agency's monitoring procedures.

Recommendation

The DESE and the DSS implement additional monitoring and risk assessment procedures to ensure school districts do not bill the same



Early Childhood Development, Education, and Care Fund
Follow-up Report on Audit Findings
Status of Findings

services to both the PAT and the HV programs, and pursue recovery of duplicate billings.

Status

Partially Implemented

Officials from the DESE and DSS stated that future DSS funding should only support services to families not receiving services funded by the PAT program. In December 2014, the DSS amended HV contracts to prohibit contractors from billing the DSS for duplicate services provided to participating families, and from enrolling a family that is already receiving HV services from another state agency or contracted provider. DSS officials indicated if payment of duplicate services is identified through ongoing monitoring, the DSS will pursue recovery of duplicate billings. However, the DSS has not revised its HV monitoring procedures to review for and identify potential duplicate payments.

DSS officials indicated they discussed the duplicate payments identified in the audit with officials of both school districts. Based on those discussions, they believe the districts provided additional visits and services above and beyond those provided under the PAT program. As a result, the DSS did not seek recovery of funds. DSS officials indicated they completed an on-site monitoring visit for one of the school districts in March 2015 and scheduled a desk monitoring review for the other district in June 2015. DSS officials indicated if duplicate payments are identified during these reviews, the DSS will pursue recovery from the school districts. Results of these reviews should be finalized in late July 2015.

DESE officials indicated they believe no overpayments were made to either district since the HV program was supplementing the existing PAT program that all public schools are required to provide. DESE officials indicated they have been working with the district that had double billed the same families for at least 13 years to ensure district officials understand future funding requirements and the school district is developing a process to distinguish between the two funding streams. Additionally, DESE officials indicated they continue to provide information to the DHSS regarding DESE programs since the DHSS receives federal grants for HV.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Joplin Schools

August 2015

Report No. 2015-057



<http://auditor.mo.gov>

Joplin Schools

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

5.2	Sunshine Law - Closed meetings.....	3
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*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Board of Education
Joplin Schools

We have conducted follow-up work on certain audit report findings contained in Report No. 2015-012, *Joplin Schools* (rated as Fair), issued in February 2015, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the district about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the district, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed Board meeting minutes provided by the district and held discussions with district personnel. This report is a summary of the results of this follow-up work, which was substantially completed during July 2015.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

Joplin Schools

Follow-Up Report on Audit Findings

Status of Findings

- 5.2 Sunshine Law - Closed meetings
- The Board of Education (Board) did not make public the results of some votes taken and the final disposition of matters discussed in closed meetings, when required.
- On January 12, 2012, the Board voted to begin negotiation for a land purchase. The final contract purchasing the land was not approved by the Board or disclosed in the open minutes.
 - On March 27, 2012, the Board voted and approved to sell a Franklin Technical Center built house. The district did not disclose the approval of this real estate sale in open minutes.
 - On April 21, 2014, the Board voted and approved a settlement agreement with a vendor. The district did not make public the approval of the settlement agreement.
 - The Board did not provide final approval in open session to some contracts approved in closed session. These contracts included the Superintendent's contract and various construction contracts entered into after the May 22, 2011, tornado.

Recommendation

The Board of Education ensure votes taken and decisions made in closed meetings are properly made public when required.

Status

Implemented

The Board implemented new procedures for handling closed meeting minutes and public disclosures in March 2015. A Board member takes meeting minutes during closed session utilizing a template that requires notation of whether the vote should be made public and the required timeframe for such disclosure. District officials indicated if there is a question about whether a vote should be made public it is discussed during the closed session with the Board attorney. The Board Secretary indicated if the minutes indicate a vote requires public disclosure, she posts the typed closed minutes with the required public information on the district website with other Board meeting minutes. We reviewed the meeting minutes available online and observed required information from closed meetings is now available.



Nicole R. Galloway, CPA
Missouri State Auditor

Missouri Local Government Employees' Retirement System



August 2015

Report No. 2015-058

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Missouri Local Government Employees' Retirement System (LAGERS)

Gifts and Travel Expenses from Third Parties

The Board has not established a system for reporting and monitoring gifts and paid travel expenses accepted by Board members and employees. Without documentation, the acceptance of gifts and paid travel expenses is not transparent and cannot be monitored for compliance with the Board's ethics policy.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Missouri Local Government Employees' Retirement System

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Gifts and Travel Expenses from Third Parties4
-------------------------------------------------------------	--------------------------------------------------------

Organization and Statistical Information	5
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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Trustees
and
Keith Hughes, Executive Secretary
Missouri Local Government Employees' Retirement System
Jefferson City, Missouri

We have audited certain operations of the Missouri Local Government Employees' Retirement System as authorized under Chapter 29, RSMo. The system engaged Williams Keepers, LLC, Certified Public Accountants (CPAs), to audit the system's financial statements for the years ended June 30, 2014 and 2013. To minimize duplication of effort, we reviewed the reports and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014 and 2013. The objectives of our audit were to:

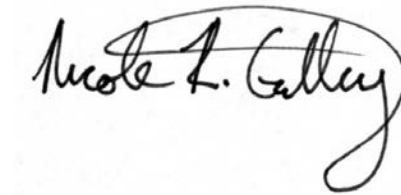
1. Evaluate the system's internal controls over significant management and financial functions.
2. Evaluate the system's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, contracts, and other pertinent documents; interviewing various personnel of the system, as well as certain external parties; testing selected transactions; and analyzing comparative data obtained from the system. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the system's management and was not subjected to the procedures applied in our audit of the system.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) a deficiency in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Missouri Local Government Employees' Retirement System.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	James M. Applegate, MBA
Audit Staff:	Lavonda K. Murray, M.Acct.

Missouri Local Government Employees' Retirement System

Management Advisory Report

State Auditor's Findings

1. Gifts and Travel Expenses from Third Parties

The Board has not established a system for reporting and monitoring gifts and paid travel expenses accepted by Board members and employees.

LAGERS officials indicated, and our review of travel expenses confirmed, that employees periodically receive meals paid by investment managers while conducting visits to prospective investment managers or monitoring reviews of existing investment managers. Our review of some investment staff travel expenses found instances where certain meals were not claimed for overnight trips taken, and there was no documentation indicating how the meals were paid. In response to our inquiries, system employees indicated these meal expenses were paid by the investment managers.

In addition, the Chief Investment Officer indicated certain investment managers provide tickets to sporting events to him and his staff, based on availability. He indicated he had obtained tickets to a few events in the past 10 years; however, the receipt of these tickets was not documented.

The LAGERS' ethics policy provides that Board members and employees shall not, directly or indirectly, solicit, accept or receive any gift, whether in the form of money, service, loan, travel, gratuity, favor, honoraria, entertainment, hospitality, thing or promise, or in any other form, when it could reasonably be considered or perceived that the gift was intended to influence him or her in the performance of his or her official duties or was intended as a reward for any official action on his or her part. LAGERS officials indicated they do not believe the acceptance of meals or tickets to sporting events would influence any LAGERS decisions.

Without documentation, the acceptance of gifts and paid travel expenses is not transparent and cannot be monitored for compliance with the Board's ethics policy. The Board should establish a system for reporting and monitoring all gifts or other items received by Board members and employees from third parties. Records should document the name of the third party, their relationship to the system, expenses paid, the name of the recipient, the date, and the estimated value of the item received. These records should be periodically reviewed by the Board and staff to ensure such items are reasonable.

Recommendation

The Board of Trustees establish a system for reporting and monitoring gifts or other items of value accepted from third parties by Board members and employees.

Auditee's Response

The Board of Trustees will take the recommendations regarding changes to the ethics policy into consideration during the normal policy review process.

Missouri Local Government Employees' Retirement System

Organization and Statistical Information

The Missouri Local Government Employees' Retirement System (LAGERS) was created under an act of the General Assembly, commenced actual operations on April 1, 1968, and is governed by Sections 70.600 to 70.755, RSMo.

The LAGERS is an agent multiple-employer, defined benefit retirement system for employees of participating local governments. The system provides retirement, survivor, and disability benefits to its members. The LAGERS offers various contributory and/or non-contributory plan options, with varying benefit levels, from which participating employers select to provide to their employees.

As of June 30, 2014, there were 663 participating political subdivisions in the system with 33,383 active members, 5,966 terminated-vested members, and 18,872 retired members and beneficiaries.

Board of Trustees

The responsibility for the operation and administration of the retirement system is vested in the LAGERS Board of Trustees. The Board consists of three trustees who are LAGERS members, and are elected by LAGERS members; three trustees, elected by the participating political subdivisions, who are either elected or appointed officials of employers and who are not LAGERS members; and one citizen trustee appointed by the Governor, who is neither a LAGERS member nor a member of the governing body of any participating political subdivision. All members serve 4-year terms. As of June 30, 2014, the members of the Board of Trustees were:

Name and Title	Membership	Term Expires
J. Robert Ashcroft, Chairperson	Employer Trustee	December 31, 2017
Barry Hovis, ¹ Vice Chairperson	Member Trustee	December 31, 2014
Kathy Barszczak	Member Trustee	December 31, 2016
Arby Todd	Member Trustee	December 31, 2017
Frank Buck ²	Employer Trustee	December 31, 2016
Paul Thomson, PhD ³	Employer Trustee	December 31, 2014
Vacant	Citizen Trustee	

¹ Joan Jadali was elected to a term beginning January 1, 2015, replacing Barry Hovis.

² Frank Buck was elected Vice Chairperson effective January 1, 2015.

³ Barry McCullough was elected to a term beginning January 1, 2015, replacing Paul Thomson.

⁴ The Citizen Trustee position has been vacant since April 2012.

Executive Staff

Keith Hughes has served as the Executive Secretary since January 1, 2011. The Executive Secretary coordinates the daily operation of the system, contracts for professional services with approval of the Board, and advises the Board on all matters pertaining to the system. At June 30, 2014, the system had 26 employees, including the Executive Secretary. The



Missouri Local Government Employees' Retirement System Organization and Statistical Information

executive staff and their annual compensation as of June 30, 2014, were as follows:

Name and Title	Annual Compensation
Keith Hughes, Executive Secretary ¹	\$254,200
Brian Collett, Chief Investment Officer ²	330,000
Robert Wilson, Assistant Executive Secretary - Member Services	123,500

¹ The Executive Secretary's employment contract, effective July 1, 2013, provides for annual cost-of-living increases at July 1, equal to those provided to LAGERS staff retirees, as determined by the Board of Trustees, plus 1 percent, and a \$4,200 annual vehicle allowance. The compensation amount listed above includes this allowance. The Executive Secretary received cost-of-living increases of \$6,500 in July 2014 and \$3,335 in July 2015, for an annual compensation of \$264,035 as of July 2015.

² The Chief Investment Officer's employment contract, effective July 1, 2013, provides for annual cost-of-living increases at October 1, equal to those provided LAGERS retirees, as determined by the Board of Trustees; and Annual Merit Increases (AMI), effective October 1, if LAGERS' 1-year annual return is greater than the assumed rate of return net of fees. The AMI is awarded as a permanent salary increase. The AMI ranges from 0 to 10 percent, and is based on the average of LAGERS' 3-year and 5-year excess returns net of fees. The Chief Investment Officer received cost-of-living increases of \$5,940 in July 2014 and \$7,766 in July 2015 and AMI of \$33,594 in October 2014, for an annual compensation of \$377,300 as of July 2015.

Additional information regarding the system's plan provisions and benefits, assets, investments, financial activities, consultants, and actuarial valuations is included in various documents and reports which are available on the system's website (www.molagers.org).



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Nodaway County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Nodaway County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2015
Report No. 2015-059

ANNUAL FINANCIAL REPORT

NODAWAY COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

NODAWAY COUNTY, MISSOURI

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

List of Elected Officials	i
---------------------------	---

FINANCIAL SECTION

Independent Auditors' Report	ii
------------------------------	----

BASIC FINANCIAL STATEMENTS:

Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis	1
Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds	2
Notes to Financial Statements	14

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	21
Independent Auditors' Report on Compliance For Each Major Federal Program and on Internal Control over Compliance Required By OMB Circular A-133	23
Schedule of Expenditures of Federal Awards	26
Notes to the Schedule of Expenditures of Federal Awards	27
Schedule of Federal Findings and Questioned Costs	28
Findings and Recommendations	31
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34

INTRODUCTORY SECTION

NODAWAY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Bill Walker

Associate Commissioner – Bob Stiens

Associate Commissioner – Bob Westfall

Other Elected Officials

Assessor – Rex Wallace

Circuit Clerk – Elaine Wilson

Collector/Treasurer – Marilyn Jenkins

Coroner – Vincent Shelby

County Clerk – Beth Walker

Prosecuting Attorney – Robert Rice

Public Administrator – Diane Thomsen

Recorder – Sandra Smail

Sheriff – Darren White

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Nodaway County, Missouri

We have audited the accompanying financial statements of Nodaway County, Missouri as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Nodaway County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Nodaway County, Missouri, as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Nodaway County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note 1.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the County has changed from presenting the financial statements in accordance with GASB 34 on the cash basis to the regulatory basis. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Nodaway County, Missouri’s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 8, 2015, on our consideration of Nodaway County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nodaway County, Missouri's internal control over financial reporting and compliance.

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 8, 2015

FINANCIAL SECTION

NODAWAY COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2013 AND 2014

	Cash and Investments			Cash and Investments			Cash and Investments
	January 1,	Receipts	Disbursements	December 31,	Receipts	Disbursements	December 31,
Fund	2012	2013	2013	2013	2014	2014	2014
General Revenue	\$ 2,834,464	\$ 3,735,695	\$ 3,308,720	\$ 3,261,439	\$ 3,605,516	\$ 3,581,320	\$ 3,285,635
Special Road & Bridge	204,666	1,773,243	1,964,712	13,197	2,691,395	2,554,767	149,825
Assessment	631,662	374,051	305,394	700,319	376,391	501,552	575,158
Election Services	20,482	3,143	5,150	18,475	4,092	1,944	20,623
Tax Incentive Payment	3,590	-	-	3,590	-	-	3,590
Police Officer Training	1,418	4,834	3,413	2,839	4,662	6,316	1,185
Prosecuting Attorney Training	273	799	891	181	775	735	221
911	23,532	142,761	144,476	21,817	171,020	121,368	71,469
Adult Abuse	5,435	1,712	5,435	1,712	1,722	1,712	1,722
Nuclear Accident Emergency Preparedness	34,176	-	630	33,546	-	300	33,246
Local Emergency Preparedness	39,056	3,842	4,481	38,417	4,000	6,895	35,522
Senior Citizens Tax Board	35,950	143,453	144,143	35,260	157,627	150,000	42,887
Civil Fee	11,893	12,073	16,890	7,076	10,858	10,367	7,567
Recorder User Fee	4,652	12,628	11,418	5,862	9,339	13,408	1,793
Tax Maintenance	42,245	23,100	9,166	56,179	25,624	34,160	47,643
Administration Center	2,034,415	421,732	498,013	1,958,134	434,995	557,924	1,835,205
Bad Check	4,589	2,430	2,939	4,080	3,450	1,803	5,727
Senate Bill 40 Board	19,230	148,673	146,943	20,960	163,890	161,321	23,529
Concealed Weapon	9,962	19,355	3,438	25,879	10,046	3,626	32,299
Inmate Security	1,932	3,214	-	5,146	7,293	-	12,439
Road & Bridge Special Sales Tax	-	-	-	-	95,674	-	95,674
Law Enforcement Restitution	-	-	-	-	-	-	-
Total	\$ 5,963,622	\$ 6,826,738	\$ 6,576,252	\$ 6,214,108	\$ 7,778,369	\$ 7,709,518	\$ 6,282,959

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	2,200,000	2,375,911	2,350,000	2,450,740
Intergovernmental	465,759	336,338	609,172	141,473
Charges for services	839,500	771,126	833,300	856,906
Interest	5,000	4,660	4,500	6,264
Other	219,280	247,660	207,322	150,133
Transfers in	1,500	-	-	-
Total Receipts	<u>\$ 3,731,039</u>	<u>\$ 3,735,695</u>	<u>\$ 4,004,294</u>	<u>\$ 3,605,516</u>
DISBURSEMENTS				
County Commission	\$ 130,996	\$ 129,248	\$ 132,332	\$ 128,632
County Clerk	125,542	117,803	129,934	121,697
Elections	37,500	33,709	126,038	108,206
Buildings and grounds	278,698	226,669	294,442	326,446
Employee fringe benefits	336,000	317,818	356,000	339,118
Treasurer	156,597	153,434	163,344	149,136
Recorder of Deeds	105,875	103,568	103,393	98,760
Circuit Court	41,500	31,230	36,500	29,867
Court Administration	8,600	7,312	8,100	6,167
Public Administrator	49,175	48,575	50,473	50,034
Sheriff	678,658	643,436	675,851	659,492
Jail	402,677	388,891	410,583	404,369
Prosecuting Attorney	212,366	200,189	226,566	205,307
Juvenile Officer	65,350	49,329	89,350	67,115
Coroner	34,055	31,503	36,155	37,552
Other County Government	404,756	562,906	480,823	273,896
Health and Welfare	14,000	13,100	14,000	13,000
Transfers out	520,000	250,000	562,526	562,526
Emergency fund	111,331	-	120,125	-
Total Disbursements	<u>\$ 3,713,676</u>	<u>\$ 3,308,720</u>	<u>\$ 4,016,535</u>	<u>\$ 3,581,320</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 17,363	\$ 426,975	\$ (12,241)	\$ 24,196
CASH AND INVESTMENTS, JANUARY 1	<u>2,834,464</u>	<u>2,834,464</u>	<u>3,261,439</u>	<u>3,261,439</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 2,851,827</u></u>	<u><u>\$ 3,261,439</u></u>	<u><u>\$ 3,249,198</u></u>	<u><u>\$ 3,285,635</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 152,000	\$ 151,761	\$ 152,000	\$ 156,145	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,523,624	1,165,575	1,531,000	1,732,959	358,353	364,138	189,527	369,468
Charges for services	-	-	-	-	-	-	-	-
Interest	500	274	250	134	1,800	1,309	1,000	1,226
Other	218,500	205,633	239,663	239,631	21,000	8,604	44,834	5,697
Transfers in	520,000	250,000	562,526	562,526	-	-	-	-
Total Receipts	\$ 2,414,624	\$ 1,773,243	\$ 2,485,439	\$ 2,691,395	\$ 381,153	\$ 374,051	\$ 235,361	\$ 376,391
DISBURSEMENTS								
Salaries	\$ 259,200	\$ 261,289	\$ 279,590	278,207	189,847	181,160	195,384	200,898
Employee fringe benefits	62,780	60,505	74,450	75,481	52,300	42,858	47,677	49,644
Materials and supplies	1,246,160	1,172,087	1,199,900	1,175,208	41,000	27,398	20,000	16,403
Services and other	60,100	82,375	100,500	89,465	127,500	53,978	121,300	233,456
Capital outlay	75,000	61,453	30,000	28,355	-	-	-	-
Construction	805,000	327,003	801,000	908,051	-	-	-	-
Transfers out	-	-	-	-	-	-	-	1,151
Total Disbursements	\$ 2,508,240	\$ 1,964,712	\$ 2,485,440	\$ 2,554,767	\$ 410,647	\$ 305,394	\$ 384,361	\$ 501,552
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (93,616)	\$ (191,469)	\$ (1)	\$ 136,628	\$ (29,494)	\$ 68,657	\$ (149,000)	\$ (125,161)
CASH AND INVESTMENTS, JANUARY 1	204,666	204,666	13,197	13,197	631,662	631,662	700,319	700,319
CASH AND INVESTMENTS, DECEMBER 31	\$ 111,050	\$ 13,197	\$ 13,196	\$ 149,825	\$ 602,168	\$ 700,319	\$ 551,319	\$ 575,158

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICES FUND				TAX INCENTIVE PAYMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental		-	-	-	-	-	-	-
Charges for services	2,000	3,122	3,000	4,071	-	-	-	-
Interest	23	21	20	21	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,023</u>	<u>\$ 3,143</u>	<u>\$ 3,020</u>	<u>\$ 4,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and other	8,100	5,150	6,600	1,944	500	-	500	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,100</u>	<u>\$ 5,150</u>	<u>\$ 6,600</u>	<u>\$ 1,944</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (6,077)	\$ (2,007)	\$ (3,580)	\$ 2,148	\$ (500)	\$ -	\$ (500)	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>20,482</u>	<u>20,482</u>	<u>18,475</u>	<u>18,475</u>	<u>3,590</u>	<u>3,590</u>	<u>3,590</u>	<u>3,590</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 14,405</u>	<u>\$ 18,475</u>	<u>\$ 14,895</u>	<u>\$ 20,623</u>	<u>\$ 3,090</u>	<u>\$ 3,590</u>	<u>\$ 3,090</u>	<u>\$ 3,590</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	POLICE OFFICER TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,250	799	1,400	775
Charges for services	10,000	4,834	5,200	4,662	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,000</u>	<u>\$ 4,834</u>	<u>\$ 5,200</u>	<u>\$ 4,662</u>	<u>\$ 1,250</u>	<u>\$ 799</u>	<u>\$ 1,400</u>	<u>\$ 775</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,000	-	-	-	-	-	-	-
Services and other	9,000	3,413	7,500	6,316	1,500	891	1,500	735
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 11,000</u>	<u>\$ 3,413</u>	<u>\$ 7,500</u>	<u>\$ 6,316</u>	<u>\$ 1,500</u>	<u>\$ 891</u>	<u>\$ 1,500</u>	<u>\$ 735</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	\$ 1,421	\$ (2,300)	\$ (1,654)	\$ (250)	\$ (92)	\$ (100)	\$ 40
CASH AND INVESTMENTS, JANUARY 1	<u>1,418</u>	<u>1,418</u>	<u>2,839</u>	<u>2,839</u>	<u>273</u>	<u>273</u>	<u>181</u>	<u>181</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 418</u>	<u>\$ 2,839</u>	<u>\$ 539</u>	<u>\$ 1,185</u>	<u>\$ 23</u>	<u>\$ 181</u>	<u>\$ 81</u>	<u>\$ 221</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	911 FUND				ADULT ABUSE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,712	1,750	1,722
Charges for services	78,000	81,521	80,000	108,532	-	-	-	-
Interest	10	40	35	64	-	-	-	-
Other	61,200	61,200	62,424	62,424	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 139,210</u>	<u>\$ 142,761</u>	<u>\$ 142,459</u>	<u>\$ 171,020</u>	<u>\$ -</u>	<u>\$ 1,712</u>	<u>\$ 1,750</u>	<u>\$ 1,722</u>
DISBURSEMENTS								
Salaries	\$ 60,269	\$ 58,661	\$ 61,320	\$ 58,522	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	15,544	8,310	14,100	8,473	-	-	-	-
Materials and supplies	32,500	29,093	31,800	14,680	-	-	-	-
Services and other	43,000	48,412	50,500	39,693	500	5,435	500	1,712
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 151,313</u>	<u>\$ 144,476</u>	<u>\$ 157,720</u>	<u>\$ 121,368</u>	<u>\$ 500</u>	<u>\$ 5,435</u>	<u>\$ 500</u>	<u>\$ 1,712</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (12,103)	\$ (1,715)	\$ (15,261)	\$ 49,652	\$ (500)	\$ (3,723)	\$ 1,250	\$ 10
CASH AND INVESTMENTS, JANUARY 1	<u>23,532</u>	<u>23,532</u>	<u>21,817</u>	<u>21,817</u>	<u>5,435</u>	<u>5,435</u>	<u>1,712</u>	<u>1,712</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 11,429</u>	<u>\$ 21,817</u>	<u>\$ 6,556</u>	<u>\$ 71,469</u>	<u>\$ 4,935</u>	<u>\$ 1,712</u>	<u>\$ 2,962</u>	<u>\$ 1,722</u>

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NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	NUCLEAR ACCIDENT EMERGENCY PREPAREDNESS FUND				LOCAL EMERGENCY PREPAREDNESS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	5,000	-	-	-	-	3,842	3,500	4,000
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,842</u>	<u>\$ 3,500</u>	<u>\$ 4,000</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	600	630	-	-	2,400	-	6,650	3,206
Services and other	300	-	2,500	300	6,460	4,481	8,676	3,689
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 900</u>	<u>\$ 630</u>	<u>\$ 2,500</u>	<u>\$ 300</u>	<u>\$ 8,860</u>	<u>\$ 4,481</u>	<u>\$ 15,326</u>	<u>\$ 6,895</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 4,100	\$ (630)	\$ (2,500)	\$ (300)	\$ (8,860)	\$ (639)	\$ (11,826)	\$ (2,895)
CASH AND INVESTMENTS, JANUARY 1	<u>34,176</u>	<u>34,176</u>	<u>33,546</u>	<u>33,546</u>	<u>39,056</u>	<u>39,056</u>	<u>38,417</u>	<u>38,417</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 38,276</u>	<u>\$ 33,546</u>	<u>\$ 31,046</u>	<u>\$ 33,246</u>	<u>\$ 30,196</u>	<u>\$ 38,417</u>	<u>\$ 26,591</u>	<u>\$ 35,522</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZENS TAX BOARD FUND				CIVIL FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 144,100	\$ 143,404	\$ 143,200	\$ 156,372	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	41	-	95	10,000	11,572	13,000	10,357
Charges for services	-	-	-	-	-	-	-	-
Interest	9	8	8	9	-	1	1	1
Other	-	-	-	-	-	500	-	500
Transfers in	-	-	-	1,151	-	-	-	-
Total Receipts	<u>\$ 144,109</u>	<u>\$ 143,453</u>	<u>\$ 143,208</u>	<u>\$ 157,627</u>	<u>\$ 10,000</u>	<u>\$ 12,073</u>	<u>\$ 13,001</u>	<u>\$ 10,858</u>
DISBURSEMENTS								
Salaries	-	-	-	-	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	43	50	50	18,000	10,538	12,000	-
Services and other	144,100	144,100	149,950	149,950	2,500	6,352	2,500	10,367
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 144,100</u>	<u>\$ 144,143</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 20,500</u>	<u>\$ 16,890</u>	<u>\$ 14,500</u>	<u>\$ 10,367</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 9	\$ (690)	\$ (6,792)	\$ 7,627	\$ (10,500)	\$ (4,817)	\$ (1,499)	\$ 491
CASH AND INVESTMENTS, JANUARY 1	<u>35,950</u>	<u>35,950</u>	<u>35,260</u>	<u>35,260</u>	<u>11,893</u>	<u>11,893</u>	<u>7,076</u>	<u>7,076</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 35,959</u>	<u>\$ 35,260</u>	<u>\$ 28,468</u>	<u>\$ 42,887</u>	<u>\$ 1,393</u>	<u>\$ 7,076</u>	<u>\$ 5,577</u>	<u>\$ 7,567</u>

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NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FEE FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	13,000	12,628	12,500	9,339	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	15,200	23,100	25,000	25,624
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 13,000</u>	<u>\$ 12,628</u>	<u>\$ 12,500</u>	<u>\$ 9,339</u>	<u>\$ 15,200</u>	<u>\$ 23,100</u>	<u>\$ 25,000</u>	<u>\$ 25,624</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	15,000	11,058	13,000	-	31,900	5,678	31,900	31,181
Services and other	1,000	360	1,000	13,408	10,100	3,488	10,100	2,979
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 16,000</u>	<u>\$ 11,418</u>	<u>\$ 14,000</u>	<u>\$ 13,408</u>	<u>\$ 42,000</u>	<u>\$ 9,166</u>	<u>\$ 42,000</u>	<u>\$ 34,160</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,000)	\$ 1,210	\$ (1,500)	\$ (4,069)	\$ (26,800)	\$ 13,934	\$ (17,000)	\$ (8,536)
CASH AND INVESTMENTS, JANUARY 1	<u>4,652</u>	<u>4,652</u>	<u>5,862</u>	<u>5,862</u>	<u>42,245</u>	<u>42,245</u>	<u>56,179</u>	<u>56,179</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,652</u>	<u>\$ 5,862</u>	<u>\$ 4,362</u>	<u>\$ 1,793</u>	<u>\$ 15,445</u>	<u>\$ 56,179</u>	<u>\$ 39,179</u>	<u>\$ 47,643</u>

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NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADMINISTRATION CENTER FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 427,000	\$ 417,320	\$ 420,000	\$ 430,883	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,900	2,425	2,600	3,445
Charges for services	-	-	-	-	-	-	-	-
Interest	4,000	4,402	4,000	4,112	4	5	4	5
Other	10,000	10	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 441,000</u>	<u>\$ 421,732</u>	<u>\$ 424,000</u>	<u>\$ 434,995</u>	<u>\$ 2,904</u>	<u>\$ 2,430</u>	<u>\$ 2,604</u>	<u>\$ 3,450</u>
DISBURSEMENTS								
Salaries	\$ 23,495	\$ 23,365	\$ 24,895	\$ 24,895	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,500	692	1,000	406	-	-	-	-
Services and other	137,500	118,129	171,500	176,796	3,000	2,939	3,000	1,803
Capital outlay	355,827	355,827	355,827	355,827	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 518,322</u>	<u>\$ 498,013</u>	<u>\$ 553,222</u>	<u>\$ 557,924</u>	<u>\$ 3,000</u>	<u>\$ 2,939</u>	<u>\$ 3,000</u>	<u>\$ 1,803</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (77,322)	\$ (76,281)	\$ (129,222)	\$ (122,929)	\$ (96)	\$ (509)	\$ (396)	\$ 1,647
CASH AND INVESTMENTS, JANUARY 1	<u>2,034,415</u>	<u>2,034,415</u>	<u>1,958,134</u>	<u>1,958,134</u>	<u>4,589</u>	<u>4,589</u>	<u>4,080</u>	<u>4,080</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,957,093</u>	<u>\$ 1,958,134</u>	<u>\$ 1,828,912</u>	<u>\$ 1,835,205</u>	<u>\$ 4,493</u>	<u>\$ 4,080</u>	<u>\$ 3,684</u>	<u>\$ 5,727</u>

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NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40 BOARD FUND				CONCEALED WEAPON FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 148,000	\$ 148,655	\$ 163,000	\$ 163,874	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10,000	19,334	20,000	10,014
Charges for services	-	-	-	-	-	-	-	-
Interest	20	18	20	16	7	21	20	32
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 148,020</u>	<u>\$ 148,673</u>	<u>\$ 163,020</u>	<u>\$ 163,890</u>	<u>\$ 10,007</u>	<u>\$ 19,355</u>	<u>\$ 20,020</u>	<u>\$ 10,046</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	4,000	3,438	3,800	3,566
Services and other	158,205	146,943	171,273	161,321	-	-	-	60
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 158,205</u>	<u>\$ 146,943</u>	<u>\$ 171,273</u>	<u>\$ 161,321</u>	<u>\$ 4,000</u>	<u>\$ 3,438</u>	<u>\$ 3,800</u>	<u>\$ 3,626</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (10,185)	\$ 1,730	\$ (8,253)	\$ 2,569	\$ 6,007	\$ 15,917	\$ 16,220	\$ 6,420
CASH AND INVESTMENTS, JANUARY 1	<u>19,230</u>	<u>19,230</u>	<u>20,960</u>	<u>20,960</u>	<u>9,962</u>	<u>9,962</u>	<u>25,879</u>	<u>25,879</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 9,045</u>	<u>\$ 20,960</u>	<u>\$ 12,707</u>	<u>\$ 23,529</u>	<u>\$ 15,969</u>	<u>\$ 25,879</u>	<u>\$ 42,099</u>	<u>\$ 32,299</u>

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NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				ROAD & BRIDGE SPECIAL SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	95,674
Intergovernmental	1,700	3,214	3,000	7,293	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,700</u>	<u>\$ 3,214</u>	<u>\$ 3,000</u>	<u>\$ 7,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,674</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,000	-	1,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 700	\$ 3,214	\$ 2,000	\$ 7,293	\$ -	\$ -	\$ -	\$ 95,674
CASH AND INVESTMENTS, JANUARY 1	<u>1,932</u>	<u>1,932</u>	<u>5,146</u>	<u>5,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,632</u>	<u>\$ 5,146</u>	<u>\$ 7,146</u>	<u>\$ 12,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,674</u>

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NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,			
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	1,000	-	1,000	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	1,000	-	1,000	-
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nodaway County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Collector/Treasurer, County Clerk, Circuit Clerk, Coroner, Prosecuting Attorney, Public Administrator, Recorder and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Nodaway County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector/Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Road & Bridge Special Sales Tax fund in 2014.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2014</u>	<u>2013</u>
Adult Abuse	X	X
Special Road & Bridge	X	N/A
Assessment	X	N/A
Administration Center	X	N/A
Senior Citizens Tax Board	N/A	X

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation were:

	2014	2013
Real Estate	\$ 206,911,080	\$ 204,531,200
Personal Property	83,583,683	86,945,479
Railroad and Utilities	24,116,687	22,498,907

During 2014 and 2013, the County Commission approved tax levies per \$100 of assessed valuation of tangible taxable property for the calendar years 2014 and 2013, for purposes of County taxation, as follows:

	2014	2013
General Revenue	\$ 0.1200	\$ 0.1300
Senior Citizens Tax Board	0.0500	0.0500
Senate Bill 40 Board	0.0500	0.0500

The property taxes collected from the General Revenue levy are recorded in the Administration Center fund. Property tax receipts were recorded in the Special Road & Bridge fund based on a percentage allocation of tax collections which was \$0.5000 per \$100 of assessed valuation of tangible taxable property.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes both deposits and short-term investments with maturities of ninety days or less. Investments consist of investments with maturities greater than 90 days.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the County's deposits were \$6,282,959 and \$6,214,108 respectively, and the bank balances were \$6,455,020 and \$6,365,336 respectively. Of the bank balances, \$307,242 and \$314,994 for December 31, 2014 and December 31, 2013, respectively, were covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Senior Citizens Tax Board and Senate Bill 40 Board. Tax Collections on deposit amounted to \$13,954,877 and \$15,123,678 at December 31, 2014 and 2013, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2014 and 2013, and the remainder was fully collateralized.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two and with eight or more years of creditable service may retire with full benefits. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five with a reduced benefit. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the CERF is partially funded through various fees collected by counties and remitted to CERF. Employees hired before February 2002, are required to contribute 2% of their annual salary in order to participate in CERF. Employees hired after February 2002, are required to contribute 6% of their annual salary in order to participate in CERF. During the years ended December 31, 2013 and 2014, the County collected and remitted to CERF employee contributions of \$50,078 and \$52,905, respectively.

B. Local Government Employees Retirement System

1) Plan Description

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

The County's full-time employees do not contribute to the LAGERS pension plan. The County is required by State Statute to contribute at an actuarially determined rate. The rate for the year ended December 31, 2014, was 4.6% (general) and 6.0% (police) of annual covered payroll. The rate for the year ended December 31, 2013, was 4.7% (general) and 6.5% (police) of annual covered payroll. During the years ended December 31, 2013 and 2014, the County contributed \$98,772 and \$98,937, respectively.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 60 days of sick time -- to accrue at one day per complete calendar month of employment. Permanent part-time employees accrue sick leave proportional to hours worked up to 60 days. Upon termination, the employee will not be compensated for any unused sick time. Vacation time is accrued for full-time regular employees after a six-month probationary period based on years of employment with the County. During the first two years, employees are eligible for two weeks vacation, three weeks during years three through eight, four weeks during years nine through twelve, and five weeks from years thirteen and on. Vacation is accrued on a monthly basis up to a maximum of six weeks and is awarded retroactively for the six-month probationary period for all employees lasting longer than six months. Upon termination, the employee is compensated for accrued vacation time up to a maximum of six weeks.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County entered into a loan with U.S. Bank dated June 1, 2008, for the construction of an administration building. The remaining balance on the loan at December 31, 2013 and 2014, was \$3,685,344 and \$3,504,266, respectively. The loan has an interest rate of 4.85% and is due in monthly payments of \$29,652 until May 1, 2028.

8. CHANGE IN BASIS OF ACCOUNTING

Nodaway County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 for 2011 and 2012 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of the various county funds.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 8, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

McBRIDE, LOCK & ASSOCIATES, LLC

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the County Commission and
Officeholders of Nodaway County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Nodaway County, Missouri as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Nodaway County, Missouri's basic financial statements and have issued our report thereon dated June 8, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nodaway County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nodaway County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Nodaway County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as item 1, that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nodaway County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 2.

We also noted one other matter that we reported to management of Nodaway County, Missouri in the accompanying schedule of findings and recommendations section as item 3.

Nodaway County, Missouri's Response to Findings

Nodaway County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Nodaway County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 8, 2015

McBRIDE, LOCK & ASSOCIATES, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the County Commission and
Officeholders of Nodaway County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Nodaway County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Nodaway County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Nodaway County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Nodaway County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Nodaway County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Nodaway County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Nodaway County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Report on Internal Control over Compliance

Management of Nodaway County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Nodaway County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Nodaway County, Missouri's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-1 to be a significant deficiency.

Nodaway County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Nodaway County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purposes.

(Original signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 8, 2015

NODAWAY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2013	2014
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Missouri Department of Economic Development:				
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2008-DI-63	32,016	17,628
		2008-DF-19	700	-
		2012-EM-02	175,000	-
		2008-DI-10	10,921	80,217
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission:				
20.205	Highway Planning and Construction	BRO-074(56)	31,326	436,217
		BRO-074(57)	-	45,866
		BRO-074(58)	-	35,707
		BRO-074(59)	-	23,979
GENERAL SERVICES ADMINISTRATION				
Passed through the Office of Secretary of State:				
39.011	Election Reform Payments	SOS	2,556	-
ELECTION ASSISTANCE COMMISSION				
Passed through the Office of Secretary of State:				
90.401	Help America Vote Act Requirements Payments	SOS	2,640	2,452
Total Expenditures of Federal Awards			<u>\$ 255,159</u>	<u>\$ 642,066</u>

NODAWAY COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the federally funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2014 and 2013.

NODAWAY COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported
- Noncompliance material to financial statements noted? X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? X Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii
20.205	Highway and Transportation – Highway Planning and Construction

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Sheriff's Internal Controls
2. Budgetary Compliance
3. Outstanding Checks

Summary Schedule of Prior Audit Findings:

1. Transaction Lacking Commissioner Approval
2. Sheriff's Department Commissary Income
3. Sheriff's Department Written Contracts
4. Segregation of Duties in Sheriff's Department
5. Expenditures in Excess of Budgeted Amounts

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2014-1: Incorrect Schedule of Expenditures of Federal Awards (SEFA)

Federal Grantor: U.S. Department of Transportation

Pass-through Grantor: Highway and Transportation Commission

Federal CFDA Number: 20.205

Program Title: Highway Planning and Construction

Pass-through Entity Identifying Number: BRO – 074(56), BRO – 074(57), BRO – 074(58), BRO-074(59)

Award Years: 2014

Questioned Costs: None

Condition: The County Clerk did not prepare an accurate Schedule of Expenditures of Federal Awards for the year ending December 31, 2014. The 2014 SEFA reported expenditures of \$535,706 for Highway Planning and Construction; however, based on supporting documentation, expenditures were \$541,769.

Recommendation: We recommend that the County Clerk implement procedures to ensure that the federal expenditures incurred during the year are properly reported on the Schedule of Expenditures of Federal Awards.

County's Response: The County Clerk will make every possible effort to reconcile the Schedule of Expenditures of Federal Awards.

Auditor's Evaluation: The response is appropriate to correct the concern.

SECTION IV – FOLLOW-UP ON PRIOR YEAR’S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2012-1: Incorrect Schedule of Expenditures of Federal Awards (SEFA)

Federal Grantor: U.S. General Services Administration
Pass-through Grantor: Missouri Office of the Secretary of State
Federal CFDA Number: 39.011
Program Title: Election Reform Payments
Pass-through Entity Identifying Number: N/A
Award Years: 2012
Questioned Costs: None

Federal Grantor: U.S. Department of Justice
Pass-through Grantor: N/A
Federal CFDA Number: 16.922
Program Title: Equitable Sharing Program
Pass-through Entity Identifying Number: N/A
Award Years: 2012
Questioned Costs: None

Federal Grantor: Department of Health and Human Services
Pass-through Grantor: Administration of Community Living
Federal CFDA Number: 93.617
Program Title: Polling Place Accessibility Competitive Grant
Pass-through Entity Identifying Number: N/A
Award Years: 2012
Questioned Costs: None

Federal Grantor: U.S. Department of Housing and Urban Development
Pass-through Grantor: Missouri Department of Economic Development
Federal CFDA Number: 14.228
Program Title: Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii
Pass-through Entity Identifying Number: N/A
Award Years: 2011
Questioned Costs: None

Condition: The County Clerk did not prepare an accurate Schedule of Expenditures of Federal Awards for the year ended December 31, 2012. Disbursements were overstated by \$3,193 under the Election Reform Payments Program, disbursements were understated by \$2,205 under the Equitable Sharing Program, and disbursements were understated by \$90 under the Polling Place Accessibility Competitive Grant. For the year ended December 31, 2011, disbursements for the Community Development Block Grant Program were overstated by \$16,157.

Status: Not Resolved. See current year federal finding 2014-1.

FINDINGS AND RECOMMENDATIONS

NODAWAY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Sheriff's Internal Controls

Condition: There is a lack of segregation of duties over the cash disbursements process in the Sheriff's office. The office manager in the Sheriff's office has control of the blank checks, signs checks, and also reconciles the bank statements. A person who has access to blank checks and the ability to write checks should not also reconcile the bank account.

Recommendation: We recommend that the Sheriff improve the segregation of duties and/or increase his oversight of the activities of the Office Manager to the extent that the size and budget constraints of the office limit the segregation of duties.

County's Response: The Sheriff is working with his staff and the Treasurer to segregate duties and supply some auditing practices.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

2. Budgetary Compliance

Condition: We noted two issues with the County's budgeting process during 2014 and 2013 as follows:

- a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Road & Bridge Special Sales Tax fund which was created during 2014.
- b) Actual expenditures exceeded budgeted expenditures for the following funds in 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Adult Abuse Fund	X	X
Special Road & Bridge	X	N/A
Assessment	X	N/A
Administration Center	X	N/A
Senior Citizens Tax Board	N/A	X

State Statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend that the County Commission not approve expenditures in excess of budgeted amounts or follow the appropriate procedures to amend the budget and ensure funds are available to finance the expenditure. We also recommend that the County adopt a formal budget for all funds.

County's Response: Adult Abuse and Senior Citizens Tax Board are tax distribution funds and difficult to pinpoint the exact amounts for distributions in any given year. However, the Senior Citizens Board has been reminded to include office supplies in their budget. A heating and air conditioning project for the Administration Center was completed earlier than expected and the vendor requested payment in late December. Rather than delaying the payment, funds were available and payment was made.

The Assessment fund was not over budget. His budget for 2014 was \$384,361 and his expenses were \$344,130. There was a journal entry made by the Collector to correct disbursement made by her in the amount of \$157,422. That entry needed an expense number which is required for any accounting entry. Therefore, that journal entry/correction shows in the Assessment fund. This is NOT an over expenditure of his budget but rather an accounting correction.

The Road and Bridge Special Sales Tax was a newly established sales tax and funds were not expected until 2015. Funds were received but no funds were disbursed until 2015.

Auditor's Evaluation: Any expenditure in excess of the budgeted amount requires a budget modification.

OTHER MATTERS

3. Outstanding Checks

Condition: There were multiple outstanding checks at December 31, 2014 and December 31, 2013, that were over a year old. The Collector/Treasurer has a policy for investigating stale outstanding checks by contacting the payee and requesting that they cash the check or issuing a new check if the check was lost. However, stale checks have not been removed from the bank reconciliation on a timely basis when it becomes apparent that the check will not be cashed. The County's bank charges \$25 for placing a stop payment order on a check; therefore, small outstanding checks have remained on the bank reconciliation for several years. Review of bank reconciliations indicated that there were multiple outstanding checks from prior years in both the Treasurer's main operating and the Collector's bank accounts. In the Treasurer's main operating account, there were 27 outstanding checks dating as far back as April 10, 2013, as indicated on the March 2015 bank reconciliation, totaling \$759. In the Collector's account, there were 14 outstanding checks dating as far back as December 13, 2010, as indicated on the March 2015 bank reconciliation, totaling \$369.

Recommendation: We recommend the Collector/Treasurer remove stale checks from the monthly bank reconciliations on a timely basis and ensure that checks are properly moved to Unclaimed Fees fund at year end.

County's Response: The Collector/Treasurer will send letters each month after performing the bank reconciliation of the Treasurer's and Collector's bank accounts to payees of outstanding checks. If checks are still outstanding the following month, then efforts will be made to contact the payee by telephone. If checks are not cleared by the sixth month, they will be sent to unclaimed fees.

Auditor's Evaluation: The corrective action is appropriate.

NODAWAY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Nodaway County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012 and 2011.

1. One disbursement for \$69,053 out of eighty seven disbursements tested, did not include a stamp of commissioner approval.

Status - Resolved.

2. The Sheriff's Department maintains a commissary account for commissary sales and purchases at the County Jail. The Sheriff's Department keeps 25% of sales as commissions and does not remit the commission income to the County Treasurer. Section 50.370 of the Revised Missouri Statutes, requires every county official who receives fees for official services to pay such monies to the County Treasurer.

Status - Resolved. RSMo 221.102 allows the Sheriff to retain a minimum amount of money in a commissary account for current operating expenses. The remainder of the fees will be turned over to the Treasurer.

3. The Sheriff's dept. does not obtain written contracts from other political subdivisions to house inmates at the County Jail.

Status – Resolved. A contract was obtained between the City of Maryville and the Nodaway County Sheriff's Department on December 5, 2014.

4. The office manager in the Sheriff's office has control of blank checks, signs checks, and reconciles bank statements to accounting records. The Undersheriff reviews the bank statements and reconciliations and initials those documents. The Sheriff's assistant in the jail has control of blank checks, signs checks, and performs reconciliations for the Sheriff's commissary account.

Status - Not Resolved. See finding No. 1.

5. Disbursements were in excess of budgeted amounts for the Senior Citizens Service Board Fund for the years ended 2012 and 2011.

Status - Not Resolved. See finding No. 2.



Nicole R. Galloway, CPA

Missouri State Auditor

City of Joplin



August 2015

Report No. 2015-060

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the City of Joplin

Master Developer	City of Joplin officials did not ensure the selection process for the master developer was independent and free of bias. The request for proposal may have been written to favor Wallace Bajjali Development Partners, L.P., and documentation supporting the selection of the master developer was insufficient to support the city's decision. Some of the points awarded to Wallace Bajjali in the evaluation process were not reasonable. The predevelopment agreement was also written to benefit Wallace Bajjali and did not adequately protect the city. The city did not adequately monitor the predevelopment agreement for compliance with its terms and did not hold Wallace Bajjali accountable for failing to comply with obligations and requirements, including failure to submit a master plan and progress schedule documents. Some expenses related to the creation and presentation of the master plan were erroneously reimbursed to Wallace Bajjali, and many pursuit cost invoices submitted for reimbursement by Wallace Bajjali were inappropriate. Some of the provisions of the land assemblage agreement were unclear, and some amounts paid to Wallace Bajjali for transfer fees were questionable or excessive. As of January 26, 2015, the city had paid Wallace Bajjali \$1 million in pursuit costs and \$475,500 in land assemblage fees, and no redevelopment had occurred.
Purchases of Redevelopment Area Real Estate and Conflicts of Interest	The Joplin Redevelopment Corporation (JRC) failed to obtain independent appraisals or adequately research previous real estate transactions when purchasing multiple properties for redevelopment, and, as a result, paid substantially more for some of the properties than necessary. The JRC purchased 16 out of 36 properties in the redevelopment zone from Four State Homes (FSH), a real estate development company, which had purchased the 16 properties from the original landowners, and then sold the properties to the JRC, in most cases for substantially higher prices (39 percent higher than the original purchase price), a short time later. Several activities involving former Mayor and current Councilmember Woolston represent potential conflicts of interest, including his signing the real estate sales contracts as the broker on these 16 properties originally purchased by FSH and subsequently sold to the JRC for much higher prices. The JRC entered into multiple agreements to sell property to Wallace Bajjali and his affiliates, who failed to comply with contractual obligations. Despite these failures, the JRC and city extended real estate purchase contract deadlines related to the land assemblage agreement on multiple occasions, with no new provisions to increase the likelihood that Wallace Bajjali and partners would fulfill contract requirements.
Disaster Recovery	The city Finance Department did not file reimbursement claims in a timely manner for approximately \$10.9 million in disaster recovery grant funds. The Finance Department also did not allocate city labor and equipment expenses, totaling more than \$1.6 million, incurred after the tornado to the applicable Federal Emergency Management Agency (FEMA) projects for

reimbursement, or submit supporting documentation to the city's insurance company to claim additional proceeds, totaling approximately \$1 million, timely. The city did not take proper action to prevent duplication of benefits from federal disaster recovery funds and other sources. The city did not ensure contracts with various vendors providing services contained suspension and debarment clauses required by city policy and grant provisions. Performance bonds were not required to be furnished by contractors as required by state law related to a disaster recovery grant for soil remediation. The city did not establish adequate and consistent policies and procedures to administer FEMA mutual aid grant funds.

Sunshine Law Issues	The city did not always comply with the Sunshine Law. Minutes were not prepared for 10 of 24 closed sessions held from the date of the tornado through the year ended October 31, 2013, as required. City officials improved procedures and maintained minutes for 24 of 25 closed sessions held from November 1, 2013, through February 28, 2015. Some issues discussed in closed meetings were not allowable under the Sunshine Law. The Council did not prepare meeting minutes for work sessions, which were held on a fairly regular basis, and the city did not always give proper notice of council meetings.
Procurement Procedures and Contracts	The city and the JRC did not solicit proposals, enter into or update written contracts, or ensure invoices were adequate for several professional services. The city did not always follow its own bid policy for goods and services. The city does not have a formal written change order policy, and neither the City Manager nor the Council approved change orders for significant amounts or changes in scope of services. The Public Works Department poorly planned projects, resulting in significant change orders, and did not competitively bid significant changes to construction projects. The city did not properly monitor its contract or expenditures paid to the Joplin Area Chamber of Commerce.
Joe Becker Stadium	The city entered into an agreement with a baseball organization without conducting a feasibility study and purchased property without obtaining a current appraisal.
Disbursements and Payroll	Adequate controls and procedures over manual and system generated checks have not been established. Purchase orders were sometimes approved or prepared after the date of the corresponding invoices. Some city disbursements and purchases appeared to be unreasonable or have no benefit to the city. The city used grant monies to fund a salary increase although the reason for the increase did not pertain to grant related duties.
Overhead Cost Allocations and Restricted Funds	The city has not established adequate procedures to allocate overhead costs and ensure restricted monies are used only for intended purposes. Some city parks/stormwater and transportation sales tax monies were used for Joplin School District projects rather than city projects.
Fuel and Vehicle Use and Vehicle Allowances	The city does not have adequate procedures to review and evaluate the reasonableness of vehicle and equipment usage, and access to the city's public works facility and unleaded fuel pumps is not adequately restricted. The city allows 62 city vehicles to be taken home by city employees and has

not established procedures to adequately review and document the necessity and justification for use of the vehicles. Forty of these vehicles are driven to addresses outside the city. The city has no documentation to show vehicle allowance amounts are reasonable or necessary compared to actual expenses incurred.

Cash Handling Controls and Procedures	Significant improvement is needed in the handling of city monies including the segregation of duties; receipting, recording, and depositing/transmitting of city monies; reconciliation of licenses and permits; petty cash and change funds; and the security of monies.
Finance Department Controls and Procedures	Improvement is needed in the city's handling of adjustments and write-offs related to the sewer system and special tax bills, assessment of late payment penalties on delinquent sewer accounts, and assessment of administrative fees on special tax bills.
Financial Issues and Reporting	The city has not prepared adequate long-range plans for the Health Self Insurance Fund. The golf course and airport operate at a loss and need continual financial support from other city funds. The city and the municipal division do not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected, and did not accurately calculate the percent of annual general operating revenue from fines and costs related to traffic violations.
Internal Audit Function	The city does not have an internal audit function and some recommendations made by the city's independent financial statement auditor had not been implemented.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

City of Joplin

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Master Developer4
	2. Purchases of Redevelopment Area Real Estate and Conflicts of Interest23
	3. Disaster Recovery33
	4. Sunshine Law Issues41
	5. Procurement Procedures and Contracts43
	6. Joe Becker Baseball Stadium54
	7. Disbursements and Payroll56
	8. Overhead Cost Allocations and Restricted Funds62
	9. Fuel and Vehicle Use and Vehicle Allowances65
	10. Cash Handling Controls and Procedures68
	11. Finance Department Controls and Procedures74
	12. Financial Issues and Reporting78
	13. Internal Audit Function84

Organization and Statistical Information	85
---------------------------------------------	----

Appendixes

A	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds89
B	Statement of Revenues, Expenditures, and Changes in Fund Net Position - Proprietary Funds90
C	Summary of Disaster Recovery Funding and Expenditures91



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
Joplin, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Joplin, Missouri. We have audited certain operations of the city in fulfillment of our duties. The city engaged Cochran Head Vick and Company, P.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended October 31, 2013 and 2014. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended October 31, 2013, audit, since at the time of our audit, the CPA firm's audit for the year end 2014 was not complete. The scope of our audit included, but was not necessarily limited to, the year ended October 31, 2014. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

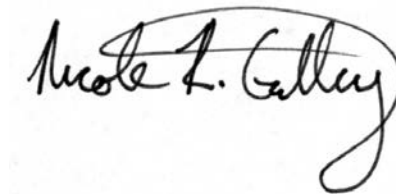
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Joplin.

An audit of the *Twenty-Ninth Judicial Circuit, City of Joplin Municipal Division*, fulfilling our obligations under Chapter 29, RSMo, is still in progress, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
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In-Charge Auditor:	Roberta Bledsoe
Senior Auditors:	Ted Fugitt, CPA
	David Olson
	Connie James
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City of Joplin

Management Advisory Report

State Auditor's Findings

1. Master Developer

On May 22, 2011, Joplin was struck by an EF-5 tornado, which resulted in at least 161 deaths and more than 1,000 injuries; there was destruction of thousands of houses and severe damage to numerous apartments, businesses, and schools, including a medical center. The tornado-damaged area, which required cleanup and rebuilding, was approximately one mile wide and 13 miles long.

The city and the Joplin Redevelopment Corporation (JRC), a component unit of the city, entered into a predevelopment agreement on July 2, 2012, and a land assemblage, disposition, and management services agreement on August 20, 2012, with a development firm headquartered in Sugar Land, Texas, a suburb of Houston, Wallace Bajjali Development Partners, L.P. (Wallace Bajjali). The stated purpose of the relationship with the master developer was to create a public-private partnership to redevelop and invigorate the area most affected by the tornado. This redevelopment was to be accomplished by, among other things, replacing lost residential and commercial property. Additionally, these redevelopment efforts were to be used to build upon existing city goals for new development and redevelopment in Joplin.

The city did not ensure the selection process for the master developer was handled by persons independent and free of bias; and, documentation supporting the selection of the master developer was insufficient to support the city's decision. The predevelopment agreement was written to benefit Wallace Bajjali and did not adequately protect the city; and Wallace Bajjali failed to comply with several contractual requirements and obligations. Some pursuit costs, defined in the predevelopment agreement as expenses related to the creation and presentation of the master plan and performance of predevelopment services, were erroneously reimbursed to Wallace Bajjali; many pursuit cost invoices submitted for reimbursement by Wallace Bajjali were inappropriate; and various other concerns related to pursuit costs were identified. Some of the provisions of the land assemblage agreement were unclear, and some amounts paid to Wallace Bajjali for transfer fees were questionable or excessive. As of January 26, 2015, the city had paid Wallace Bajjali \$1 million in pursuit costs and \$475,500 in land assemblage fees, and no redevelopment had occurred, more than 2 1/2 years after the effective date of the predevelopment agreement.

In December 2014, due to turnover of key city officials and the lack of critical city records to explain the city's decision making process regarding the master developer, we issued subpoenas to compel testimony and for production of relevant records. After we took depositions on January 8 and 9, 2015, and reviewed additional records provided, we notified appropriate law enforcement agencies and the Jasper County Prosecuting Attorney in January 2015, of facts in our possession, which pertain to possible violations of state and/or federal statutes and possible malfeasance, misfeasance, or



City of Joplin Management Advisory Report - State Auditor's Findings

nonfeasance. On January 26, 2015, the city was notified by email that the two principal officers (David Wallace and Costa Bajjali) of Wallace Bajjali had resigned from the company. David Wallace was the Chief Executive Officer and worked primarily with the city. He resigned from the company and all its subsidiaries and Joplin projects on January 7, 2015; however, the city was not notified of his resignation until January 26, 2015. Costa Bajjali was the President of Wallace Bajjali. On February 3, 2015, the city terminated both the predevelopment and land assemblage agreements with Wallace Bajjali "as a result of demonstrated facts of insolvency, and for committed acts of gross negligence, fraud, and willful misconduct."

1.1 Selection process

The city did not ensure some individuals selected by the Citizens Advisory Recovery Team (CART) Implementation Task Force (ITF) to draft the master developer request for proposal (RFP) requirements and evaluate the proposals received were independent and free of bias. The city also did not ensure documentation prepared by the 10 members of the CART ITF serving as RFP evaluators was sufficient to support the significant point differences awarded to each respondent.

The CART was formed on June 30, 2011, at the suggestion of the Federal Emergency Management Agency (FEMA) Long-Term Community Recovery Task Force. The CART was comprised of city officials, business leaders, and community leaders and residents; and its initial purpose was to gather community input and make recommendations to the City Council (Council) regarding rebuilding and redevelopment of the city. The first community meeting was held on July 12, 2011. On November 7, 2011, the CART presented a report to the Council summarizing the citizens vision for a rebuilt Joplin, and a list and conceptual drawings of the proposed projects. At the November 7, 2011, Council meeting, the CART ITF was recommended by then Mayor Mike Woolston and was established to implement the redevelopment plans recommended in the CART report. The ITF was comprised of representatives from the CART, the city, the school district, and the chamber of commerce, and was responsible for the selection of the master developer. In a memorandum dated December 12, 2011, the ITF recommended the Council execute a RFP for a master developer. The Organization and Statistical Information section provides a list of key CART members and CART ITF members. Also included is a list of JRC members.

The city issued a RFP and qualifications for a master developer for the Joplin redevelopment effort on December 28, 2011. The RFP required submission of proposals and qualifications by January 31, 2012. Interviews for potential master developers were held on February 27 and 29, 2012, in Joplin.

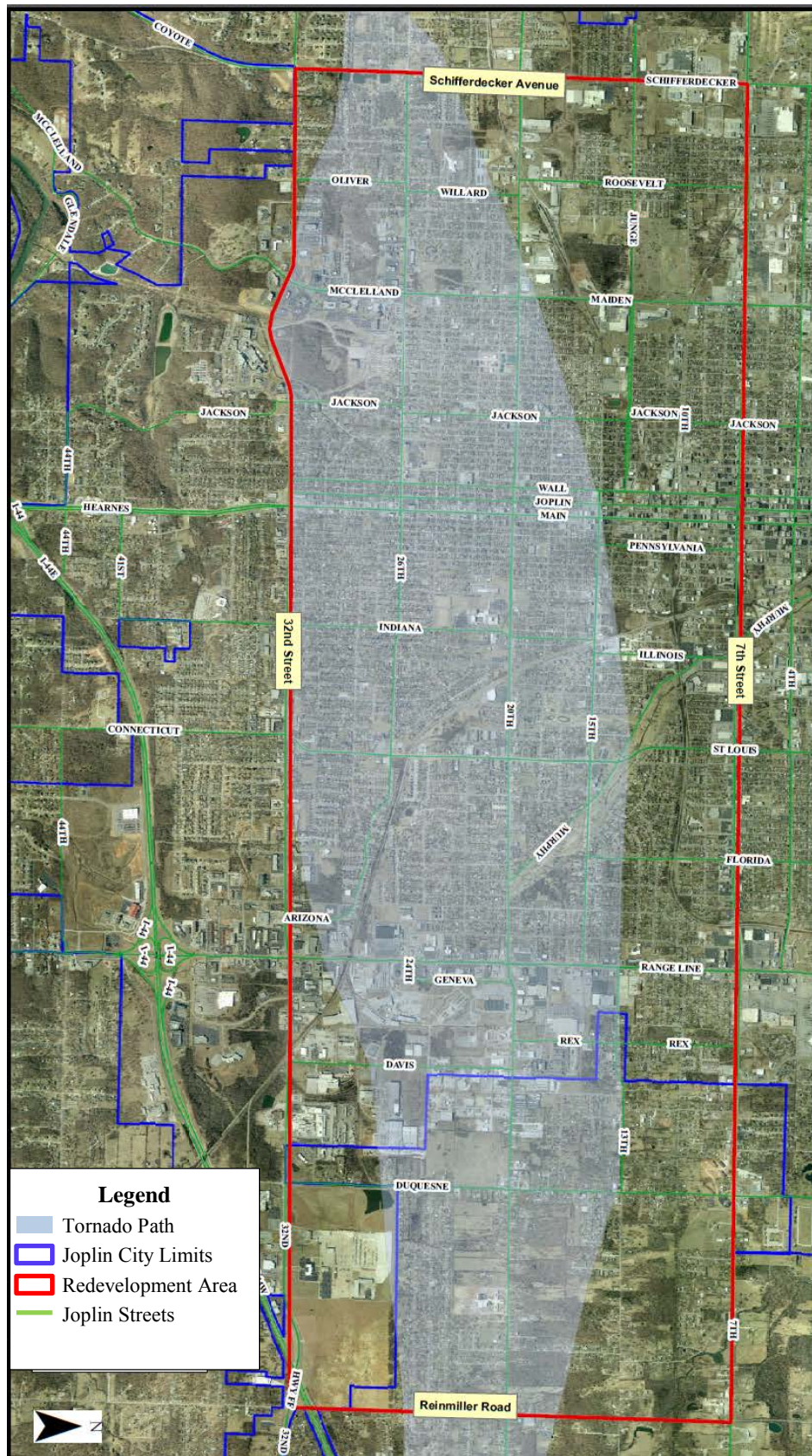


City of Joplin Management Advisory Report - State Auditor's Findings

The redevelopment area includes the extended disaster recovery area directly impacted by the May 22, 2011, tornado, the downtown area of Main Street connecting the downtown to 20th Street, and other locations mutually agreed to by the city and the master developer. A map of the redevelopment area, which includes portions of both the cities of Joplin and Duquesne, follows:



City of Joplin
Management Advisory Report - State Auditor's Findings





City of Joplin
Management Advisory Report - State Auditor's Findings

Independence and conflicts
of interest

Wallace Bajjali may have benefited from favorable treatment during the RFP and qualifications preparation and evaluation process because the RFP preparer and two evaluators had been meeting with David Wallace or employees of Wallace Bajjali before the RFP was drafted and proposals solicited. In addition, the city did not take sufficient actions to eliminate potential conflicts of interest before awarding the master developer contract.

The Joplin Chamber of Commerce President Rob O'Brian (a member of the ITF) drafted the RFP and qualifications for the master developer during December 2011. Chamber invoices indicate Chamber of Commerce President O'Brian and another chamber employee, Gary Box, traveled to Houston, Texas, on October 1, 2011, to meet with representatives of Wallace Bajjali. They also met with David Wallace in Joplin on October 13, 2011. Box later evaluated the potential master developer proposals and was subsequently hired by Wallace Bajjali in August 2012. Additionally, an employee of Wallace Bajjali submitted a parking invoice from Dallas, Texas, dated December 5, 2011, which indicated he was meeting with city of Joplin representatives. Chamber credit card invoices indicated Chamber of Commerce President O'Brian was also in Dallas, Texas, on December 5, 2011. Additionally, in sworn testimony Chamber of Commerce President O'Brian indicated he first met with Wallace in August 2011, and met with him several other times during the fall of 2011. Also in sworn testimony CART Chairperson Jane Cage indicated she had met Wallace a few months after the tornado and at other times during the fall of 2011. Chairperson Cage was also a member of the CART ITF and an evaluator. Chairperson Cage developed the evaluation scorecard, evaluated the master developer respondents and completed a scorecard, and compiled the totals of the scorecards. It is questionable why the Chamber President, CART Chairperson, and another chamber employee had multiple meetings with a potential master developer company or its partners prior to drafting and evaluating the RFPs. In sworn testimony Chamber of Commerce President O'Brian indicated Wallace suggested the "master developer concept" for redevelopment of the city, and a Wallace Bajjali employee emailed him a template of a RFP at Wallace's request. However, Chamber of Commerce President O'Brian indicated he deleted the email. These prior relationships with Wallace Bajjali may have impaired the RFP preparer and the evaluators' ability to act impartially when preparing and evaluating the RFPs.

Some of the RFP requirements and terminology may have been favorably written for Wallace Bajjali. The RFP included terminology regarding pursuit costs as a form of compensation, which was not used in proposals submitted by the 5 other RFP respondents. The ability to estimate these types of costs was also questioned by one of the respondents. In addition, some of the RFP requirements likely would have required the respondents more than a month to prepare and were questioned by other respondents.



City of Joplin
Management Advisory Report - State Auditor's Findings

For example, the RFP requested submission of letters of intent, an action plan and time frame for project completion, and an anticipated budget for the projects.

It is unclear how Wallace Bajjali was able to obtain 11 letters of intent for various projects within the redevelopment area before the concept of a master developer was presented to the City Council or a RFP was issued, unless the firm had prior knowledge of potential project details. Wallace Bajjali submitted 11 letters of intent dated prior to the ITF's December 12, 2011, recommendation to the Council to retain a master developer (8 of the 11 letters were dated in September 2011 and the remaining letters were dated in November 2011). In total Wallace Bajjali's proposal included 15 letters of intent. Six of the letters utilized the same basic language and appear to be based on a letter of intent template. Of these 6 letters, 5 were dated in September 2011, and 1 was undated and noted "DRAFT LETTER OF INTENT." Another letter dated in September 2011, appeared to use an abbreviated version of the same letter of intent template. The additional 2 letters dated in September 2011, had unique language. Of the 3 letters dated in November 2011, 2 had unique language. The remaining November 2011 letter refers to Wallace Bajjali as the master developer although the city had not made a decision regarding this approach. We were unable to confirm the company submitting this letter existed and the letter was signed by an individual who incurred expenses in August and September of 2011, that Wallace Bajjali submitted as pursuit costs for reimbursement by the city. The 3 remaining letters were dated January 2012 and used unique language. These letters documented various entities' non-binding interest in building, locating, or otherwise doing business in the redevelopment area. While Wallace Bajjali submitted 15 letters of intent with its RFP response, other respondents provided a limited number of letters. Three respondents provided no letters of intent and 2 others provided 5 to 8 letters of intent all dated subsequent to the RFP issuance date.

Additionally, in sworn testimony the city's Planning and Community Development Director, Troy Bolander, indicated he was shown Wallace Bajjali's letters of intent prior to the issuance of the RFP and even before the city determined it was going to hire a master developer.

The second highest ranked respondent indicated in its RFP response that, "Redevelopment of this area will take many, many years and perhaps decades. It is virtually impossible to outline a specific plan through completion of the redevelopment." The respondent also indicated, "It is quite difficult to estimate expected out of pocket costs without specific knowledge of the agreed to scope. . ." and "this is a long term project which will require professional services from several disciplines. These primary service providers should be in direct contract with the City and most are not accustomed to working in a contingent fee environment."



City of Joplin
Management Advisory Report - State Auditor's Findings

Wallace Bajjali subsequently hired 2 of the 10 RFP evaluators and former chamber employees in August 2012, a month after entering into the predevelopment agreement. In sworn testimony Chamber of Commerce President O'Brian indicated the chamber has no policies limiting a chamber employee from accepting employment from a vendor he/she worked with on a chamber project.

According to Chapter 7 of the National Association of State Procurement Officials (NASPO) publication (best practices) *State and Local Government Procurement: A Practical Guide*, the independence of the evaluation committee is essential to its fairness.

Evaluation

The city did not ensure documentation prepared by the ITF evaluators was sufficient to support the points awarded to each respondent, and some of the points awarded to Wallace Bajjali were not reasonable. The city awarded the contract to the vendor that scored the highest based on the 24 evaluation criteria. The following table shows the points awarded to respondents.



City of Joplin
Management Advisory Report - State Auditor's Findings

Criteria ¹	Wallace Bajjali	Other Respondents				
		#1	#2	#3	#4	#5
1. Success of the track record.	45	45	43	37	17	21
2. Financial capacity and stability.	37	38	36	34	13	16
3. Willingness to dedicate adequate resources, including staff to the project.	41	43	40	29	20	16
4. Willingness to consider participating financially in the pursuit of the costs and development and operations of project assets.	41	23	29	28	14	9
5. Willingness to provide qualified on-site leadership and institute appropriate administrative and financial management.	44	41	41	26	22	11
6. Has working experience with appropriate governmental and business entities.	43	42	42	33	19	27
7. Submitted an initial conceptual plan.	10	10	8	5	4	0
8a. Demonstrated substantive experience that relates to CART's recommendations in economic development.	10	10	10	4	0	0
8b. Demonstrated substantive experience that relates to CART's recommendations in infrastructure and environment.	10	10	10	5	1	1
8c. Demonstrated substantive experience that relates to CART's recommendations in schools and community facilities.	8	9	9	3	1	1
8d. Demonstrated substantive experience that relates to CART's recommendations in housing and neighborhoods.	10	10	10	10	6	3
9. Successful public engagement experience.	10	9	10	7	3	1
10. Submit in full the required submittal documents.	10	10	9	7	1	0
11. Demonstrated its experience with past public-private partnerships.	45	43	39	30	18	12
12. Demonstrated the necessary real estate related involvement with past public-private partnerships.	42	42	40	31	18	16
13. Demonstrated success in past experience with economic development tools, programs, and other legislative initiatives.	42	43	39	31	16	18
14. Demonstrated how such economic development tools have been successfully utilized in public-private partnerships.	43	38	35	29	18	9
15. Provided summaries of private sector co-development partners that have been secured for the project, including a clear magnitude of the capital that will be invested and the appropriate letters of intent from such partners.	42	32	33	30	13	10
16. Described the architectural, engineering, investment banking, legal, consulting and other professional team members, and letters of intent were provided by these team members.	44	40	40	34	12	10
17. Outlined an action plan and time frame for successful project completion.	10	10	8	5	2	0
18. Provided an anticipated budget of out of pocket pursuit costs that the city or corporation would be required to budget for both entities.	37	26	19	25	11	9
19. Expects financial participation from the city.	9	9	9	8	7	7
20. Provided the anticipated fee arrangement for their team.	9	7	3	7	4	2
21. Worked as a team before.	10	9	10	7	5	4
Total	652	599	572	465	245	203

¹ Criteria 1 through 6, 11 through 16, and 18 each had maximum points available of 50, and the maximum points available for the remaining criteria was 10.



City of Joplin
Management Advisory Report - State Auditor's Findings

The ITF did not retain or provide comments or notes explaining the basis for rankings of each respondent. As illustrated in the table on page 11, there were significant point differences between respondents. The only documentation retained to support the ranking of the respondents was a list of the criteria evaluated and the points awarded to each respondent by criteria for each evaluator. Detailed and adequate comments are necessary to substantiate such differences, support points awarded, and provide clarity should questions arise. Also, the dates the evaluator scorecards were prepared by evaluators and dates reference checks were completed was not documented to support the timing of events and decisions made. Also, the ITF conducted a site visit to one of Wallace Bajjali's past projects, but did not conduct site visits to other respondents' projects.

Based upon the points awarded and the RFP responses, it is questionable why Wallace Bajjali was evaluated, (1) equally with Respondent #1 for criteria 1 (success of the track record) when Wallace Bajjali had been in business for approximately 5 years, while Respondent #1 had been in business for over 15 years; (2) almost equally with Respondent #1 (37 points versus 38 points) for criteria 2 (financial capacity and stability) when Wallace Bajjali had multiple projects enter bankruptcy and was facing a substantial fine by the Securities and Exchange Commission (SEC), while Respondent #1 had been involved with several successful projects, including a project located in Joplin; and (3) equally or almost equally with Respondent #1 for criteria 1 and 2, when Wallace Bajjali's response to the RFP listed multiple cases of litigation and claims in which it was involved and had multiple projects enter bankruptcy, while Respondent #1 indicated there were no past or pending litigation or claims that would affect the firm's ability to perform.

Based upon evaluator documentation provided in response to a subpoena issued to CART Chairperson Cage, it is additionally questionable why Wallace Bajjali was selected as the master developer. One of the documents provided was from an ITF evaluator with financial and banking experience. The document was addressed to the Chamber President and indicated the evaluator was "seriously questioning" Wallace Bajjali's "staying power for the long term and the tangled web that we (the city) could be drawn into by contracting with Wallace Bajjali." The evaluator also questioned Wallace Bajjali's cash balance in comparison to the balance of SEC fines assessed and the amount of pursuit costs Wallace Bajjali was requesting in comparison to Wallace Bajjali's past revenues. This evaluator also documented additional comments he had received through the reference check process. One of the individuals contacted for a reference check indicated Wallace Bajjali's proposal responses regarding its own financial position were "a little strong," "overstating their position," and "don't know if they are able to pull it off or not." Comments from another individual contacted for a reference check were also critical of Wallace Bajjali and



City of Joplin
Management Advisory Report - State Auditor's Findings

included "stay away as far as you can;" "big hats no cattle;" "no capabilities;" "how financed"- response is, "we've got partners"- "they have nothing;" and "making a huge mistake to be involved with them." Comments from another ITF evaluator's reference checks regarding Wallace Bajjali's projects in Amarillo, Texas included "lots of sizzle but not much done," "Wallace talked a good game but nothing had happened yet," "wouldn't do business with Wallace," and that Wallace Bajjali "had claimed credit for projects where they were only minor players."

Wallace Bajjali scored 7 or more points higher than all other respondents on criteria 11, 12, and 14 combined (dealing with public-private partnerships). It is unclear why Wallace Bajjali scored so much higher than Respondent #1, who had several successful projects working with governments located in Missouri, including Joplin. The city's purchasing policy indicates preference will be given to Missouri vendors providing services; however, no additional points or consideration was given to Respondents #1 and #2, who were Missouri vendors. In addition, information provided in Wallace Bajjali's proposal showed the experiences with public-private partnerships primarily included Wallace serving as an elected official and a Wallace Bajjali employee serving as an employee of a public governmental entity rather than as a private developer or as an employee of a private developer. Also, Wallace Bajjali scored 13 or more points higher than all other respondents on questionable criteria 15 and 16 combined (dealing with letters of intent), which were not provided by all respondents and 11 or more points higher than all other respondents on questionable criteria 17 and 18 combined (dealing with an action plan and time frame for project completion, and an anticipated budget for the projects).

As compared to other ITF evaluators, three evaluators had large differences between overall points awarded to their 2 top ranked respondents. Each evaluator ranked the respondents based on a total of 76 points possible. Mayor Michael Seibert awarded Wallace Bajjali 13 more points overall than his next highest ranked respondent (Respondent #1); former Councilmember Trish Raney awarded Wallace Bajjali 10 more points overall than her next highest ranked respondent (Respondent #2); and Gary Box awarded Wallace Bajjali 10 points more overall than his next highest ranked respondent (Respondent #1). The remaining 7 evaluators awarded overall points with variances in points from 0 to 3 points between their top 2 ranked respondents, with 3 of these 7 evaluators with only a 1 point variance and 2 of the 7 with a tie. Mayor Seibert indicated he could not specifically recall why he awarded Wallace Bajjali more points than Respondent #1. Councilmember Raney indicated she gave Wallace Bajjali more points because the firm was interested in participating in development while other respondents indicated they would act as a middle-man between the city and independent developers. She also indicated Wallace Bajjali was



City of Joplin Management Advisory Report - State Auditor's Findings

able to explain to her satisfaction any concerns regarding litigation involving the firm.

NASPO best practices state it is critical that the written record of each key step in the procurement be sufficient to demonstrate that decision. These best practices further state the procurement officer needs to look at the documentation in the file from the view of competing bidders, the public, the press, and auditors, and ask whether it tells a reasonable story about the process, particularly about the basis for award.

1.2 Predevelopment and land assemblage agreements

The city and the JRC entered into a predevelopment agreement on July 2, 2012, and a land assemblage agreement on August 20, 2012, with Wallace Bajjali.

Predevelopment agreement

The predevelopment agreement required Wallace Bajjali to perform a list of 31 predevelopment services including (1) coordinating and overseeing the creation of a master plan; (2) conducting feasibility studies and land assessments to determine market need and success of potential projects; (3) analyzing historic and current site conditions; (4) identifying projects that will provide anchors for further development; and (5) selecting architects, engineers, general contractors, and subcontractors for the redevelopment area. Our review of the predevelopment agreement provisions identified various concerns.

Termination clause and deadline requirements

Terms of the predevelopment agreement termination clause provided for excessive contract termination fees and unfairly benefited the master developer. The predevelopment agreement did not adequately provide the city a means to terminate the agreement without significant penalties. The predevelopment agreement termination clause provided for the city to pay Wallace Bajjali \$5 million if the agreement was terminated within the first year, \$4 million if terminated within 2 years, \$3 million if terminated within 3 years, \$2 million if terminated within 4 years, and \$1 million if terminated within 5 years. Additionally, the agreement did not adequately protect the city by providing project/accomplishment deadlines regarding redevelopment or include liquidated damages provisions for lack of performance.

Owner's representation and development fees

Some fees in the predevelopment agreement were questionable because it appears no new services were being provided for the fees. The predevelopment agreement required the city to pay Wallace Bajjali an owner's representative fee for construction management services of 2.25 percent of project costs on all projects Wallace Bajjali or an affiliate developed. In October 2014, city officials indicated they could not explain what the fee represented or the scope of services they would receive from Wallace Bajjali in return. Due to no redevelopment, the city had not paid



City of Joplin
Management Advisory Report - State Auditor's Findings

any owner's representative fees as of the contract termination date of February 3, 2015.

Additionally, the agreement provided for the city to pay Wallace Bajjali a development fee of 5.75 percent of project costs of any project undertaken within the redevelopment area that (1) directly or indirectly, includes, references or otherwise makes use of any information and/or concepts contained within the master plan and, (2) includes the city or a city controlled entity as a participant in a proposed project within the redevelopment area. However, the pursuit costs provided for in the agreement included predevelopment expenses in development of a master plan; therefore, there appears to be no new service being provided for this fee. Due to no redevelopment, the city had not paid any development fees as of the contract termination date of February 3, 2015.

Compliance with agreement

The city did not adequately monitor for compliance with the predevelopment agreement terms, and Wallace Bajjali had not met several of the terms as of the contract termination on February 3, 2015. The city could not provide the master plan or evidence the city ever received a master plan as required by the predevelopment agreement.

- Article VIII, Section 8.2 of the predevelopment agreement required Wallace Bajjali to use commercially reasonable efforts to be prepared to formally present an initial portion of the master plan to the Council for its consideration on or before September 30, 2012, and all portions of the master plan to the Council for its consideration on or before December 31, 2013. The recitations to the agreement state that, "... it is proposed that the City Group and the Developer will undertake the creation of the Master Plan as a 'team.' " Council meeting minutes for the 3 fiscal years ended October 31, 2014, do not indicate a complete master plan was ever presented or approved by the Council. City officials were unable to locate a master plan and were unsure one existed when a copy was requested in November 2014. An electronic slide-show presentation of Wallace Bajjali's initial plans for redevelopment was presented to the Council on July 9, 2012, 7 days after the initial predevelopment agreement was signed. It would have been unreasonable to expect a complete master plan to have been developed this quickly or that the electronic slide-show presentation was considered the formal completed master plan. City officials believe a master plan was presented to and discussed by the Council at a work session; however, a copy of a master plan had not been located as of February 2015, and meeting minutes were not prepared for Council work sessions (as discussed in MAR finding number 4). As a result, the city did not ensure or cannot demonstrate that Wallace Bajjali complied with this predevelopment agreement term.



City of Joplin
Management Advisory Report - State Auditor's Findings

- Article III, Section 3.3 required Wallace Bajjali and the city to prepare an estimated progress schedule including "... the creation of the Master Plan and property assemblage" by August 31, 2012. City officials could not locate an estimated progress schedule and were unsure one had been prepared when a copy was requested in November 2014. City officials subsequently provided several progress schedules; however, no documentation exists to determine when they were prepared and presented. Based on the information in these progress schedules, February 4, 2013, was the earliest date the city officials could have received a progress schedule. As a result, Wallace Bajjali and the city failed to comply with this term of the predevelopment agreement.

Without a complete master plan and progress schedules, the city could not effectively monitor Wallace Bajjali's progress.

Pursuit costs

The agreement provided for the city to reimburse Wallace Bajjali 50 percent of up to \$2 million in pursuit costs incurred, a maximum of \$1 million. We identified various concerns related to these costs.

- The city paid Wallace Bajjali \$790,453 in reimbursement of pursuit costs incurred after entering into the predevelopment agreement, although Wallace Bajjali did not meet the contractual requirements for reimbursement. Article III, Section 3.5b states that as a condition to being entitled to payment of pursuit costs, "Developer shall submit its request for certification of Pursuit Costs incurred within one hundred twenty (120) days of the applicable Completion Date." The agreement defines the completion date as being related to completion and readiness to present to the Council any part of the master plan. However, there is no evidence Wallace Bajjali notified the city that any portion of the master plan was complete and ready for formal presentation to the Council.
- Article III, Section 3.5b required Wallace Bajjali to submit documentation of any pursuit costs incurred prior to the signing of the agreement (on July 2, 2012) for reimbursement by October 30, 2012; however, Wallace Bajjali did not comply with this requirement. The city paid Wallace Bajjali \$209,547 for pursuit costs incurred prior to July 2, 2012. Documentation of these pursuit costs was not submitted to the city until November 20, 2012, 21 days after they were required to be submitted by the contract. City personnel indicated Wallace Bajjali was advised that the city would not reimburse pursuit costs until the new budget/fiscal year started on November 1, 2012. It is questionable why the city agreed to pay for pursuit costs incurred prior to entering into an agreement with Wallace Bajjali. The costs a vendor incurs to pursue a customer's business is not typically reimbursed to the vendor by its customer.



City of Joplin
Management Advisory Report - State Auditor's Findings

- The Finance Department erroneously reimbursed Wallace Bajjali \$33,170 (included in the \$209,547 of pursuit costs discussed above) related to the creation and production of the master developer RFP response. The Finance Director was unaware the city had reimbursed Wallace Bajjali costs to respond to the RFP until we questioned the invoice and related payment. The RFP specifically stated "... the JRC and the city will not compensate respondents for any expenses incurred in response preparation or for any presentations that may be made, unless agreed to in writing in advance or required by law. Respondents submit the responses at their own risk and expense."
- Many invoices submitted to the city for reimbursement by Wallace Bajjali were inappropriate and did not meet the criteria of pursuit costs. The Finance Director properly refused to reimburse Wallace Bajjali for some of these billed costs. These invoices were delivered by United Parcel Service from Sugar Land, Texas to Joplin. Wallace Bajjali submitted 305 invoices (mostly for small amounts) totaling \$311,983 for reimbursement that were questioned by the Finance Director and not reimbursed by the city. Following are examples of expenses the Finance Director did not reimburse.

- A pair of men's dress shoes costing \$161

David Wallace, Costa Bajjali, and an affiliate flew into Tulsa, Oklahoma, on July 1, 2012, and traveled to Springfield, Missouri, to spend the night (hotel costs totaling \$333), where Wallace purchased the shoes. They all traveled back to Joplin for a meeting the next day.

- Hotel costs incurred in Arkansas on September 6, 2011, (approximately 4 months prior to the issuance of the RFP) totaling \$222, which included in-room movies costing \$19

- Airline tickets for flights on October 12 and 14, 2011, totaling \$769

These costs were incurred approximately 2 1/2 months prior to the city's issuance of an RFP for a master developer and, therefore, were inappropriately claimed and did not meet the criteria of pursuit costs. Further, Wallace Bajjali billed the city \$246 twice for the cost of the return trip.

- Alcoholic drinks costing \$155 purchased on November 15, 2012

The invoice for the drinks indicated David Wallace, Costa Bajjali, Councilmember Mike Woolston, former City Manager Mark Rohr,



City of Joplin
Management Advisory Report - State Auditor's Findings

CART Chairperson Jane Cage, and chamber employee Gary Box were in attendance.

- Article III, Section 3.5b required Wallace Bajjali to identify the specific line item category within the project budget to which the pursuit cost was to be assigned. However, documentation submitted by Wallace Bajjali did not identify these details.

Additionally, Article III, Section 3.5b required Wallace Bajjali to submit detailed supporting documentation of the pursuit costs incurred. Our review of the 623 invoices or other documents submitted for reimbursement and paid by the city identified 31 invoices or documents totaling \$69,770 lacked adequate details. For example, 13 invoices totaling \$66,257, submitted for reimbursement only listed "public policy consulting" with the total amount due and no detailed description of the work provided.

- The city paid \$1 million in reimbursement of pursuit costs in 4 payments including a \$768,611 wire transfer and 3 checks totaling \$231,389. None of the payments were brought before the Council for discussion prior to payment. In addition, the Finance Department paid the \$1 million of pursuit costs reimbursements to a third party without obtaining formal authorization from a partner of Wallace Bajjali. The city only received email messages from an employee of Wallace Bajjali requesting the city wire transfer and issue the 3 checks to a third party on behalf of Wallace Bajjali. According to city documents, Wallace Bajjali obtained financing from the third party company. In addition, the city did not have W-9 forms on file for either Wallace Bajjali or this third party company and issued no 1099-MISC forms related to these payments.

Land assemblage agreement The land assemblage agreement required Wallace Bajjali to provide various services, including but not limited to (1) working actively with real estate brokers to identify master developer recommended sites for development called "opportunity sites" for the JRC to potentially acquire, (2) conducting feasibility studies and land assessments to determine market need and success of potential projects, (3) identifying projects that will provide anchors for further development, (4) authorizing and coordinating with appraisers, and (5) entering into brokerage agreements regarding opportunity sites. The land assemblage agreement required the JRC to pay Wallace Bajjali a transfer fee equal to 5.75 percent of the transaction costs for the transfer of property within the redevelopment area. Our review of issues related to the agreement identified several concerns.

- The agreement required the JRC to represent to the master developer any litigation or administrative proceedings that would materially and adversely affect the ability of the JRC to perform any of its contractual obligations, but it did not require the master developer to do the same.



City of Joplin Management Advisory Report - State Auditor's Findings

- Some of the transfer fees paid by the JRC to Wallace Bajjali were questionable or excessive.
 - It is questionable why the JRC did not request a refund of transfer fees paid to Wallace Bajjali for property purchased and subsequently returned to a local hospital. The JRC paid Wallace Bajjali transfer fees totaling \$57,500 in February 2014, for property purchased in August 2013, from a local hospital through use of a \$1 million promissory note. The land was later returned to the hospital in September 2014, because it had not been redeveloped as a science/discovery center in the timeframe expected, and the promissory note was canceled. The JRC made no principal or interest payments on the promissory note to the local hospital.
 - Amounts paid for the purchase of some properties were excessive as noted in MAR finding number 2.1, and as a result, Wallace Bajjali may have been paid at least \$21,703 (\$377,444 x 5.75 percent) more in transfer fees than was necessary.

A question arose between the city and Wallace Bajjali as to whether the land assemblage agreement required the 5.75 percent transfer fee to again be paid to Wallace Bajjali on the sale by the JRC of property for development that had previously been purchased and on which Wallace Bajjali had already been paid the 5.75 percent fee. In order to avoid future misunderstandings, on May 14, 2013, the city amended the agreement to clarify that the city would only pay Wallace Bajjali a "single" transfer fee of 5.75 percent when the city initially purchased property for the redevelopment area, and in no event would the city be charged an additional fee of 5.75 percent upon the sale of these properties to Wallace Bajjali or any other developer.

Conclusion

The city paid Wallace Bajjali approximately \$1.5 million and spent approximately \$11 million to purchase property to implement Wallace Bajjali's plans for redevelopment; however, Wallace Bajjali had only purchased one of these properties back for \$551,016, and no redevelopment had occurred by January 26, 2015, over 2 1/2 years after the effective date of the predevelopment agreement.

In contrast to the failure of the master developer, as of April 1, 2015, other individuals and entities succeeded in bringing redevelopment to Joplin. The Housing Authority of the City of Joplin rebuilt 103 homes within 1 1/2 years of the tornado. City residents, through the Joplin Homebuyers Assistance Program (J-HAP), have built 260 homes. The Joplin School District has built 2 elementary schools, a middle school, the high school/technical center, and several community safe rooms. A total of 43 businesses have built in the recovery Tax Increment Financing (TIF) redevelopment area without the assistance of the master developer. The city is also in the process of building a new library without the involvement of the master developer.



City of Joplin Management Advisory Report - State Auditor's Findings

The following pictures depict examples of properties purchased for redevelopment by Wallace Bajjali shortly after the tornado in 2011 and again in 2015, showing no redevelopment had occurred.



2631 Cunningham

December 21, 2011



March 24, 2015



2601 Cunningham

December 21, 2011



March 25, 2015



2614 S McCoy

December 21, 2011



March 24, 2015



City of Joplin Management Advisory Report - State Auditor's Findings



1722 W 27th

December 21, 2011



March 24, 2015

The city and Wallace Bajjali agreements' penalties for early termination, lack of vendor progress requirements, and fees were questionable or unreasonable. The city had a fiduciary responsibility to ensure that public funds were used effectively and consistent with its mission. In addition, the city should have monitored agreements for compliance with all terms.

Recommendations

The City Council:

- 1.1 Ensure future evaluation committees are independent and free of potential conflicts of interest before awarding contracts, and prepare adequate documentation to support the points awarded to respondents.
- 1.2 Ensure all major contracts include appropriate deadlines and liquidated damages, are properly monitored, and properly safeguard city interests. The Council should recover questionable amounts paid to Wallace Bajjali.

Auditee's Response

The city wishes to express its gratitude to the State Auditor's office and understanding for the right of citizens to request the audit. The city appreciates the professionalism and courtesy extended by the State Auditor's staff members who performed this audit. The Council and city staff believe the results of this audit will help the city improve processes and procedures. Implementing additional policies and procedures, as well as improving existing processes, will help ensure the integrity of the accounting records and assist in safeguarding the assets of the city, which in turn helps to maintain the public's confidence in the city. The Council and city staff strive to ensure public funds are managed properly and allocated wisely.



City of Joplin Management Advisory Report - State Auditor's Findings

This audit reviewed information following one of the worst disasters on record in the United States. As a result of the cleanup and rebuilding efforts following the EF-5 tornado that struck our community on May 22, 2011, city resources have been stretched to the limit. In many cases, the disaster recovery effort impacted the normal processes of the city. However, detailed responses to the specific findings are included with each section. Additionally, it will be noted in various sections that the city began implementing recommendations included in the findings based on conversations with the audit staff during the audit process.

- 1.1 *If a committee is used by the city in the future, the city will endeavor to make sure the committee is independent, free of any conflicts of interest and follows an independent selection process. The CART was formed at the suggestion of FEMA. The Council did not appoint this task force. The CART was an independent task force of community members. As such, it was a different type of organization than a normal city board, commission, or advisory committee, where the city typically has more internal control over the processes and procedures. The city acknowledges that it should have been more proactive with oversight of the CART ITF; specifically, its procurement procedure used for the master developer.*

The city places great importance on its bid procedure and procurement policies to ensure fair and equal treatment in any selection process. It is rare for the city not to have exclusive control over its procurement process. The common and ordinary practice for the city is to internally create and review all RFPs and RFQs. This process typically includes department heads, as well as the Finance and Legal Departments. The city strives to create bid documents that are fair and equal to all bidders. The city also has a selection process that includes multiple persons that review and score the bid responses. The city will take additional steps to ensure that the bid and selection process is fair and equal for all bid requests and that proper documentation is retained.

- 1.2 *It is well established that the contract with Wallace Bajjali, the predevelopment agreement, did a poor job of protecting the city. The contract has been terminated by the city. It is customary and ordinary practice for the city to include deadlines as well as penalty and liquidated damages in all contracts. It is also standard practice for the city to include non-appropriation clauses and termination clauses in all contracts to protect the city. Prior to the city approving these contracts, Wallace Bajjali developed the agreements. Wallace Bajjali applied tremendous pressure on previous city administration to rush this process. City staff was not*



City of Joplin
Management Advisory Report - State Auditor's Findings

allowed sufficient time to properly review the agreements. Additionally, recommended changes to the agreements to help protect the city were not approved by Wallace Bajjali. Therefore, the city will ensure future contracts protect city interests. The city will also implement new policies to better monitor the progress of contracts to ensure that compliance and deadlines are properly enforced.

Regarding pursuit costs, the city reimbursed Wallace Bajjali 50 percent of its pursuit costs, not to exceed \$1 million, pursuant to the predevelopment agreement. The city verified receipts and documentation before reimbursing Wallace Bajjali. The city feels that its payments complied with the predevelopment agreement.

Regarding the hospital land transfer, city administration determined a land fee was due to Wallace Bajjali under the land assemblage agreement. The property was to be developed as a science and discovery center by Wallace Bajjali. When it became evident that the hospital property was going to revert back to the hospital from the JRC, the JRC discussed at length whether Wallace Bajjali should reimburse the JRC for the \$57,500 land fee. The hospital property was necessary in assembling the required amount of land for the JRC to obtain approximately \$3.8 million in Distressed Area Land Assemblage tax credits from the State of Missouri. As a result, the JRC made the determination the fee should not be reimbursed by Wallace Bajjali. The court awarded the city a \$1.475 million judgement against Wallace Bajjali. The judgement consists of \$1 million in pursuit costs and \$475,500 in land assemblage fees.

2. Purchases of Redevelopment Area Real Estate and Conflicts of Interest

The JRC failed to perform due diligence by use of independent appraisals and consideration of previous real estate transactions when purchasing multiple properties for redevelopment, and paid substantially more for real estate than necessary. Several transactions involving Councilmember Woolston represent actual, or at the very least, an appearance of conflicts of interest, and he may have used his city authority for personal gain. Woolston served as Mayor from April 2010 to April 2012, and has served as a councilmember from April 2012 to present. The JRC entered into multiple agreements to sell property to Wallace Bajjali and its affiliates, who failed to meet contractual obligations.

In 2012, the JRC altered its purpose to serve the city of Joplin as a land banking entity, which would borrow funds to purchase and then resell property to other developers, including the city's master developer, Wallace Bajjali, for redevelopment.



City of Joplin
Management Advisory Report - State Auditor's Findings

The JRC has spent approximately \$11 million for the purchase of 36 properties and for lease payments on another property to implement Wallace Bajjali's plans for redevelopment. These 36 properties were selected and recommended as sites for redevelopment by Wallace Bajjali. A local loan consortium, led by Arvest Bank, loaned the JRC approximately \$8 million to purchase the 36 properties. After purchasing the 36 properties, the JRC entered into real estate contracts to sell the properties to Wallace Bajjali and its affiliates for redevelopment.

2.1 Properties purchased by the JRC

The JRC failed to obtain independent appraisals or adequately research previous real estate transactions for some of the properties purchased and, as a result, paid substantially more for some of the properties than necessary.

Properties purchased from real estate development company

Sixteen of the 36 properties were purchased from Four State Homes (FSH), a real estate development company owned by Charlie Kuehn. FSH purchased the 16 properties from the original landowners during the period September 12, 2012, to July 16, 2013, and then sold the properties to the JRC, in most cases for a substantially higher price (39 percent higher than the original purchase price), a short time later on July 3, 2013, and August 14, 2013. Councilmember Woolston was aware of the properties the JRC was considering buying for redevelopment and may have used this information for personal gain. Councilmember Woolston signed the real estate sales contracts as the broker on the 16 properties originally purchased by the FSH and subsequently sold to the JRC. Further, NEWCO, LLC was formed on April 4, 2013, as a partnership between Wallace Bajjali and Charlie Kuehn to purchase these 16 properties back from the JRC for redevelopment into a theatre and retail/loft shopping center near the new library. The following table shows the details of the purchases of the 16 properties by FSH and the subsequent sale to the JRC.



City of Joplin
Management Advisory Report - State Auditor's Findings

Property Address	Date of Purchase by FSH ¹	Date of Purchase by JRC ²	Purchase Price Paid by FSH ¹	Purchase Price Paid by JRC ²	Difference in FSH and JRC Purchase Prices	Appraised/ Evaluated Value of Property ²	Amount Paid Over(Under) Appraised/ Evaluated Value
1801 Delaware	07/01/13	08/14/13	\$ 35,000	165,742	130,742	45,500	120,242
1917 Carolyn Place	07/16/13	08/14/13	75,000	115,960	40,960	15,500	100,460
1919 East 20th Street	04/01/13	07/03/13	75,000	87,304	12,304	102,000	(14,696)
1802 Delaware	02/15/13	07/03/13	16,900	35,232	18,332	18,500	16,732
1811 Delaware ³	12/27/12	07/03/13	335,000	202,556	(132,444)	127,900	258,156
1811 1/2 Delaware ³	N/A	07/03/13	N/A	183,500	183,500	N/A	N/A
1820 Delaware	09/12/12	07/03/13	12,347	26,475	14,128	14,000	12,475
1830 Delaware	12/27/12	07/03/13	20,000	23,702	3,702	14,000	9,702
1825 Carolyn Place ⁴	02/15/13	07/03/13	30,511	28,733	(1,778)	15,500	13,233
1831 Carolyn Place ⁴	N/A	07/03/13	N/A	26,503	26,503	13,000	13,503
1901 Carolyn Place	02/28/13	07/03/13	30,000	35,123	5,123	17,000	18,123
1907 East 19th Street ⁵	11/30/12	07/03/13	149,500	33,192	(116,308)	19,500	13,692
2203 East 20th Street ⁵	N/A	07/03/13	N/A	148,247	148,247	93,500	54,747
1921 East 20th Street and 1901 East New Jersey	03/28/13	07/03/13	171,122	202,682	31,560	155,500	47,182
1840 Delaware	11/30/12	07/03/13	13,000	25,873	12,873	14,000	11,873
Total			\$ 963,380	1,340,824	377,444	665,400	675,424

¹ Subpoenaed information obtained from applicable title companies.

² Information obtained from JRC records.

³ 1811 and 1811 1/2 Delaware were purchased together by FSH, were also appraised together, but were purchased separately by the JRC.

⁴ 1825 Carolyn Place and 1831 Carolyn Place were purchased together by FSH, but purchased separately by the JRC.

⁵ 1907 East 19th Street and 2203 East 20th Street were purchased together by FSH, but purchased separately by the JRC.

The JRC obtained independent appraisals on only 5 of these 16 properties prior to purchase, and failed to document its reasons for purchasing these 5 properties for approximately \$360,000 more than the appraised values. In addition, all of the appraisals obtained indicated the properties were already under contract by the JRC for the purchase prices noted above. It is unclear why the JRC obtained appraisals after entering into purchase contracts. The 5 properties with independent appraisals included 1811 and 1811 1/2 Delaware (appraised together), 2203 East 20th Street, and 1921 East 20th Street and 1901 East New Jersey (appraised together).

It is unclear why the JRC did not require independent appraisals for the remaining 11 properties purchased from FSH. Arvest Bank performed in-house evaluations for these properties. The JRC failed to document its reasons for purchasing these properties for approximately \$315,000 more than the amounts documented on the in-house evaluations performed by the bank.

At least one member of the JRC board questioned the inflated amount the JRC was being asked to pay for properties compared to the amount they were purchased for by the seller and their appraised value. Former JRC Chairperson Ron Darby told this board member in an email message that



City of Joplin Management Advisory Report - State Auditor's Findings

"All parties, The City, Wallace Bajjali and the JRC are trying to do the best job we can for the citizens of Joplin. . . I do not want to have any more controversial problems at every meeting." David Wallace responded to these questions in a letter he requested be shared with the JRC board that said, ". . . we are attempting to focus our energies on executing the duties and responsibilities of the Master Development Agreement. We have committed to do so with a fiduciary responsibility to the citizens of Joplin, . . . However, I refuse to stand by and let a JRC Board member attempt to impugn the integrity of my firm."

Properties purchased from original owners

The JRC purchased 20 of the 36 properties from the original landowners, but failed to obtain independent appraisals for 14 of these properties. It is unclear why the JRC or the bank did not require independent appraisals for these properties. Arvest Bank prepared in-house evaluations for 8 of the 14 properties, and the JRC documented assessed values from a local government website for the other 6 properties.

In contrast to the properties purchased from FSH, the JRC paid less for 14 of the 20 properties and only small amounts more for the remaining 6 properties purchased than the appraised values, in-house evaluation amounts, or assessed values as follows:

Property Address	Purchase Price	Appraised/ Evaluated Value of Property	Amount Paid Over(Under) Appraised/ Evaluated Amount
2502 South Main	\$ 600,000	608,500	(8,500)
2411 South Jackson	212,500	425,000	(212,500)
1301 South Virginia	495,000	500,000	(5,000)
2105 Pennsylvania	7,000	4,750	2,250
2212 Grand	7,000	4,750	2,250
2307 Pennsylvania	7,000	4,750	2,250
2326 Joplin	7,000	6,790	210
2514 Pennsylvania	7,000	4,750	2,250
1712 West 27th Street	43,500	60,500	(17,000)
1722 West 27th Street	52,500	60,500	(8,000)
2601 Cunningham	50,000	69,500	(19,500)
2614 South McCoy	50,000	60,500	(10,500)
2617 Cunningham	42,000	47,000	(5,000)
2630 McCoy	50,000	53,000	(3,000)
2631 Cunningham	43,000	80,000	(37,000)
2700 McClelland	3,071,000	3,070,000	1,000
South West Corner of 26th and McCoy	50,000	56,500	(6,500)
2602 Cunningham	52,500	57,000	(4,500)
1802 W 26th and Woodland Hills South ¹	1,080,000	1,354,750	(274,750)
Total	\$ 5,927,000	6,528,540	(601,540)

¹ These 2 properties were purchased together by the JRC from the original landowners.

The remaining property was purchased from a local hospital and is discussed in finding number 1.2.



City of Joplin
Management Advisory Report - State Auditor's Findings

Independent appraisals and documentation of previous real estate transactions would have provided a basis for negotiations and assurance the JRC paid a reasonable price for the properties.

2.2 Conflicts of interest

Some activities involving Councilmember Woolston created actual, or at the very least, an appearance of conflicts of interest. We noted the following concerns:

- Councilmember Woolston signed the real estate sales contracts as the broker on the 16 properties, listed in the table on page 25, purchased by FSH, and commissions totaling \$11,436 were paid to the realtor/broker firm for which he worked. The properties were later sold to the JRC. In addition, Woolston (as both Mayor and Councilmember) was a member of the CART, which held numerous meetings from June 30, 2011, until November 7, 2011, to discuss potential redevelopment areas. On November 7, 2011, the CART presented a report to the Council regarding the proposed redevelopment area.

Due to Councilmember Woolston's involvement with the CART, he was aware of properties the JRC and city were considering buying for redevelopment and may have used this information for personal gain. Further, acting as a broker and signing the sales contracts involving FSH's purchase of real estate in the redevelopment area (which the CART and the city had identified for future development by the JRC) created an actual, or at the very least, an appearance of conflicts of interest.

- Councilmember Woolston did not abstain from voting (or disclose his business relationship with the developer) on an ordinance approving a tax increment financing redevelopment plan involving Kevin Steele, a developer with whom he co-owns a local realty company. During the July 7, 2014, Council meeting, the Council approved the Hope Valley Tax Increment Financing Redevelopment Plan, which established a redevelopment area, and designated Hope Valley Development Group, Inc., a group that includes Kevin Steele, as the developer of Redevelopment Project I.

In November 2013, the city entered into an agreement with an individual for investigative services including, "The facts, circumstances, and ethical considerations surrounding the involvement of Councilmember Woolston with Mr. Charlie Kuehn/Four State Homes, its subsidiaries and related entities, and the City's Master Developer, Wallace Bajjali, with respect to the purchase, sale, or leasing of real estate for current or future development." The investigator concluded in his final report, issued February 3, 2014, that "All business should be stopped under the contracts between Wallace Bajjali and the City of Joplin. Further investigations



City of Joplin
Management Advisory Report - State Auditor's Findings

should be considered." He further concluded in his final report that, "The Missouri Ethics Commission should be advised of these past appearances of improprieties to cleanse the City of suspicion by its public."

The Missouri Supreme Court has stated, "A public officer owes an undivided loyalty to the public whom he serves and he should not place himself in a position which will subject him to conflicting duties or expose him to the temptation of acting other than in the best interests of the public." *State ex rel. St. Louis County v. Kelly*, 377 S.W. 2d 328, 332 (Mo. 1964) (quoting 43 Am. Jur., Public Officers, § 266, p. 81).

Councilmembers of a city serve in a fiduciary capacity. Personal interests in business matters of the city create actual or the appearance of conflicts of interest, and a lack of independence could harm public confidence in the Council and reduce its effectiveness.

Section 15.09 of the Home Rule Charter addresses conflicts of interest and states "Any city officer or employee who has any financial interest, direct or indirect or by reason of ownership of stock in any corporation, in any contract with the city or in the sale of any land, material, supplies or services to the city or to a contractor supplying the city/shall make known that interest and refrain from voting upon or otherwise participating in his capacity as a city officer or employee in the making of such sale or in the making or performance of such contract." Section 2-50 of city ordinances also address conflicts of interest, and states "A Councilmember shall not have a financial interest, direct or indirect, in any contract with the city, or be financially interested, directly or indirectly, in the sale to the city of any land, materials, supplies or services, except on behalf of the city as an officer or employee. Any violation of this subsection renders the contract or sale void, and any Councilmember violating this section thereby forfeits his office or employment. Nothing contained in this subsection shall be construed to apply to any contract, sale or lease not initiated, proposed, instituted, introduced or commenced by an officer or employee of the city who may be involved or interested in such undertaking."

Section 105.458.1(3), RSMo, indicates in part that no member of any governing body of any political subdivision shall attempt, for any compensation other than that provided for performance of his or her official duties, to influence the decision of the political subdivision on any matter. Section 105.452.1, RSMo, indicates that no elected official of any political subdivision shall act or refrain from acting in any capacity in which he is lawfully empowered to act as such an official or employee by reason of any payment, offer to pay, promise to pay, or receipt of anything of actual pecuniary value paid or payable, or received or receivable, to himself or any third person, including any gift or campaign contribution, made or received in relationship to or as a condition of the performance of an official act,



City of Joplin
Management Advisory Report - State Auditor's Findings

other than compensation to be paid by the political subdivision. Section 105.452.1, RSMo, also indicates that no elected official of any political subdivision shall favorably act on any matter that is so specifically designed so as to provide a special monetary benefit to such official.

Sections 105.454, RSMo, and 105.458, RSMo, prohibit conflicts of interest by members of legislative or governing bodies of political subdivisions, including the selling, renting, or leasing of real property without public notice, and prohibits attempts to influence decisions of the political subdivision for compensation beyond that received for performance of official duties.

Section 105.461, RSMo, indicates any member of the governing body of a political subdivision who has a substantial personal or private interest in any measure, bill, order or ordinance proposed or pending before such governing body, shall, before such official passes on the measure, bill, order or ordinance, file a written report of the nature of the interest with the clerk of such governing body and such statement shall be recorded in the appropriate journal or other record of proceedings of the governing body. Section 105.450(10), RSMo, defines substantial interest as ownership by the individual, the individual's spouse, or the individual's dependent children, whether singularly or collectively, directly or indirectly, of 10 percent or more of any business entity, or of an interest having a value of \$10,000 or more, or the receipt by an individual, the individual's spouse or the individual's dependent children, whether singularly or collectively, of a salary, gratuity, or other compensation or remuneration of \$5,000, or more, per year from any individual, partnership, organization, or association within any calendar year. Section 105.450(11), RSMo, defines substantial personal or private interest in any measure, bill, order or ordinance as any interest in a measure, bill, order or ordinance which results from a substantial interest in a business entity.

We were unable to investigate in more depth the issues of possible conflicts of interest as the pursuit of some information (e.g., subpoenaing personal bank records) is beyond the scope of our audit power. However, we have referred this matter to proper law enforcement authorities who can conduct such in-depth investigations.

The city should make every effort to resolve the conflicts of interest question to restore the public's confidence in its City Council.

2.3 Sale of properties purchased by the JRC

The JRC entered into contracts to sell 31 of the 36 properties it purchased for redevelopment to Wallace Bajjali and its partners; however, Wallace Bajjali and its partners failed to meet the contractual obligations related to 29 of the properties. The JRC sold 5 properties (which were selected and recommended for purchase by Wallace Bajjali) at a loss, when Wallace



City of Joplin
Management Advisory Report - State Auditor's Findings

Bajjali subsequently decided not to purchase and redevelop the properties. The JRC paid Arvest bank \$138,387 in interest related to purchasing and holding these properties for resale.

Contracts and extensions

Despite Wallace Bajjali and its partners failure to comply with contractual requirements and obligations, the JRC and city extended real estate purchase contract deadlines related to the land assemblage agreement on multiple occasions. The amendments included no new provisions for earnest monies or payments to be made to further secure the likelihood of Wallace Bajjali and its partners' fulfillment of contract requirements. The JRC and city continued to incur legal and personnel costs related to the multiple contracts and extensions, and had not received funding that could have been utilized for other projects.

The city entered into numerous real estate purchase contract amendments (first and second amendments) for 31 of the 36 properties due to Wallace Bajjali and its partners continually failing to meet contractual obligations.

- The JRC entered into multiple contracts with a buyer (NEWCO, LLC) in April and August 2013, to purchase all 16 properties (the properties JRC purchased from FSH) for a total purchase price and related costs of approximately \$1.4 million. Thirteen of the contracts (one contract with 2 properties) were signed in April 2013, and the remaining 2 contracts were signed in August 2013. Anticipated closing dates were scheduled for July 3, 2014, and August 13, 2014.

However, amended real estate purchase contracts with NEWCO, LLC were executed on August 12, 2014, and September 9, 2014 (after the initial closing dates), with anticipated closing dates of December 1, 2014. Second amended contracts with NEWCO, LLC were executed on November 25, 2014, with anticipated closing dates of February 6, 2015; however, the two principal officers of Wallace Bajjali resigned from the company and NEWCO, LLC on January 26, 2015, which terminated these contracts.

- The JRC entered into a real estate purchase contract with Wallace Bajjali on August 13, 2013, for the purchase of 1 of the 36 properties for \$640,671. The anticipated closing date was August 13, 2014. However, an amended real estate contract was executed on September 9, 2014 (after the initial closing date), with an anticipated closing date of November 30, 2014. A second amended contract with Wallace Bajjali was executed on November 25, 2014, with an anticipated closing date of February 6, 2015; however, the two principal officers of Wallace Bajjali resigned from the company on January 26, 2015, which terminated this contract. The property was planned to be redeveloped for transitional living housing.



City of Joplin Management Advisory Report - State Auditor's Findings

- The JRC entered into multiple contracts with a buyer (SWJOMO Seniors, LLC) in April 2013, to purchase 9 of the 36 properties for approximately \$3.7 million to be redeveloped for a senior housing project. SWJOMO Seniors, LLC (SWJOMO), a partnership between Wallace Bajjali and O'Reilly Development Co., LLC, was formed on April 4, 2013. Anticipated closing dates were scheduled for April 23, 2014. Amended real estate contracts with SWJOMO were executed on February 19, 2014, with anticipated closing dates in March and April 2014. Second amendment contracts with SWJOMO were executed on March 11, 2014, with an anticipated closing date of December 31, 2014.

The JRC also entered into multiple contracts with SWJOMO in August 2013 to purchase another 3 properties for approximately \$1.2 million to be redeveloped for a senior villa project. Anticipated closing dates were scheduled for August 13, 2014. An amended real estate contract with this same buyer was executed on January 14, 2014, to split the project into two projects (senior housing with SWJOMO Seniors, LLC and senior villas with Joplin Villas, LLC). A second amendment was executed on March 17, 2014, (site development agreement). Neither amendment provided for anticipated closing dates. Joplin Villas, LLC, a partnership between Wallace Bajjali and O'Reilly Development Co., LLC, was formed on October 8, 2013.

However, the city terminated all contracts related to the senior housing and senior villa redevelopment projects on November 17, 2014, due to problems with the procurement process. Wallace Bajjali failed to include O'Reilly Development as a partner in the redevelopment in the procurement process, resulting in noncompliance with U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) guidelines.

J-HAP properties

The JRC spent \$44,326, which included \$2,013 of transfer fees paid to Wallace Bajjali, to purchase 5 of the 36 properties recommended for purchase and redevelopment by Wallace Bajjali. However, when it was identified that these properties qualified for the J-HAP program and related CDBG funds, Wallace Bajjali chose not to purchase them. The JRC sold the properties to private citizens for \$24,550, at a loss of \$19,776.

Conclusion

As a result of the failure to perform due diligence by use of independent appraisals and consideration of previous real estate transactions, and due to questionable agreements with Wallace Bajjali as discussed in MAR finding number 1, the JRC has acquired property costing approximately \$11 million that it may have difficulty selling because it no longer has the master developer available as the buyer.



City of Joplin
Management Advisory Report - State Auditor's Findings

Recommendations

The City Council:

- 2.1 Ensure independent appraisals are obtained and adequately research previous real estate transactions for all future real estate purchases. The Council should also ensure the JRC documents its reasons for disparities between appraised values and purchase prices of real estate.
- 2.2 More closely examine transactions to identify and avoid apparent and actual conflicts of interest, and prohibit the use of city authority for private purposes. City officials should ensure strict compliance with state law and city charter and ordinances when conducting city business. The city should further investigate whether Councilmember Woolston's actions represent conflicts of interest and cooperate with any law enforcement agency's investigation into the matter.
- 2.3 Ensure compliance with future agreements, and consider not entering into such agreements when the buyer does not have financing in place.

Auditee's Response

- 2.1 *The JRC is an Urban Redevelopment Corporation organized under Chapter 353 of the Revised Missouri Statutes. Its board members serve on a volunteer basis. Prior to the tornado, the JRC Board was created solely to consider tax abatements under Chapter 353. Following the tornado, former City Administration, under the guidance of Wallace Bajjali, altered the JRC's purpose to serve the city as a land banking entity. The predevelopment agreement and land assemblage agreements imposed new and substantial responsibilities on the JRC, which were largely outside the scope of its normal functions. The JRC should have been better instructed on the use of appraisals and other mechanisms to protect its business dealings. To a large degree, the JRC relied on the former City Administration and staff recommendations in its decision-making process. Appraisals were done on properties that exceeded a dollar amount set by the bank, and the use of comparable sales and informal opinions of value were used for lower value sales. The JRC will ensure that future real estate purchases are supported by independent appraisals. This is certainly prudent and the best practice.*
- 2.2 *The city is proactive in educating Council about conflicts of interest and ethical rules of conduct. The city will implement a policy to annually update staff and Council on conflicts of interest and ethical rules of conduct. The city will cooperate fully with any outside investigation into Councilmember Woolston's actions. The*



City of Joplin
Management Advisory Report - State Auditor's Findings

Council recognizes its responsibility to address the allegations of any conflicts of interest.

- 2.3 *Wallace Bajjali did not comply with the contracts covering the sale of properties by the JRC. Given the predevelopment agreement and the land assemblage agreements, the JRC and city staff believed the contracts should have been extended. Previous City Administration should have handled the entire land bank process differently. The city will ensure compliance with future agreements. Further, the city does not envision entering into any such agreements.*

3. Disaster Recovery

Significant improvement is needed in the handling of disaster recovery funds.

3.1 Reimbursement claims

The city Finance Department has not filed reimbursement claims timely for approximately \$10.9 million in disaster recovery grant funds. As of May 26, 2015, the Finance Director indicated she has not completed or filed reimbursement claim forms for at least \$6.6 million of FEMA and \$2.7 million of the state's portion of Community Development Block Grant (CDBG) funds for completed projects. Of the \$6.6 million expended for FEMA projects, \$2.1 million of the projects were completed in 2011, \$2.8 million in 2012, and \$1.7 million in 2013. In addition to the \$9.3 million, the Finance Department has not allocated city labor and equipment expenses, totaling \$1,646,000, incurred during the time period immediately following the tornado, to the applicable FEMA projects and requested reimbursement.

The U.S. Department of Housing and Urban Development, Office of Inspector General conducted an audit and the city received the audit and a letter on January 29, 2014, concluding minor deficiencies related to the CDBG disaster recovery program. The letter stated "The City has been slow at obligating and expending its CDBG disaster recovery funds in the Disaster Recovery Grant Reporting (DRGR) system." and "By delaying requests for reimbursement from its grants, the City ties up its general funds that could be used for other City programs." The city's Finance Department and Planning and Community Development Department "do not appear to be staffed properly."

To maximize revenues, the city should ensure adequate staff and procedures are in place to request reimbursements timely. The failure to submit reimbursement claims timely could result in claims being denied.

3.2 Insurance proceeds

The Finance Department has not timely submitted supporting documentation to the city's insurance company to claim additional proceeds. The insurance company's statement of loss indicates at least \$934,243 has been placed on hold until projects are completed and supporting



City of Joplin Management Advisory Report - State Auditor's Findings

documentation is submitted by the city for the repair and replacement of damaged city buildings, infrastructure, equipment, vehicles, and other personal property. This amount represents the difference between the actual cash value and the replacement cost for buildings and property damaged by the tornado. City records indicate the city had spent \$1,006,559 for the repair and replacement of this property. Some of the buildings and property have been replaced since 2012, with replacement of the last fire station in early 2014. The insurance company paid the city \$3.5 million in March 2012 for the actual cash value claims.

To maximize revenues, the city should ensure procedures are in place to timely submit required documentation for insurance claims. The failure to submit required documentation timely could result in claims being denied.

3.3 Duplication of benefits

The city has not taken proper action to ensure that neither the city, nor property owners, receive a duplication of benefits from federal disaster recovery funds and other sources. Federal law generally prohibits federal assistance when financial assistance has been received from another source.

After the May 2011 tornado, FEMA reviewed properties in the tornado zone and deemed 43 addresses eligible to receive funding for demolition work. FEMA agreed to reimburse the city 75 percent of these demolition costs and the State Emergency Management Agency (SEMA) agreed to reimburse the city an additional 10 percent of these costs.

In addition, the city was awarded a \$2.8 million grant from a CDBG through the Department of Economic Development (DED) for demolition and debris removal costs to remove structures and foundations on properties in the tornado zone, which were not eligible for FEMA reimbursements.

The city's Building Board of Appeals deemed all of the applicable properties to be dangerous buildings in accordance with city code.

Demolition

City officials in the Public Works and Finance Department assessed and issued special tax bills to some property owners to collect the same demolition costs being reimbursed to the city through the FEMA, SEMA, and CDBG grants, resulting in a duplication of benefits.

As of March 8, 2015, the city had issued 75 of these special tax bills totaling \$362,573 to property owners and had collected \$115,883 (32 percent) of the principal balances billed. Of the amount collected, \$3,355 was for FEMA funded properties and the remaining balance of \$112,528 was for CDBG funded properties.

42 USC 5155, also known as Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act, prohibits federal assistance when



City of Joplin
Management Advisory Report - State Auditor's Findings

financial assistance has been received from another source. An exception is allowed when the entity agrees to repay all duplicate assistance to the agency providing financial assistance; however, the city has not established such an agreement.

Although the city had not received a duplication of benefits, (since a reimbursement claim had not been filed with FEMA or for CBDG funding as noted in finding 3.1) the city plans to claim reimbursement of these costs. The Finance Director did not initially believe the city would be violating Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act until we brought this issue to her attention. The Finance Director indicated the city will refund the special tax bill amounts paid by property owners.

Debris removal

The Finance Department failed to establish adequate procedures to process and timely bill property owners for repayment of duplication of benefits related to a debris removal FEMA project.

Property owners inside the FEMA determined Expedited Debris Recovery (EDR) zone could sign a Right-of-Entry (ROE) form, which allowed government-funded contractors to come onto private property and remove loose debris. FEMA required the city to determine whether these property owners, who benefited from the debris removal services, also received private insurance proceeds for debris removal, resulting in a duplication of benefits.

The Finance Director initially believed that by reviewing property owners' insurance policies, the city would be able to determine if any duplication of benefits had occurred. However, after reviewing some of the insurance policies, the Finance Director discovered that many policies indicated coverage was for both debris removal and demolition and did not distinguish between debris removal and demolition. Therefore, the city was not only required to track insurance policies containing debris removal coverage, but also amounts claimed specifically for demolition, to determine any remaining coverage amounts that were applicable to debris removal. For example, if insurance coverage for an individual policyholder was for \$10,000 for debris removal and demolition, and \$5,000 was claimed for demolition work, a portion of the remaining balance could be owed to FEMA for debris removal.

Because of language combining debris removal and demolition in many insurance policies, the city's Finance Director consulted with the Missouri Department of Insurance, Financial Institutions and Professional Registration, for guidance on determining the amount of insurance benefits available for debris removal. Based upon this guidance, in December 2012, the Finance Department sent letters requesting property owners sign release



City of Joplin Management Advisory Report - State Auditor's Findings

forms, allowing their insurance companies to send benefit information to the city.

The Finance Department received most of these property owner release forms in early 2013. However, the Finance Department did not timely request information from the insurance companies and bill property owners. On February 27, 2015, approximately 2 years since requesting the release forms, the city sent bills totaling \$766,474 to 400 property owners and their insurance companies. As of April 1, 2015, \$235,617 (31 percent of the amount billed) has been collected. Because the city did not timely bill property owners, and many property owners relocated from the Joplin area, the likelihood of collection of these amounts has diminished.

3.4 Suspension and debarment

The city did not ensure contracts with various vendors providing services contained suspension and debarment clauses required by city policy and grant provisions. During our review of federally funded projects, we identified 7 of 13 vendor contracts without the required suspension and debarment clauses, and the Public Works Department and Finance Department did not document verification of whether 12 of the 13 vendors reviewed were suspended or debarred by the federal government in accordance with city policy. The city has paid these 12 vendors approximately \$15.9 million since the date of the tornado.

The city's Purchasing Policies and Procedures manual indicates employees are to comply with applicable purchasing requirements established by the federal government. It also requires each department to verify the vendor is not debarred or suspended by the federal government, before placing an order with a vendor. The OMB Circular A-133, Compliance Supplement, Section 3-I, Procurement and Suspension and Debarment, prohibits entities from contracting with parties that are on the prohibited list. We checked the General Service Administration's Excluded Parties List System and determined none of the 13 vendors used were suspended or debarred.

3.5 Performance bond

The Public Works Director did not require contractors to furnish performance bonds related to a disaster recovery grant for soil remediation (lead removal). The city contracted with soil remediation contractors in March 2012 (phase I) and again in June 2013 (phase II) without obtaining performance bonds. As of November 1, 2014, the city paid the contractors approximately \$4.2 million for this work.

In 2012, 2013, and part of 2014, Section 107.170, RSMo, required all public entities to obtain a performance bond for public works contracts with costs estimated to exceed \$25,000. Effective August 28, 2014, this section of law requires all public entities to obtain a performance bond for public works contracts with costs estimated to exceed \$50,000. Performance bonds provide assurance for proper completion of such projects and may have



City of Joplin
Management Advisory Report - State Auditor's Findings

relieved the city from any potential liability to subcontractors upon default by the contractor.

3.6 Mutual aid grants

The city did not establish adequate and consistent policies and procedures to administer FEMA mutual aid grant funds. The city enlisted 73 outside agencies through mutual aid agreements to assist in providing security, fire protection, emergency medical care, and search and rescue operations from May 22, 2011, to June 30, 2011.

The expenses considered eligible for reimbursement identified in the letters sent to these agencies were different from those contained in the attached mutual aid agreements each agency was requested to sign. The Finance Department letters stated the city would reimburse overtime labor charges; however, the mutual aid agreements indicated regular time and overtime wages or salaries would be eligible for reimbursement.

The city disbursed \$1,517,203 in overtime and equipment usage to outside agencies from May 23, 2011, to December 30, 2011. However, due to the conflicting wording and agency questions, the city disbursed an additional \$496,362 in regular wages on June 29, 2012.

To ensure outside agencies are treated equitably and their expenses are appropriately reimbursed, the city should ensure reimbursement criteria are clearly established and consistently addressed in both letters and agreements.

Recommendations

The City Council:

- 3.1 Consider hiring additional staff or reassigning duties of existing staff, and ensure procedures are in place to request reimbursements timely.
- 3.2 Ensure documentation for insurance claims is submitted timely.
- 3.3 Establish plans to address the potential duplication of benefits caused by the collection of both special tax bills and federal assistance for demolition costs. The Council should also actively pursue collection of duplication of benefits from property owners and their insurance carriers related to debris removal, and work with FEMA to resolve any duplication of benefits.
- 3.4 Ensure city policy and federal requirements related to the suspension and debarment of vendors are followed.
- 3.5 Ensure performance bonds are obtained on public works projects as required by state law.



City of Joplin
Management Advisory Report - State Auditor's Findings

- 3.6 In the future, ensure mutual aid expense reimbursement criteria is clearly established and consistently addressed in both letters and agreements.

Auditee's Response

- 3.1
&3.2 *Following the disaster, the Council reviewed its options to administer the FEMA reimbursement process, either in-house or outsourcing this service. The evaluation revealed outsourcing this service in past disasters was quite costly to the local jurisdiction, as well as the federal and state agencies. In the evaluation, Council was notified that keeping the service in-house would be a slow process for the Finance Department, since department employees had to continue to perform their regular day-to-day duties. The evaluation also revealed outsourcing this function has typically slowed down the reimbursement process. As a result, Council made the choice to save taxpayer funds and handle the reimbursement process in-house, but with the understanding, that the reimbursement process would take time. The City has given the public periodic updates on the status of the reimbursement process.*

The cleanup and rebuilding effort of city damaged or destroyed property is being funded by several sources. This includes FEMA, SEMA, State CDBG, as well as insurance proceeds. As a result, the reimbursement requests for the various sources must be completed together to ensure accurate reimbursements are requested and received from the appropriate source. Inaccurate reimbursements could result in the city being required to return funds to federal and/or state agencies as a result of future audits of these proceeds.

Due to the strong financial position of the city prior to the tornado, the city's finances have not been unduly affected by the time lag in receiving reimbursements from FEMA, SEMA, State CDBG, and insurance. The Council is confident current city staff will meet the reimbursement deadlines for these requests. Also, the Council believes it is imperative the requests are accurate, in order to avoid any future repayment by the city.

- 3.3 *The State of Missouri awarded a portion of their CDBG grant to the city to assist with the cost of removing concrete from the rights-of-way, as well as the removal of certain damaged structures and foundation remnants left as a result of the tornado. Concrete removal is not an eligible reimbursable cost under FEMA guidelines. According to existing policy, when the city hires a contractor to remove a structure or foundation, the property owner is charged for the cost incurred by the city. The city is aware that under most grant guidelines, collection of the same proceeds from*



City of Joplin
Management Advisory Report - State Auditor's Findings

two different sources is not allowed. However when the city was awarded this grant, the Finance Director discussed the city's existing policy with State officials to determine the duplication of benefits guidelines for this particular grant. The city was initially advised that it would be within the grant guidelines to receive the grant, while also assessing a special tax bill to the property owner.

Following the disaster, the city was awarded approximately \$158.5 million in CDBG-Disaster Recovery funds. Under the CDBG-DR grant guidelines, these funds include eligibility and national objective restrictions such as low-to-moderate income, slum and blight, and urgent need. The city is currently in the process of compiling a capital project plan, which will outline the projects to be completed with the remaining unallocated funds. This process has included input from citizens, stakeholders, and city staff.

As a result of the presidentially declared Expedited Debris Recovery, government-funded contractors were allowed to enter private property with permission of the property owner to clean the loose, tornado debris. Without the Presidential declaration, government-funded contractors are only allowed to remove debris from the rights-of-way, rather than entering private property. Under federal guidelines, a possible duplication of benefits can occur when private property is cleaned by the government. A property owner is prohibited from receiving both insurance proceeds and the cleanup by government-funded contractors. According to FEMA guidelines, it is the city's responsibility to ensure no duplication of benefits occurred for each piece of private property cleaned by the U.S. Army Corps of Engineers. The Office of Inspector General will audit the city's duplication of benefits process. The process must be as accurate as possible to protect the city from any possible repayment to the federal government.

Where federal or state funds are being utilized by the city for demolition and cleanup, the city will terminate any existing outstanding special tax bills and refunds will be issued for any payments received prior to the city receiving any payment from federal or state agencies. The city has already begun the process of terminating existing special tax bills for demolition and cleanup.

While efforts to identify duplication of benefits for the tornado debris cleanup have progressed slowly, the city is confident that its efforts will withstand federal audit scrutiny. Following the disaster, the city held meetings with the major insurance carriers to educate them about the duplication of benefits guidelines. As a result of this meeting, many of the major insurance carriers retained the



City of Joplin Management Advisory Report - State Auditor's Findings

appropriate amount awaiting the city's billing and collection process. As of June 10, 2015, through documentation provided by insurance and/or the property owner, the duplication amount billed has been reduced to \$692,277. The city has now collected 60.3 percent of this amount or \$417,417 on behalf of the federal government. City staff have been forced to prioritize its heavy workload and to meet deadlines on various tasks and projects. All deadlines are realistic and will be met by the city.

- 3.4 The city will follow the existing purchasing policy and document the review of suspension and debarment of vendors. Additionally, the city will ensure contracts include the appropriate suspension and debarment clauses.*
- 3.5 The city has allowed the substitution of a letter of credit for a performance bond. The city obtained a letter of credit for the soil remediation contract. The city was unaware a substitution is not allowed under State Statute. In the future, the city will comply with State Statute and obtain a performance bond for all public works contracts over \$50,000.*
- 3.6 Immediately following the tornado, while the city was dealing with the cleanup from the disaster, the city was informed it had to develop a mutual aid agreement for all of the various responding agencies. The city affected by the disaster determines what will be reimbursed to other agencies in terms of regular wages, overtime wages, and equipment usage, since these are FEMA eligible reimbursable costs. FEMA reimburses 75 percent, SEMA reimburses 10 percent, and the city is responsible for 15 percent of the costs of the disaster. The city used the standard federal language for the mutual aid agreement. During the development of the mutual aid agreement, it was unclear how much in total would be funded by the city for the mutual aid assistance, since the total costs incurred by outside agencies were unknown. To help protect the financial well-being of the city, the determination was made to reimburse overtime wages and equipment usage only. Along with the mutual aid agreement, the city sent a letter to each agency detailing the costs that would be reimbursed by the city. The city believed the agreement language "allowed" rather than "required" the reimbursement of regular wages. Several months later, after the city reimbursed those agencies requesting reimbursement and two agencies questioned the reimbursement by the city, the total costs requested by responding agencies were known. By this point in time, the city had a clear picture of the financial impact of the disaster. As a result, due to the tremendous assistance provided by all of the responding outside agencies and after correspondence*



City of Joplin Management Advisory Report - State Auditor's Findings

with FEMA and SEMA, the city made the determination to also reimburse all of the requesting agencies for their regular wages incurred.

The city has accepted the finding and recommendation of the State Auditor and has since updated the language in the existing mutual aid agreements to give the city any flexibility needed to reimburse responding agencies, while protecting the city finances.

4. Sunshine Law Issues

The city did not always comply with Chapter 610, RSMo (the Sunshine Law).

4.1 Closed sessions

The Council held 49 closed session meetings from the date of the tornado (May 22, 2011) through February 2015, but some requirements of the Sunshine Law, regarding closed session meetings were not followed.

- Minutes were not prepared for 10 of 24 closed sessions held from the date of the tornado through the year ended October 31, 2013. Many significant discussions and decisions regarding disaster recovery and redevelopment of the city were made during this time period. City officials improved procedures and maintained minutes for 24 of 25 closed sessions held during the period November 1, 2013, through February 28, 2015.
- Based upon closed meeting minutes, some issues discussed in closed meetings were not allowable under the Sunshine Law. For example, the Council discussed the recruiting brochure for the City Manager position on July 7, 2014, and the requirement for department heads to live within a 12 mile radius of the city on January 12, 2015.

The Sunshine Law requires minutes of closed meetings to be taken and retained by the public governmental body, and limits discussions in closed meetings to only those specifically allowed by law.

4.2 Council work sessions

The Council does not prepare meeting minutes for Council work sessions. Work sessions are held on a fairly regular basis, with 10 held during the year ended October 31, 2014. According to work session agendas, significant city business was conducted including: project updates from Wallace Bajjali, bringing a professional baseball team to the area, baseball stadium financing options, the selection process for the city manager, the city budget, and water rates. An agenda for one of the work sessions also included a closed session.



City of Joplin Management Advisory Report - State Auditor's Findings

The governing bodies of all political subdivisions in Missouri are required by the Sunshine Law, Chapter 610, RSMo, to take and retain meeting minutes.

4.3 Agendas

The city did not always give notice of some Council meetings in compliance with the Sunshine Law. The city did not give proper notice for 3 of 11 special meetings held during the year ended October 31, 2014.

Section 610.020, RSMo, requires meeting notice be given at least 24 hours, exclusive of weekends and holidays when the facility is closed, prior to all meetings of a public governmental body.

Recommendations

The City Council:

- 4.1 Ensure closed session minutes are maintained for all closed meetings and only allowable subjects are discussed.
- 4.2 Ensure all city business is conducted in compliance with the Sunshine Law, and meeting minutes are maintained.
- 4.3 Ensure meeting notices are given for all Council meetings.

Auditee's Response

- 4.1 *Compliance with the Sunshine Law is extremely important to the city. The city has implemented several changes to ensure that closed session minutes are properly and accurately maintained. These changes have already improved compliance with the Sunshine Law requirements as noted in the Auditor's report. With regard to discussion of issues in closed sessions, the city acknowledges that at the July 7, 2014, meeting, the hiring and search for the City Manager was discussed, and this included a discussion of the brochure that was developed by the search firm. RSMo §610.021(3) does allow this topic to be addressed, even though it is related to the hiring of the City Manager. Further, the city acknowledges that at the January 12, 2015, meeting, the hiring of the new Fire Chief was discussed, and this included a discussion of waiving the twelve mile radius residence requirement because the candidate could not meet this requirement. Although this waiver directly related to the hiring of the Fire Chief, a strict interpretation of RSMo §610.021(3) only allows for the waiver of this requirement to be discussed and voted on in an open meeting. The city will ensure that all topics discussed in closed session will comply with the Sunshine Law, even if they are directly related and integral to permissible closed session discussions.*
- 4.2 *The city has implemented a change in practice and now keeps minutes and a record of votes for all Council work sessions.*



City of Joplin
Management Advisory Report - State Auditor's Findings

4.3 *The city will seek to make improvements in its process to ensure notices of all meetings are given timely.*

5. Procurement Procedures and Contracts

City procedures for selecting and contracting for goods and services are not sufficient. In addition, supporting documentation for some payments was not sufficient.

5.1 Professional services

The city and the JRC did not solicit proposals for several professional services. Without requesting proposals for professional services, the city and the JRC have not ensured they have received quality services at a fair price. In addition, the city and the JRC did not always enter into or update contracts for professional services or ensure invoices were adequately detailed.

Procurement

The city and the JRC paid for various services without periodically conducting a competitive selection process during the year ended October 31, 2014, and had not entered into or updated contracts for the following professional services:

Service Provided	Amount	Competitively Procured?	Current Written Contract?
Development and hosting of the city's Geographic Information System (GIS) website	\$267,942	No	No
Legal services related to JRC's redevelopment tax credits (firm hired by Wallace Bajjali)	81,109	No	No
Legal services related to the city's TIFs, ballot issues, and Wallace Bajjali agreements	49,675	No	No
City sewer rate study ¹	38,578	No	Yes
City theatre feasibility study and Hope Valley TIF redevelopment revenue study	25,287	No	No
Legal services related to city litigation and liability claims	23,033	No	No
Legal services related to the city's collective bargaining	22,644	No	Yes
Consulting services for the Convention and Visitor's Bureau (preparing visitor's information, travel writing, and photography-4 vendors) ²	19,955	No	No
City lobbying services	18,000	No	No
City investment consulting services	16,540	No	No
Legal services related to JRC's tax liability on tax credits	14,705	No	No
City pension accounting services	6,500	No	Yes
Legal services related to the city's franchise tax	6,013	No	No
Legal services related to city trademarking and JRC's tax liability on tax credits	5,888	No	No

¹ The city paid an additional \$8,322 in November 2014, for the sewer rate study.

² One vendor of 4 had a current written contract.



City of Joplin
Management Advisory Report - State Auditor's Findings

In addition, the city contracted with an attorney to provide public defender services during the year ended December 31, 2015, but the contract did not include provisions to adequately monitor the services received.

Supporting documentation

The JRC paid a firm, hired by Wallace Bajjali, \$81,109 on February 3, 2014, for legal services related to obtaining tax credits for the redevelopment area. The invoice submitted only indicated "legal fees, costs and expenses related to Capital Pursuit through January 2014;" providing no hours worked, cost per hour, services performed, or dates of hours worked. It is questionable whether the city was obligated to pay this invoice since the city did not bid, contract, or hire this firm.

Bond counsel and financial advisor

The city did not solicit proposals for its bond counsel and financial advisor related to the issuance of some bonds and certificates of participation (COPS). In addition, the city did not always enter into contracts with its bond counsel or financial advisor and invoices submitted were not always itemized or adequately detailed.

- The city issued \$18,250,000 of tax increment revenue bonds for the recovery TIF redevelopment project, and did not solicit proposals for its bond counsel or financial advisor. The city did not enter into contracts with its bond counsel, and the contract with the bond underwriter required the city to pay the underwriter's bond counsel, but did not specify the amount of fees to be paid. Additionally, the invoices submitted by the city's financial advisor and bond counsel, and the underwriter's bond counsel were not itemized or adequately detailed. A duplication of services and amounts paid could have occurred because the city failed to obtain a contract or itemized invoices detailing the services performed by its bond counsel. The city paid its bond counsel \$75,000, financial advisor \$25,000, and the underwriter's bond counsel \$50,000.
- In November 2014, the city sold COPS totaling \$2 million to help finance the renovation/construction of the Joe Becker Baseball Stadium, and the Council did not select its bond counsel or financial advisor competitively. The city also did not enter into a written contract with the financial advisor. The city paid its bond counsel \$25,000 and financial advisor \$20,000 related to the issuance of these COPS.

Conclusion

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities, no duplication of related services are performed, and to prevent misunderstandings. Section 432.070, RSMo,



City of Joplin Management Advisory Report - State Auditor's Findings

requires contracts for political subdivisions to be in writing. Without adequate documentation, the city cannot ensure charges are reasonable.

5.2 Bidding

The city did not always follow its own bid policy for goods and services or retain adequate documentation for selecting other than the low bid. In addition, the city signed a contract with a vendor before bids were accepted by the Council.

City policy requires employees to contact at least 3 vendors by phone for purchases from \$1,000 to \$3,000, obtain written or faxed bids from at least 3 vendors for purchases from \$3,000 to \$15,000, and advertise and obtain formal sealed bids for purchases greater than \$15,000. City policy also requires each city department, with the assistance of the Finance Department, to prepare and issue all formal bid documents. We identified the following problems.

- The Public Works and Finance Departments did not advertise or obtain sealed bids for landfill fees for debris removal. The Public Works Department contacted 5 area landfills by phone for prices in August 2011. The city paid the vendor selected approximately \$815,000 during the period September 2011 through May 2012. The September 6, 2011, Council meeting minutes show a written contract with this vendor was approved; however, a signed written contract with effective dates of service was not maintained.
- The Public Works and Finance Departments did not advertise or obtain sealed bids for gravel. The city paid two vendors approximately \$89,000 during the year ended October 31, 2014, for gravel.
- The Fire and Finance Departments failed to maintain documentation of bids obtained or efforts made to locate a used fire truck, purchased for \$81,950.
- The City Manager issued an RFP for the construction of a skate park in November 2014, without seeking assistance from the Finance Department. The RFP focused solely on a qualification-based process, rather than the cost-based process typically used and recommended by the Finance Department to solicit construction services. The RFP also listed the amount the city had budgeted for this project, which further hindered the city's ability to obtain the lowest and best bid price for the project. At the January 5, 2015, Council meeting, councilmembers questioned why the RFP did not ask for proposed construction costs. The Planning and Development Director indicated the city awarded the bid without consideration of price and later negotiated a price for the design and construction of the skate park.



City of Joplin
Management Advisory Report - State Auditor's Findings

- Even though the bid opening was not until December 3, 2012, the Convention and Visitors Bureau Director and a representative of the vendor signed a contract on December 2, 2012, for print media buyer services. The city paid this vendor \$91,713 during the year ended October 31, 2013, and \$128,808 during the year ended October 31, 2014. In addition, no documentation was provided to indicate this contract was approved by the former City Manager or Council. City policy requires the City Manager's approval of purchases between \$15,000 and \$100,000 and the Council's approval of purchases over \$100,000 that are not provided for in the approved budget.

In addition to complying with city ordinances, competitive bidding helps ensure all parties are given an equal opportunity to participate in city business. Complete documentation should be maintained of all bids and proposals received and the reasons why a bid or proposal was selected.

5.3 Architectural and engineering services

The city did not re-evaluate qualifications of an engineer/project manager for a project when significant time had passed, enter into current written agreement for services, and did not always retain documentation of the selection process.

- For one of the Rebuild Damaged Infrastructure Program projects in process, we noted the Public Works Department utilized a 2008 request for qualifications (RFQ) to select an engineer/project manager instead of re-evaluating qualifications of engineering firms when this funding was approved in 2014. In addition, the city did not enter into a current written agreement with this engineering firm for services provided, and as of March 13, 2015, the firm had been paid approximately \$73,000 for this project. The Public Works Department should re-evaluate and select engineering services periodically to ensure the most qualified engineering firm is selected.
- Parks and Recreation Department officials did not document their selection of architectural and engineering firms for the Joe Becker Baseball Stadium project. The only documentation retained to support the ranking of the respondents for architectural services was a list of the criteria evaluated and the points awarded to each respondent by criteria for each evaluator, and the selection process for engineering firms was not documented. The city paid \$200,000 for architectural services and \$45,200 for engineering services during the year ended October 31, 2014.

Sections 8.289 and 8.291, RSMo, provide requirements for the evaluation and selection of architectural and engineering services. Complete documentation should be maintained of the selection process. Without adequate documentation, the city cannot ensure charges are reasonable.



City of Joplin
Management Advisory Report - State Auditor's Findings

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities, no duplication of related services are performed, and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

5.4 Change orders

Significant improvement is needed in the city's handling of change orders.

- The city does not have a formal written change order policy, and neither the City Manager nor the Council approve change orders for significant amounts or changes in scope of services. City policy requires the City Manager's approval of purchases between \$15,000 and \$100,000 and the Council's approval of purchases over \$100,000 that are not included in the annual budget.
- The Public Works Department poorly planned projects, resulting in significant change orders, and did not competitively bid significant changes to construction projects, when appropriate.

The original contract for the 26th Street widening project totaled \$1,950,065; however, 18 change orders totaling \$852,943 were processed and not bid. One additional change order totaling \$82,147 was pending and had not been finalized as of February 2015. These change orders including the pending change order represent approximately 48 percent of the original contract amount. Change orders totaling \$763,232, were for significant items not originally included or planned for in the initial bid. Examples of these items and associated costs include, subgrade stabilization (\$224,951); time and material for the American with Disabilities Act ramps (\$91,699); time and material to reinforce a wall (\$89,857); and time overrun costs for sign rentals, sign inspections, road and vehicle maintenance, and erosion control maintenance (\$96,928). In addition, documentation was not obtained to support some amounts included in the change orders. We noted 16 line items totaling \$99,404 on 6 change orders were not supported by a contractor's change order request.

In addition, some of the change orders for a city street resurfacing project were for items not originally included or planned for in the initial bid and some were unrelated to street resurfacing. Items that were not included in the original bid or were unrelated to street resurfacing included petro mats (used to extend the life of asphalt pavements) costing \$24,647, paving of Travis Acres city/county road costing \$17,010, and paving of Joplin Sports Complex Tennis Courts for \$24,950. In addition, the city did not have a written contract with the county to share the cost of paving the Travis Acres city/county road.



City of Joplin Management Advisory Report - State Auditor's Findings

- The Public Works Director did not retain documentation of his approval of some change orders; and some work was completed before a notice to proceed with work was approved. During the resurfacing project previously discussed, no documentation could be provided of the Public Works Director's approval of 2 change orders totaling \$36,926. In addition, the invoice for work associated with one of the change orders (the Travis Acres city/county road project) was dated July 1, 2013, and the work was performed/invoiced before the notice to proceed with work on the project was approved on July 31, 2013.

While change orders often occur on construction contracts, they are normally used to make adjustments for minor problems that are unknown when construction projects are originally bid. Change orders should be kept to a minimum to ensure the maximum amount of construction costs are subjected to competitive bidding and to reduce the amount of administrative time and effort in processing change orders. Change orders should not be used to make significant changes to existing contracts. If the scope of a project changes substantially, consideration should be given to bidding those parts of the project. In addition, to prevent potentially unnecessary work, documented reviews of change orders are necessary and work should not be performed prior to the approval of change orders or notices to proceed with work.

5.5 Chamber of Commerce

The city did not properly monitor its contract with the Joplin Area Chamber of Commerce and provides the chamber significantly more funding than some other cities. The city last amended its contract with the chamber in 1991. The contract provides for the city to fund the chamber for economic development based upon the amount approved in the city's annual budget and requires the chamber to submit receipts, vouchers, or other documentation to verify the expenses for economic development. The city's fiscal year 2014 budget provided for \$335,000 in funding to the chamber.

The chamber invoices the city on a monthly basis for actual costs incurred including a portion of the salary and benefits of 3 employees; the Chamber President, the Director of Member Service and Development, and the Chamber President's Executive Assistant. The city also reimburses the chamber a percentage of office telephone, vehicle, and equipment expenses; and actual expenses related to economic development including cell phone bills, meeting and travel expenses, membership costs, and other miscellaneous items. We noted concerns in our review of the city's contract with the chamber and various documentation.

- The city did not ensure the chamber complied with the terms of the contract. The contract requires the chamber to file its independent audit reports with the city; however, the chamber had not filed them with the



City of Joplin
Management Advisory Report - State Auditor's Findings

city. At our request, the city obtained the chamber's independent audit report for the 2 years ended March 31, 2014.

- Invoices received from the chamber did not contain adequate detail and amounts charged to the city were inconsistent. For example, the chamber's March 2014 reimbursement request did not provide adequate documentation to support the salary and benefits paid to 3 chamber employees totaling \$7,860. Also for March 2014, the chamber requested reimbursement for 30 percent of the phone bill (\$485) and 40 percent for both automobile expenses (\$188) and equipment expenses (\$1,822). There is no basis for the variance in percentages between expense categories or how the percentages (which do not change from month to month) were originally established. Also, the chamber did not submit documentation, such as phone and mileage logs or invoices, to support these requests.

The city also did not adequately review documentation to ensure amounts requested for reimbursement were accurate prior to payment. For example, the chamber submitted a bill in December 2014 requesting the city reimburse \$448 for an economic development breakfast meeting and the city paid the entire amount; however, the attached invoice indicated the chamber had also requested that the United Way reimburse the chamber half of this bill (\$224).

Documentation received from the chamber for reimbursement of lobbying services costing \$35,000 was also not adequate. The chamber did not provide an invoice or other documentation showing proof of payment or services received on behalf of the city by the lobbyist.

- The city reimbursed the chamber for several expenses that were either incurred by the chamber without prior knowledge of the city or were questionable. For example, in November 2013, the chamber requested reimbursement of some master developer (Wallace Bajjali) costs it had incurred totaling \$7,500, including an economic impact study for professional baseball in Joplin costing \$5,750 and architectural drawings for a medical school expansion/performing arts center costing \$1,750. However, the Finance Director and former City Manager were not aware these costs had been incurred on behalf of the city by the chamber. The former City Manager subsequently approved reimbursement of these costs. Additionally, it is unclear why the city reimbursed the chamber \$1,150 or half the cost of a custom mural in August 2014. The Finance Director did not know the mural's location or why the city paid for part of it. In another example, during February, April, and October 2014, the chamber requested reimbursement for the purchase of 3 smartphones and a headset costing \$1,446, and it is questionable why the city would be purchasing chamber equipment.



City of Joplin Management Advisory Report - State Auditor's Findings

Also, we reviewed chamber invoices for the smartphones and determined the chamber (and as a result the city) was overcharged \$450 for one smartphone. The smartphone vendor credited the chamber's account for this amount on its February 2015 statement, and it was adjusted from the economic development expense requested from the city for February 2015.

- The city paid the chamber \$342,645 (\$335,000 budgeted plus \$7,645 for miscellaneous expenses not budgeted) during fiscal year 2014. We contacted 3 cities with similar or larger populations to determine the amount of funding provided to their local chamber organizations for each city's most recent fiscal year for comparable services. Joplin provides its chamber significantly more funding than the other cities.

City	Population	Annual Amount of Funding Provided to Chamber
Joplin	50,150	\$ 342,645
Jefferson City	43,057	185,000
St. Joseph	76,780	175,000
Chesterfield	47,484	25,983

To ensure city funds are spent wisely, the Council should evaluate the amount of funding provided to the chamber. The Finance Department should monitor the contract to ensure compliance with contract terms. Only by receiving detailed invoices to support the services provided and payments made can the city ensure the amount claimed for reimbursement is accurate.

5.6 Investigative services contract

The city made a payment to an investigator prior to signing the related contract and also paid the investigator more than the contracted amount.

The city hired an investigator to perform an independent investigation of the conduct of certain councilmembers. The contract provided for the city to pay the investigator an hourly rate of \$175 per hour with the total not to exceed \$40,000 and out of pocket expenses not to exceed \$5,000. Our review of payments determined the city paid the investigator \$9,082 for services provided from October 17, 2013, through November 8, 2013, 3 days prior to the Council signing the contract on November 11, 2013. Additionally, the investigator billed and the city paid \$27,291 more than the maximum contract amount and there was no documentation of prior approval by the Council as required by contract terms. The city paid the investigator a total of \$72,291 for the period of October 17, 2013, through February 5, 2014.



City of Joplin
Management Advisory Report - State Auditor's Findings

The city should ensure contracts are approved before related services are rendered and any payments made, monitor contracts to ensure compliance with contract terms, and obtain documented approval from Council prior to contract overruns.

5.7 Library District

The city provides financial support and services to the Joplin Library District, but has not entered into a written contract with the district regarding this relationship.

The city deposits all library funds into city bank accounts and processes all expenses of the Library District (including payroll) through the city's accounting system. The city received approximately \$2.1 million in receipts and paid expenses totaling approximately \$1.9 million on behalf of the Library District during the year ended October 31, 2014. The city provided financial support totaling approximately \$227,000 to the district and transferred approximately \$97,000 from district funds to the city's General Fund for administrative costs during the year ended October 31, 2014.

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Recommendations

The City Council:

- 5.1 And the JRC solicit proposals for professional services, enter into or update written contracts for professional services, ensure contracts contain provisions to adequately monitor services received, and require submission of adequately detailed invoices prior to payment.
- 5.2 Ensure bids are solicited for all applicable purchases in accordance with city policy, maintain documentation of decisions made, and ensure bids are opened and evaluated prior to the signing of related contracts. The Council should also ensure all contracts are signed and include effective starting dates.
- 5.3 Comply with state law when procuring architectural and engineering services, including re-evaluating engineering services periodically and documenting the selection process.
- 5.4 Monitor change orders, give consideration to bidding when substantial project changes are needed, and ensure change orders are adequately supported by documentation, approved, and work is not performed prior to approval of change orders or notices to proceed with work. The Council should enter into written contracts for services provided.



City of Joplin
Management Advisory Report - State Auditor's Findings

- 5.5 Monitor the contract for compliance and reconsider the amount of funding provided to the chamber. The Finance Department should also ensure adequately detailed invoices are obtained and reviewed to support payments to the chamber.
- 5.6 Ensure services are not incurred prior to approval of related contracts and cost overruns are approved and documented prior to incurring the services/costs.
- 5.7 Enter into a written contract with the Library District.

Auditee's Response

The city has an adopted purchasing policy that requires competitive bidding for goods and services which complies with the City Charter. Section 4.04, competitive bidding, of the Home Rule Charter of the City of Joplin, states the following:

It shall be policy of the city to give ample opportunity for competitive bidding prior to making any purchase or contract or letting any contract for improvements. The council may authorize exceptions to this policy for appropriate reasons such as emergencies, contracts for services of a specialized, professional, or technical character or for contracts involving small amounts. When authorizing contracts without requiring competitive bidding, the council shall state the reasons why competitive bidding is deemed inappropriate. In giving opportunity for competitive bidding, the city may use any method deemed fair and reasonable to notify prospective bidders.

- 5.1 *The Council has awarded professional contracts utilizing the above language included in the Home Rule Charter, that was approved by the voters of Joplin.*

As stewards of taxpayer funds, the city believes strongly in ensuring that we are receiving the best value for goods and services with the limited resources available. As a result, the city will now issue cost and qualification based bids for professional services. The city also acknowledges that some contracts have not been updated in a timely manner. The city has begun the process of updating contracts and will continue to update contracts as bids can be let. The city will also explore developing and adopting a new policy governing procurement related to professional services and contracts. Additionally, the city will ensure contracts contain provisions to adequately monitor services received and require detailed invoices prior to payment.

The JRC is an Urban Redevelopment Corporation organized under Chapter 353 of the Revised Missouri Statutes. As such, they are not



City of Joplin
Management Advisory Report - State Auditor's Findings

required to follow the same purchasing policies and guidelines as the city. However, the JRC also strives to be good stewards of taxpayer funds and, as such, has endeavored to follow the city's purchasing policies. Insofar as the city was following Section 4.04 for professional services, the JRC was mirroring this same practice. In order to ensure the JRC is obtaining the best value, the JRC will follow city procurement policies and will also issue cost and qualification based bids for professional services.

5.2

&5.3 Following the disaster, the city had to contract landfill services for the concrete cleanup effort. Due to driving distance, the landfill had to be in close proximity to Joplin. There were a set number of landfills that could have been used for the cleanup. Tipping fees are established, regulated fees with each state. After discussion with officials with FEMA and the State, the city contacted each landfill and obtained the price and awarded based on the lowest and best bid obtained.

The city will ensure purchasing policies are followed, in order to obtain the lowest and best bid. As required by State law, the city will issue proper RFP's, including cost and qualification based bids, for goods and services and proper RFQ's for architectural and engineering services. The City will comply with State law when procuring architectural and engineering services. Bids will be opened and reviewed prior to requesting Council approval on the award of contracts. The city will improve the retention of documentation concerning purchasing decisions. The city will implement processes to ensure contracts are signed and properly retained.

5.4 *The city concurs with the State Auditor's recommendation that significant improvement is needed in the area of change orders issued by the city. The city will develop and adopt a change order policy, which addresses the issues outlined in this report.*

5.5 *The Chamber of Commerce provides economic development services for the city. The Council has begun the process of reviewing the level of funding provided for this service. Additionally, the city is also working on developing a new contract with the Chamber, which will outline various expectations such as the documentation required to make payment to the Chamber. The updated contract will assist the Finance Department in ensuring proper documentation is obtained prior to making payment.*



City of Joplin
Management Advisory Report - State Auditor's Findings

5.6 *The City will ensure that contracts are approved, as well as any proposed cost overruns are approved and documented, before services are rendered.*

5.7 *The Joplin Public Library is a component unit of the city. The Council sets the real estate property tax levy for the library and the city. Prior to 1983, the city and the Library assessed personal property taxes, as well as real estate property taxes. In 1983, the city asked the voters to approve a one-half cent transportation sales tax, and if approved, the city agreed to abolish personal property taxes. The voters approved this measure. This action took away a funding source of the Joplin Public Library. At that time, city leaders made an arrangement with the Library Board to make the library whole for the lost revenue. The city would pay the value of the lost personal property taxes to the Library. Thus, the city has made this payment annually to the Library.*

The city acknowledges that the arrangement with the Joplin Public Library to provide for the abolished personal property taxes and the services the city provides to the Library is not outlined in a formal, written agreement. The city is currently utilizing a \$25 million Economic Development Administration (EDA) grant to build a new Library at 20th and Connecticut. The EDA requires the city to own the facility for at least 20 years following its completion. The city agrees that a formal contract will need to be adopted prior to the opening of the facility to outline the responsibilities of both parties. This agreement will include the provisions for the replacement of the lost personal property taxes, as well as the services the city shall provide to the Library and the costs associated with those services.

6. Joe Becker Baseball Stadium

The city entered into an agreement with a baseball organization without conducting a feasibility study and purchased property without obtaining a current appraisal.

6.1 Lack of independent study

The city entered into an agreement with an independent professional baseball organization committing the city to major renovation/construction of a city-owned baseball stadium without a feasibility study of independent professional baseball in Joplin.

The city entered into an agreement with Pro Baseball Management, LLC, in May 2014, to lease the city-owned Joe Becker Baseball Stadium for a term of 20 years and 2 months at \$150,000 per year. As part of the agreement, the city is required to make specified alterations and improvements to the stadium to prepare it for use by an independent professional baseball team. The agreement states the landlord (the city) will, ". . . expend up to \$4,000,000 for said improvements." However, the city Finance Director



City of Joplin Management Advisory Report - State Auditor's Findings

indicated bids for the specified work required for the stadium renovation/construction totaled approximately \$4.7 million.

As referred to in MAR finding number 5.5 the chamber of commerce obtained an economic impact study for professional baseball in Joplin. However, that study, dated October 2013, included significant additional development that is no longer planned and focused on minor league, rather than independent professional baseball. The city did not obtain an independent professional analysis of the feasibility of independent professional baseball in Joplin.

6.2 Appraisal

The city purchased property (multiple lots, a metal building, and parking lots) from a local church to remodel for locker rooms, a club house, and front offices located near the stadium, without obtaining a current appraisal. The city purchased the property for \$226,000 in February 2015, although the last formal appraisal of the property was completed in March 2007. The city obtained an informal email update to the 2007 appraisal in September 2013. The appraiser valued the property at \$226,000 but referred to the amount as a "... rough estimate of the value."

The value of appraisal information diminishes over time and should be reconsidered, particularly when there are significant economic and market changes. A current formal appraisal would have provided a basis for negotiations and additional assurance the city paid a reasonable price for the property.

Recommendations

The City Council:

- 6.1 Obtain feasibility studies of future city projects, as needed.
- 6.2 Ensure current, formal appraisals are obtained before making significant real estate purchases.

Auditee's Response

- 6.1 *In the evaluation of proposed major projects, the city routinely obtains feasibility studies as part of the due diligence of the city prior to committing to a project. However, the city acknowledges that a policy does not exist, which outlines the due diligence the city should follow when evaluating a proposed new major project or redevelopment project. The city will develop and adopt a policy that establishes procedures for evaluating such projects.*
- 6.2 *The city will adopt a policy outlining the use of current and formal appraisals prior to the purchase of any real estate.*



7. Disbursements and Payroll

We noted weaknesses in controls and procedures over disbursements and payroll.

7.1 Manual and system generated checks

The Finance Department's controls and procedures over manual and system generated checks could be improved. The city issued 68 manual checks totaling approximately \$1.1 million during the fiscal year ended October 31, 2014. The city processes disbursements and issues system generated checks each Friday. The same check stock is used for both system generated and manual checks, and therefore use the same numerical sequence.

- The city has not established policies for the use of manual checks; however, the Finance Director indicated manual checks should only be issued in the case of an emergency. Our review of manual checks for the year ended October 31, 2014, identified 26 manual checks totaling \$915,250 that did not meet the emergency criteria. For example, a manual check was issued on Friday, September 5, 2014, for \$297,479 for grant consulting services, and the vendor invoice covered services from March 2, 2014, to July 26, 2014. Additionally, we identified 10 manual checks totaling \$283,263 issued to a dental insurance provider for monthly premiums. The Finance Director indicated city employees failed to submit approved invoices or other supporting documentation to the Finance Department timely to meet system generated check deadlines, thus requiring the manual checks.
- The city has not limited access to the signature plate used on system generated checks or to the manual and system generated check stock. The city also has not adequately limited who has the authority to sign manual checks.

The check signing machine is maintained on the counter in the mail room of the Finance Department. A signature plate and one of the two keys required to run the check signing machine are kept in the machine at all times and the other key and another backup signature plate are maintained in a safe in the Finance Department vault. The safe and vault remain open during the day and all employees with access to the Finance Department have access to the signature plates and keys.

Four Finance Department employees also have authority to sign manual checks, including the Senior Accountant, who prepares the bank reconciliation. Manual and system generated check stock is also stored in an unlocked cabinet in the Finance Department, and all employees with access to the Finance Department have access to the check stock.

- The Finance Department's Senior Accountant does not account for the numerical sequence of system generated and manual checks during his



City of Joplin Management Advisory Report - State Auditor's Findings

review of the bank reconciliation, and the Accounts Payable Clerk does not account for the numerical sequence of manual checks upon preparation of the manual check log. The check signing machine has the capability to count the number of times a signature is applied; however, the Finance Director indicated this information is not used to reconcile system generated checks issued to the system generated check stock used. In addition, the Finance Department shreds all voided checks.

To ensure manual checks are used when appropriate, the city should establish policies for their use. To decrease the potential for unauthorized disbursement by check and to ensure checks are properly distributed, access to the signature plate, the number of individuals with signature authority for manual checks, and check stock should be limited. To ensure all checks are accounted for and issued only for authorized purposes, the numerical sequence of all checks should be accounted for, and all voided checks should be properly defaced and retained.

7.2 Purchase orders

Purchase orders were sometimes approved or prepared after the date of the corresponding invoices. Nineteen purchase orders totaling \$308,101 were approved as late as 45 days after the date of the invoice during the period November 2011 through December 2014. In addition, we reviewed 58 purchases at 2 local stores where the city has charge accounts and determined 26 purchases totaling \$6,061 were made prior to the preparation of the purchase order requisition. The city's purchasing policy requires preparation of purchase requisitions and approval of purchase orders by the applicable employees prior to purchase for all disbursements.

To ensure the validity and propriety of disbursements, purchase orders should be completed and approved prior to the purchase in accordance with city policy.

7.3 Cell phone allowances

The city paid monthly cell phone allowances ranging from \$48 to \$52 to 132 of 504 full-time city employees. Allowances totaled approximately \$77,000 during calendar year 2014. Given the significant number of cell phone allowances and amount paid, the city should periodically review whether each employee still needs an allowance and whether the provided allowance is reasonable.

7.4 Questionable disbursements

During our review of city disbursements, we identified several purchases that did not seem reasonable and/or to benefit the city.

- Food purchases were sometimes made without documentation of the business purpose or the persons in attendance as required by city policy. City records indicated approximately \$19,700 was spent on meals and food purchases for employee meetings, training sessions, and lunches at local restaurants during the year ended October 31, 2014.



City of Joplin
Management Advisory Report - State Auditor's Findings

In addition, the city provides meals for all Council meetings and work sessions held. The City Manager's Executive Assistant indicated approximately 15 meals are purchased for each meeting. The meals were catered from a variety of local restaurants. The city spent \$12,401 of the \$19,700 for Council meetings and work sessions.

In addition, the city pays for the cost of meals provided for the funerals of Councilmember's immediate family. In one instance the city was billed approximately \$1,500 for such meals. When the Finance Director questioned the bill, the former City Manager authorized payment of \$350 to the vendor and Councilmembers donated the remaining amounts to cover the bill. The \$350 is close to the amount the city has typically paid toward funeral meal costs. The city does not have any policies in place authorizing payment for such costs.

- The city spent approximately \$16,500 for an employee appreciation banquet during the year ended October 31, 2014. This amount included meals (\$5,150); raffle prizes including a 55 inch television (\$698), a \$500 Walmart gift card, a laptop (\$499), and a sound bar (\$239); years of service award gift cards (\$4,550); entertainment (\$1,801); gifts for all employees in attendance including thermal drink sleeves, badge holders, lunch coolers, and leatherette certificates (\$2,049); and other items such as decorations (\$1,099). The Human Resource Specialist indicated he could not recall or provide documentation of the winners of the television, gift card, laptop, and sound bar; or a list of attendees to the banquet. In addition to the years of service award gift cards, employees also receive longevity pay based upon years of service.
- The city spent \$4,584 for the 2014 Christmas dinner attended by city employees and retirees and their families.
- It is questionable why the city spent approximately \$3,500 to send the former City Manager and 2 city employees to Tuscaloosa, Alabama, for 3 days to observe and discuss Tuscaloosa's recovery from an EF-4 tornado, which struck in April 2011. No documentation was retained to support the benefits received from this trip. In addition, some costs of the trip were excessive. For example, \$1,140 of the total hotel costs incurred (\$1,440) pertained to stays at a hotel on the University of Alabama campus on Friday and Saturday nights when motel rates were inflated because of a football game. The city paid rates of \$285 per room per night for 2 rooms and the city employees attended the University of Alabama football game on Saturday. City officials completed a tour of Tuscaloosa's tornado recovery on Friday, but did not fly back to Joplin until Sunday. Email correspondence between Tuscaloosa and a Joplin representative indicated ". . . we would enjoy staying over on Saturday and footballing with you all. . . ."



City of Joplin Management Advisory Report - State Auditor's Findings

Taxpayers have placed a fiduciary trust in the Council to spend public funds only on items necessary and beneficial to the city. These expenditures were not a necessary use of city resources. The city should develop more comprehensive policies regarding food purchases and review the need for Council and local meal expenses in an effort to control and reduce these costs.

7.5 Memberships and professional licenses

The city does not have a written policy to limit the number of employee memberships and professional licenses paid for from city funds. The city paid approximately \$46,000 for individual memberships (professional and civic) and professional licenses during the year ended October 31, 2014. A written policy would give the city greater control over these disbursements and ensure they are beneficial to the city. The policy should cover the number of memberships that will be paid for each employee or establish an annual dollar amount that may be spent by an employee for memberships and dues. It should address the types of memberships and professional licenses that will be paid or reimbursed, limiting such memberships to those benefiting the city.

7.6 Segregation of payroll duties

Payroll duties are not adequately segregated. The Payroll Clerk is responsible for entering information from timesheets into the electronic payroll system, verifying the information, and submitting the information for preparation of payroll disbursements. The Payroll Clerk processes her own and her husband's payroll information, and a documented supervisory review of the related payroll records is not performed.

Proper segregation of duties helps ensure all transactions are accounted for properly. If proper segregation of duties is not possible, a timely supervisory review of the work performed is necessary.

7.7 Questionable pay raise

The city used grant monies from the U.S. Department of Commerce Economic Development Administration (EDA) to fund a salary increase for the city's Disaster Recovery Coordinator although the reason for the increase did not pertain to his grant related duties.

The Disaster Recovery Coordinator was promoted to Neighborhood Services Manager in July 2014, and given an annual salary increase from \$57,156 to \$66,500. It was later determined that funds remained in the EDA grant he was working under as Disaster Recovery Coordinator. The decision was made by the City Manager to retain this employee in his former position until the grant expired, but pay him the \$66,500 salary for the new position that he did not assume until the EDA grant expired on November 1, 2014. The pay increase was funded from the EDA grant, which allowed for a salary increase for duties related to the grant; however, the city's reason for the pay increase was unrelated to grant related duties and was not adequately documented or conveyed to the granting agency.



City of Joplin
Management Advisory Report - State Auditor's Findings

Federal grant monies should be used in accordance with applicable grant agreements and should not to be used for any other purposes.

Recommendations

The City Council:

- 7.1 Establish policies regarding the use of manual checks; limit access to the signature plate, and check stock; and limit the number of individuals with signature authority on manual checks. The Council should also ensure the Finance Department accounts for the numerical sequence of checks issued and defaces and retains all voided checks.
- 7.2 Ensure purchase orders, including those for local store charge accounts, are prepared and approved in accordance with city policy.
- 7.3 Periodically evaluate cell phone allowance amounts and the number of employees receiving allowances.
- 7.4 Ensure purchases are reasonable and prudent uses of public funds. The Council should also develop comprehensive policies regarding city food purchases that establish specific guidelines regarding what is proper and allowable along with documentation requirements.
- 7.5 Establish a policy to address the payment of employee memberships and professional licenses.
- 7.6 Segregate payroll duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 7.7 Ensure federal awards are only used for allowable purposes.

Auditee's Response

- 7.1 *The Finance Director or Assistant Finance Director must approve any manual check that is written. Many of the manual checks written were for payroll related items, such as health and dental insurance coverage. Those bills must be reconciled prior to payment. When the reconciliation is completed, the payment is usually due to continue coverage. However, the city acknowledges that there is no adopted written policy regarding manual checks. The city will develop a policy regarding manual checks and an accounting of the numerical sequence of checks issued, as well as defacing and retaining all voided checks.*

The city has other checks and balances in place to help ensure no unauthorized checks are written, such as timely reconciliation of the bank accounts and positive pay. However, the city will further limit access to the signature plate and check stock. For many years, the



City of Joplin
Management Advisory Report - State Auditor's Findings

Finance Department only had three senior accounting staff. This necessitated that the person reconciling the bank statements also had authority to sign checks. However, with the addition of staff, the Finance Department now has a sufficient number of staff to properly segregate these duties. The city has already removed the check signing ability from the person that performs the bank reconciliation.

7.2 *It is city policy for all departments to obtain an authorized purchase order prior to placing an order or picking up any items. Additionally, all vendors receive written notification that the city is not responsible for payment of such goods unless an authorized and valid purchase order has been issued first. The city will continue to strive to enforce this policy as written.*

7.3 *Under the existing cell phone policy of the city, employees must provide certain documentation in order to be approved initially to receive the reimbursement. Additional cell phone allowances are only approved through the budget process by the City Manager and Council. Given the rapidly changing cell phone environment, the city concurs with the State Auditor's recommendation that the policy should be updated to include a periodic review of the documentation, as well as the number of employees receiving the allowances. The city will update this policy to reflect these recommendations.*

7.4 *The meetings for which food is provided are normally after-hours' meetings for volunteer boards and the city believes it is appropriate to provide meals or snacks under certain circumstances. The city will develop and adopt a comprehensive policy regarding city food purchases and the documentation required.*

City employees are a valuable asset to the community as they are the foundation providing the daily services to the residents and visitors of our city. Therefore, the Council feels it is important to recognize the employee's service and contributions to the community through the annual employee appreciation banquet and Christmas lunch. In the future, the city will ensure there is a business-related reason for all expenditures.

7.5 *Membership dues paid by the city are for employees that are required to have certain professional designations for their position. However, the city does not have a current policy regarding membership dues and subscriptions. The city concurs with the State Auditor's recommendation that a policy should be established.*



City of Joplin
Management Advisory Report - State Auditor's Findings

Therefore, the city will develop a policy regarding membership dues and subscriptions.

7.6 *The Finance Department does perform a supervisory review of the payroll functions. However, the process is not documented and we have not retained documentation of the review. The Finance Department will document the proper segregation of payroll duties and retain records of the review.*

7.7 *The grant awarded by the EDA was set to expire on June 30, 2014. The grant covered disaster recovery efforts following the tornado. In the spring of 2014, it became evident that grant funds would still be available as of the expiration date. On May 14, 2014, the city requested an extension of the grant to utilize the remaining funds to pay for the Disaster Recovery Coordinator's time to complete the scope of the project. At the beginning of September 2014, the city received approval from the EDA to extend the grant deadline to October 31, 2014, and use the remaining funds for the disaster recovery coordinator position.*

While awaiting approval from the EDA to extend the grant for the temporary Disaster Recovery Coordinator position, the employee was retained and promoted to a full-time position as the Neighborhood Services Manager in July 2014. With the promotion to the full-time position, the annual salary increase was granted under the city personnel rules and regulations.

Upon approval of the extension request, the city corresponded with the EDA about the annual salary increase already granted. EDA officials indicated the annual salary increase was an eligible reimbursable cost within the grant guidelines. However, the city did not retain documentation of the details of this correspondence with the EDA. Additionally, the city acknowledges the extension request should have occurred sooner to ensure the continuation of the temporary position. The city will continue to ensure that federal awards are only used for allowable purposes.

8. Overhead Cost Allocations and Restricted Funds

The city has not established adequate procedures to allocate overhead costs and ensure restricted monies are used only for intended purposes.

8.1 Overhead cost allocations The Finance Department uses several different calculations to allocate overhead costs (including payroll) to various city funds, and some calculations used are questionable. The Finance Department allocates these



City of Joplin Management Advisory Report - State Auditor's Findings

overhead costs and makes administrative transfers from various city funds to repay the General Fund each month. The Finance Department allocated approximately \$4 million of overhead costs to various departments/funds during the year ended October 31, 2014.

Finance Department staff allocate overhead costs of Human Resource Department employees based upon a percentage of full-time employees (FTEs) assigned to each individual department compared to total FTEs. They allocate the overhead costs of general government (overhead costs assigned to the Council, City Manager, City Clerk, Legal, Finance, Municipal Court, and Information System offices or departments) based upon a percentage of each department's adjusted revenues compared to total revenues. They decrease the revenues of each department (used in the allocation calculation) for grants, proceeds from the sale of assets, insurance proceeds, and transfers received. They also allocate a small portion of the police and fire departments overhead costs to several city funds/departments such as the library, health, airport, sewer, and solid waste without explanation. The amounts allocated to the city funds/departments vary from 0.01 percent to 0.5 percent with no explanation for the variances. The Finance Director indicated the city has used these calculations for many years. It is questionable why the Finance Department uses multiple and inconsistent overhead cost allocation calculations and has not re-evaluated the reasonableness of any of the calculation methods used in several years.

Generally accepted accounting principles and various legal restrictions require reflecting receipts and disbursements associated with specific activities in the fund established to account for those activities. The proper allocation of expenses is necessary for the city to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria, such as the number of hours worked by each employee, and documentation of allocations should be retained.

8.2 Use of parks and stormwater and transportation sales tax monies

Some city parks/stormwater and transportation sales tax monies were used for Joplin School District projects, rather than city projects. Monies generated from the city's parks/stormwater sales tax are restricted to funding the maintenance of city stormwater control and city park improvements. Monies generated from the city's transportation sales tax are restricted to funding the maintenance of city streets, street markings and traffic signal systems, energy costs for streetlights, and transfers to street capital project funds. The city provided the Joplin School District \$1,838,560 from the Parks/Stormwater Sales Tax Fund and \$301,910 from the Transportation Sales Tax Fund in June and September 2014, to fund projects of the high



City of Joplin Management Advisory Report - State Auditor's Findings

school on school property. The use of these city sales tax monies to fund school project costs is inappropriate.

Use of Parks and Stormwater Sales Tax Fund monies are restricted by Section 644.032, RSMo, and voter approved ballot language, for stormwater control and park improvements purposes. Use of Transportation Sales Tax Fund monies are restricted by Sections 94.600 to 94.655, RSMo (formerly Sections 94.600 to 94.650, RSMo), for transportation purposes.

Recommendations

The City Council:

- 8.1 Allocate overhead costs to city funds based on specific criteria and retain documentation to support the allocations.
- 8.2 Ensure monies are used in compliance with state law.

Auditee's Response

- 8.1 *The city has had an overhead allocation based on certain specific criteria in place for many years. While the Finance Department reviews the allocation annually, the entire formula has not changed for an extended period. The city concurs with the State Auditor's recommendation that the overhead allocation must be based on verifiable, specific criteria to ensure accurate costs are charged to the appropriate functions throughout the city. The city also agrees that the overhead allocation formula should be updated in an appropriate manner. The Finance Department will work to determine a verifiable, specific formula to use that strives to allocate accurate costs to each function. The Finance Department will also continue to periodically review the allocation.*
- 8.2 *In 2004, the voters approved a one-fourth cent parks/stormwater sales tax with a specific list of projects to be completed with the tax proceeds. There were two stormwater projects on the voter approved list near the location of the high school prior to the tornado. One project was Indiana Avenue from 20th to 22nd Street at an original budgeted cost of \$1,324,861 and the other project was Iowa Avenue from 20th to 24th Street at an original budgeted cost of \$1,379,048. The city was set to start these two projects when the tornado struck. Following the tornado, the city completed the Indiana stormwater project, but waited on the Iowa project to determine the location of the new high school. When the high school relocated and acquired additional property, the stormwater requirements for the Iowa project moved to the property owned by the school district.*

The school district made a request for assistance with the stormwater needs, as well as some improvements to a road. The city



City of Joplin
Management Advisory Report - State Auditor's Findings

does not use public funds to assist with private developments and city engineers made this distinction in the public discussion about this request. In this instance, the city was scheduled to make the stormwater improvements. A disaster that destroyed the high school could not be anticipated when the voter approved project list was finalized. The school district is funded by public dollars, the same as the city. Given that the voters approved the stormwater improvements in this location and the school district requested assistance to complete the stormwater and street improvements, the Council believed utilizing these funding sources would benefit the taxpayers of Joplin.

However, the city understands the importance of using specific tax proceeds in the manner promised to the voters of the community. The Council believes that the city has excelled at ensuring those funds have been used in the manner promised to the taxpayers. The city will continue to use the special tax proceeds in the manner approved by the voters, as well as in compliance with state law.

9. Fuel and Vehicle Use and Vehicle Allowances

Controls and procedures over fuel use and purchases, city vehicles, and vehicle allowances need improvement.

9.1 Fuel, vehicle, and equipment use and security

The city does not have adequate procedures to review and evaluate the reasonableness of vehicle and equipment usage and does not reconcile fuel usage to billings, and access to the city's public works facility and the unleaded fuel pumps is not adequately restricted. The city spent more than \$930,000 on fuel during the year ended October 31, 2014.

The city uses an automated fuel system to track fuel usage. Each time a vehicle or piece of equipment is fueled, the following information is documented in the system: the vehicle or equipment identification number, employee, transaction number, department, the current date and time, and amount of fuel dispensed via use of key fobs. The current odometer or hour meter reading is required to be entered by the employee.

Fuel usage reports generated from the automated fuel system are not reconciled to fuel purchases. In addition, odometer or hourly readings are not always accurately entered into the fuel pump by city employees at the time of fueling at the public works facility. Several city employees enter "0" as the odometer reading at the time of fueling. We noted the same concern with airport fueling facility records, which are provided to the Public Works Department for reconciliation.



City of Joplin Management Advisory Report - State Auditor's Findings

Access to the unleaded fuel pumps and the public works facility is not adequately restricted. Unleaded fuel pumps are located outside of the fenced public works facility, and diesel fuel pumps are located within the fenced area of the public works facility. At least 388 employees had access to the unleaded fuel pumps, through use of key fobs (individual and vehicle) and pin number at the time of our review. The use of individual key fobs also provides access to the fenced public works facility. It is questionable whether all these employees need access to both the unleaded fuel pumps and the fenced public works facility, where diesel fuel and other inventory items are located. While the Public Works Department has the capability to generate a report of who gained access to the fuel pumps and public works facility, it is not prepared and reviewed periodically.

To ensure the reasonableness of fuel costs, the Public Works Department accounting specialists should reconcile fuel usage reports to fuel purchased and on hand. Failure to account for fuel usage could result in theft or misuse of fuel occurring without detection. In addition, accurate entry of odometer or hour meter readings are necessary to document the appropriate use of vehicles and equipment and to also support fuel purchases. To safeguard against possible loss or misuse of fuel and public works inventory, access to the fuel pumps and public works facility should be limited and reviewed periodically for propriety.

9.2 Take home vehicles

The city allows 62 city vehicles to be taken home by city employees and has not established procedures to adequately review and document the necessity and justification for use of the vehicles. Forty of these vehicles are driven to addresses outside the city of Joplin and the remaining 22 are driven to addresses inside the city limits.

Thirty-seven employees commute more than 15 miles round trip daily, and the value of personal commuting mileage was not determined or reported on the Police and Fire Department employee's W-2 forms as compensation. Of the 62 take home vehicles, 50 are assigned to Police Department employees, 4 are assigned to Fire Department employees, and 8 are assigned to administrative employees. While the Police Chief and Fire Chief indicated some of these employees are on-call periodically (most are only on call one week every quarter), it does not seem reasonable they would need a vehicle when not on call. For example, one Police Department employee commutes 106 miles round trip daily, and we estimated the employee commutes 27,560 miles a year (106 miles*5 days*52 weeks) in a city vehicle. Internal Revenue Service (IRS) regulations do not consider commuting of police and fire department employees in city-owned vehicles a taxable benefit when specific criteria are met; however it is not clear the vehicle usage of these employees always meets this criteria.



City of Joplin
Management Advisory Report - State Auditor's Findings

Allowing city employees to take their vehicles home (both inside and outside of city limits), results in additional and unnecessary costs to the city. The costs associated with vehicles driven to addresses outside city limits are substantial. The fuel costs for these vehicles total approximately \$46,000 annually and miles incurred totaled approximately 278,000. Given the high costs associated with vehicle ownership, maintenance and fueling, the city should periodically review the assignment of city-owned vehicles.

9.3 Vehicle allowances

The city has no documentation to show vehicle allowance amounts are reasonable or necessary compared to actual expenses incurred. The city pays vehicle allowances ranging from \$600 to \$5,400 annually to 20 employees that use their personal vehicles to conduct city business.

It is questionable whether some of these city employees should be paid the same vehicle allowance based upon their differing job duties and travel requirements. The following table lists employees receiving vehicle allowances during the fiscal year ended October 31, 2014, annual allowance amounts, and the average miles that would need to be driven per month to justify the vehicle allowances (based on the city's 2014 mileage reimbursement rate of \$0.51).

Employee	Annual Allowance Amount	Average Miles per Month
City Manager	\$ 5,400	882
City Clerk	4,800	784
Human Resources Director	3,600	588
Public Works Director	3,600	588
Parks and Recreation Director	3,600	588
Capital Improvement Sales Tax Project Manager	3,600	588
Disaster Recovery Coordinator	3,600	588
City Attorney	2,875	470
Public Information Director	2,400	392
Convention and Visitors Bureau Director	2,400	392
City Prosecutor	1,800	294
Public Works Operations Manager	1,800	294
Building Maintenance Supervisor	1,800	294
Finance Director	1,200	196
Information Services Director	1,200	196
Planning and Community Development Director	1,200	196
Assistant Parks and Recreation Director	1,200	196
Assistant City Prosecutor	1,200	196
Custodian	1,200	196
Executive Assistant to the City Manager	600	98
Total	\$ 49,075	



City of Joplin
Management Advisory Report - State Auditor's Findings

The city should review the necessity and reasonableness of the mileage allowances paid and set the allowances to reasonably reflect the actual expenses incurred by the employees.

Recommendations

The City Council:

- 9.1 Establish adequate records and procedures to effectively monitor vehicle, equipment, and fuel use, restrict access to the fueling center and public works facility, and periodically review access reports for propriety.
- 9.2 Review the necessity and cost effectiveness of allowing employees to take city vehicles home; establish adequate procedures for the justification, approval, and monitoring of take home vehicles; and ensure the city complies with IRS guidelines for reporting personal commuting mileage.
- 9.3 Review the necessity of vehicle allowances and set the allowances to reasonably reflect the actual expenses incurred by the applicable employees.

Auditee's Response

- 9.1 *The city agrees with the State Auditor's recommendation that it needs to establish policies and procedures to monitor and safeguard vehicles, equipment and fuel usage. The city will develop and adopt policies and procedures regarding the monitoring of vehicles, equipment, and fuel usage.*
- 9.2 *The city currently does not have a take home vehicle policy. The city concurs with the State Auditor's recommendation that it needs to establish a policy regarding take home vehicles. The city will develop and adopt a take home vehicle policy.*
- 9.3 *The city will review vehicle allowances. The city will either ensure the vehicle allowance matches actual mileage or the city will move to the IRS allowable mileage reimbursement for actual documented miles driven for city business.*

10. Cash Handling Controls and Procedures

Significant improvements are needed in the handling of fees collected and change and petty cash funds maintained at the parks and recreation, golf course, building and code enforcement, metro area public transit system (MAPS), planning and community development, and health departments/offices. These types of receipts are at greater risk since a large portion is received in cash and there are numerous collection points throughout the city with a variety of handling and record-keeping methods. In addition, written guidance for standard procedures needs improvement.



City of Joplin
Management Advisory Report - State Auditor's Findings

As a result of numerous control weaknesses, there is less assurance all city monies have been handled and accounted for properly.

We observed and reviewed procedures and conducted cash counts on February 3 and 5, 2015, at various collection points throughout the city. The following table summarizes the amounts of monies collected according to city records for those areas we reviewed.

Department/Office	Year Ended October 31, 2014
Parks and Recreation	\$ 629,312
Golf Course	467,842
Building and Code Enforcement	467,100
Metro Area Public Transit System (MAPS)	128,195
Planning and Community Development	86,411
Health	80,844
Total	\$ 1,859,704

10.1 Segregation of duties

The duties of receiving, recording, and transmitting monies are not adequately segregated in some city departments.

- The Health Department has two clerks in the administrative office, who prepare and reconcile a batch report of their office receipts daily and also two clerks in the medical office, who prepare and reconcile a batch report of their receipts daily. These clerks also receive monies and process transactions throughout the day. There is no independent review or reconciliation of the daily batch reports to receipts on hand when preparing transmittals.
- The Planning and Community Development office within the Public Works Department has one clerk who receives payments, records receipts, reconciles the daily batch report to monies on hand, and transmits receipts to the Finance Department.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, a timely supervisory review of the work performed is necessary.

10.2 Receipting, recording, depositing/transmitting and concessions

We noted several concerns regarding receipting, recording, and depositing/transmitting city monies. In addition, improvement is needed in controls over concessions.

Accounting for receipts

The Finance Department does not properly account for all receipt slip numbers issued by its accounting system. In addition, the accounting system allows the user to manually enter the date when a batch is opened.



City of Joplin Management Advisory Report - State Auditor's Findings

The city's financial accounting system uses one numerical receipt slip sequence for multiple cash collection locations. Therefore, receipt slips at each cash collection point are not issued in numerical sequence. The Finance Department, which has access to receipt reports for all of these locations, does not account for the numerical sequence of receipt slips to ensure all monies are accounted for and properly transmitted and deposited.

We obtained a receipt listing from the city accounting system for February 2 through 4, 2015. There were 3,132 transactions in this time period totaling \$264,284. Of these transactions, there were 610 receipt slip numbers that were not accounted for in the numerical sequence on this report. The Finance Director indicated she did not know why this situation occurred and did not realize that receipt slip numbers were not accounted for on this report. Upon further review of 30 of the 610 unaccounted for receipt slip numbers, additional concerns were identified. The receipt dates and batch opened dates for some cash, check, and credit card payments did not match. For example, 13 receipt slip numbers reviewed were receipted on February 4, 2015, but the date the batch was opened was February 5, 2015. The Finance Director indicated the accounting system allows the user to manually enter in the date when a batch is opened and those dates may have been erroneously entered into the accounting system.

Athletic complex and golf course personnel record receipts in an accounting system separate from the city's main accounting system, which is used by other city personnel. No accounting for the numerical sequence of receipt slips for these two entities is performed and no independent reconciliation is performed between this accounting system and the city's main accounting system to ensure all receipts are deposited.

Receipting procedures

Receipting procedures at several cash collection points are inadequate.

- Various city departments issue generic manual receipt slips for some monies collected. These manual receipt slips are not official receipt slips with the city name on them. The MAPS office, the Public Works Department, and the Police Department issue this type of receipt slip for the purchases of trolley passes and tokens, transactions in the planning and development office and occasionally for the building office receipts, and for bonds and work release monies, respectively.
- The Health Department does not issue manual receipt slips for flu shots administered offsite. The flu shot consent form, which is not prenumbered, is used as the receipt.
- Manual receipt slips are issued in the building office of the Public Works Department when the Senior Clerk is absent; however, an independent person does not subsequently reconcile the manual receipt



City of Joplin
Management Advisory Report - State Auditor's Findings

slips to the city's electronically generated receipt slips and the related transmittal to the Finance Department.

Transmitting

Documentation is not always maintained to support the transmittal of city monies between city staff or to the Finance Department. We identified numerous instances at various city departments where documentation of the transmittal of city monies was not maintained.

Concessions

The city does not follow its concessions inventory policy. City policy indicates the beginning inventory, items sold, items provided at no cost to officials, ending inventory, and amount and dollar value of product sold are to be maintained on a daily log and for periodic surprise audits to be conducted; however, the Parks and Recreation Department is not performing these procedures.

Conclusion

To properly account for all receipts and ensure monies are accounted for properly and deposited intact, official prenumbered receipt slips should be issued in numerical order for all monies received, the numerical sequence of all receipt slip numbers issued should be accounted for, and documentation should be maintained to support the transmittal of monies. In addition, the Parks and Recreation Department should follow the city's concessions inventory policy.

10.3 Reconciliation of
licenses, permits, and
other source
documents

The city does not have adequate procedures to reconcile city issued licenses and permits, as well as logs and other source documents, to monies collected and amounts deposited.

- The Health Department maintains logs for flu shots, tuberculosis testing, and yellow fever vaccinations; however, only the flu shot logs are reconciled to the batch report of receipts collected and transmitted to the Finance Department.
- Supporting documentation for background checks performed by the Police Department is not maintained to ensure all monies received for this service have been accounted for properly, and bond forms used by the Police Department are not prenumbered. As a result, the city is unable to adequately reconcile these documents to the related receipts collected.
- Business licenses, liquor licenses, pet licenses, contractor licenses, and health permits are sequentially numbered, separately from the related receipt slip numbers; however, they are not reconciled to the related recorded receipts.
- The Public Works Department receives monies for various types of applications such as rezoning and special use. The department maintains



City of Joplin Management Advisory Report - State Auditor's Findings

application case number logs; however, the logs are not reconciled with the batch reports of receipts collected to ensure all monies received with the applications are accounted for properly.

To ensure monies received for all licenses, permits, bonds, and city provided services are properly collected, recorded, and deposited, documents associated with the receipt of monies should be prenumbered and the numerical sequence accounted for properly, and should be periodically compared to monies received, recorded and deposited. Further, all records associated with receipt of monies, including manual or electronic logs of services provided, should be reconciled to monies received, recorded and deposited.

10.4 Petty cash and change funds

Petty cash and change fund procedures need improvement.

- The Health Department does not maintain a current ledger to document all petty cash transactions and a current balance. This information is not documented until the time of replenishment. At the time of our cash count, the Health Department maintained a \$50 petty cash fund.
- The Health Department takes \$75 from the cash register as a change fund when giving flu shots off site; however, no one signs for the cash taken or documents the return of the cash.
- There is no log for when change funds are released and returned for concession stands at the athletic complex. The athletic complex keeps various change funds for concession stands ranging from \$150 to \$200.

The city should ensure a petty cash ledger documenting receipts, disbursements, and the balance of the petty cash fund is maintained for each petty cash fund. Written policies should be established outlining the procedures for maintaining, using, and accounting for change funds.

10.5 Security of monies

Monies collected are not always maintained in a secure location.

- The Health Department places monies received and cash change funds in lock boxes and stores them in unlocked drawers overnight with keys to the lock boxes accessible to numerous employees who do not need access. The Health Department administrative office had 12 employees and the medical office had 6 employees with access to monies.
- In the Public Works Department, when the Senior Clerk in the building department is absent, the other clerk accepts payments for permits and places the monies received on the Senior Clerk's desk, along with a copy of the permit, where they remain until the Senior Clerk returns.



City of Joplin
Management Advisory Report - State Auditor's Findings

To safeguard against possible loss or misuse of funds and to ensure receipts are properly handled, receipts should be maintained in a secure location until deposited.

Recommendations

The City Council:

- 10.1 Ensure duties of receipting and transmitting/depositing monies are segregated or implement timely adequate supervisory reviews if duties cannot be appropriately segregated.
- 10.2 Account for the numerical sequence of receipt slip numbers, ensure monies are properly receipted and transmitted/deposited, and work with the city's software vendor to ensure dates batches are opened cannot be changed. The Council should ensure the Parks and Recreation Department follow the city's concessions inventory policy.
- 10.3 Ensure all documents associated with the receipt of monies are prenumbered and reconciled to monies received, recorded and deposited. Also, ensure manual or electronic logs of services provided are reconciled to monies received.
- 10.4 Ensure a petty cash ledger documenting receipts, disbursements, and the balance of the petty cash fund is maintained for all petty cash funds. Establish written policies outlining the procedures for maintaining, using, and accounting for change funds.
- 10.5 Ensure receipts are maintained in a secure location until deposited.

Auditee's Response

Following the discovery of the poor management of payment collections by some outside departments in 2013, the Finance Department began a comprehensive review of all payment collection procedures by each department. As part of this review, the Finance Department is writing extensive payment collection policies and procedures for each department based on the various types of collections. This task is a major undertaking and the Finance Department is still working on this project. Once this project is complete, a periodic review of these policies and procedures will be completed by the Finance Department. Additionally, surprise internal audits performed by the Finance Department are included in these policies and procedures.

- 10.1 *The city will ensure the proper segregation of duties, when possible, in the payment collection policies and procedures. Additionally, appropriate supervisory reviews will be included.*



City of Joplin
Management Advisory Report - State Auditor's Findings

- 10.2 *In the payment collection policies and procedures, the city will ensure monies are properly receipted and deposited, along with a proper accounting of receipt numbers. There are various cash receipt dates in the electronic software system of the city, including a batch date, a transaction date, and a post date. The software system hard codes the transaction date and the post date to ensure nobody can change these dates. The system does allow the batch date to be physically entered when the batch is opened. However, once a batch is opened, the batch date can't be altered. The city believes the cash receipt dates in the electronic software system are sufficiently protected. The city will also follow the existing concession policy.*
- 10.3 *In the payment collection policies and procedures, the city will ensure documents are prenumbered and reconciled to monies received, recorded and deposited, whether manual or electronic.*
- 10.4 *The city does not have an extensive petty cash policy. However, the city departments are required to keep a log of all petty cash transactions, which shows a current balance of the fund. The city will develop a comprehensive petty cash and cash drawer policy that includes guidelines for maintaining, using, and accounting for petty cash and cash drawers.*
- 10.5 *As a part of the payment collection policies and procedures, the city will ensure that all outside departments maintain collections in a secure place until the funds are deposited.*

11. Finance Department Controls and Procedures

Accounting controls and procedures over the city's sewer system and special tax bills need improvement.

The city provides sewer services to approximately 19,000 customers. Per city accounting records, the city collected approximately \$9.2 million in sewer fees during the year ended October 31, 2014. The city has various city ordinances allowing the Finance and Public Works Departments to assess special tax bills against city residents for public improvements, such as dangerous buildings and debris removal.

11.1 Adjustments and write-offs

Improvement is needed in the Finance Department's handling of adjustments and write-offs related to the sewer system and special tax bills.

Sewer system

While adjustment forms are reviewed and approved by the Assistant Finance Director prior to an Accounting Specialist in the Finance Department posting them to the computerized sewer system, a subsequent independent review of adjustments posted to the sewer system is not performed or documented. Adjustments are sometimes needed to change a



City of Joplin Management Advisory Report - State Auditor's Findings

customer account balance, including writing off a balance, waiving late charges, or reducing a balance due to errors. Because the Accounting Specialist is responsible for several utility functions, the ability to post adjustments without subsequent review and approval represents a significant control weakness.

Special tax bills

The Finance Department is not adequately documenting adjustments and write-offs made in the billing system for special tax bills. Adjustments to special tax billings were made for changes in land ownership. Adjustment forms were not prepared for 3 of 11 write-offs reviewed and the reason for one of the other 8 write-offs was not documented. Additionally, while the adjustment forms require two signatures of approval, 8 of the 11 write-offs reviewed were approved with only one signature. A subsequent independent review of adjustments posted to the billing system is not performed or documented.

To ensure all billing adjustments are valid, the authorizing employees and reasons should be adequately documented. Requiring someone independent of receipting and recording functions to review and approve adjustments subsequently posted to the billing system would help ensure adjustments are valid. A written policy related to write-off procedures is necessary to ensure consistency and establish adequate internal controls over accounts receivable. A write-off policy should include which accounts and how often accounts should be written off, and the approval procedures for the write-off of accounts.

11.2 Late payment penalties, delinquent sewer accounts, and write-off policies

Late payment penalties are not assessed on delinquent sewer accounts in accordance with city ordinance. In addition, the Finance Department has not established procedures to periodically review delinquent sewer accounts of Finance Department employees or other key city officials. The city also does not have a written policy for the write-off of uncollectible accounts receivable (sewer, special tax bills, and bus fares).

At the time of our review of delinquent sewer accounts on January 29, 2015, the Accounting Specialist had not made a payment on her sewer bills since July 7, 2014, and had accumulated a delinquent balance of \$486. The Finance Director was not aware of this situation until we brought it to her attention. The Accounting Specialist paid off her balance on February 2, 2015.

City Ordinance No. 2013-126 states any sewer service charge remaining unpaid for 30 days after the date of billing may be increased by 10 percent of the total outstanding balance. Late payment penalties (10 percent) are only assessed on the current month's delinquent balance and not on the accumulated delinquent balances. The city's shut off policy requires sending a notice of delinquency to customers when they are 45 days past due and at



City of Joplin Management Advisory Report - State Auditor's Findings

least \$75 in arrears advising them their service will be subject to termination if payment is not received within 10 days or 55 days past due. Allowing customers to receive service without paying reduces the incentive to make payments, potentially reduces city receipts, and could impact the sewer rates for other paying customers. A written policy related to write-off procedures is necessary to ensure consistency and establish adequate internal controls over accounts receivable. A write-off policy should include which accounts and how often accounts should be written off, and the approval procedures for the write-off of accounts.

11.3 Administrative fee on special tax bills

The city assesses the maximum administrative fee of \$500 in addition to title search fees and advertising fees on special tax bills in possible violation of city ordinance. City Code of Ordinances, Article X, Section 26-616(6) states "the charge for demolition of any building or structure or the abatement of any public nuisance abatable pursuant to this article shall be collectible by a special tax bill, which shall include the actual cost of repair, demolition, water service cut, boarding, cleanup and all other necessary security measures and a cost of administering the provisions of this article, which shall be pursuant to an existing schedule or as it may be set out by the building board and maintained as a public record. In no case shall such administrative charge exceed \$500.00." However, the Public Works and Finance Departments could not provide documentation of an existing schedule of fees charged, outlining the types and amounts of costs included in the \$500 administrative fee. As a result, the city may have over charged property owners.

The city assessed approximately 90 special tax bills from May 2011 to August 2014. We reviewed 64 of these bills and noted the city assessed \$2,356 in advertising fees, \$4,875 in title search fees, and \$31,000 in administrative fees. It is unclear why title search fees and advertising fees charged were not considered a part of the maximum administrative fee.

To ensure property owners are charged fairly and equitably, the Council should establish a schedule of fees charged, outlining the types and amounts of costs included in the administrative fee.

Recommendations

The City Council:

- 11.1 Ensure the authorization and reasons for any billing adjustments are adequately documented by the Finance Department and all adjustments posted to the billing system are independently reviewed and approved.
- 11.2 Ensure penalties are assessed in accordance with city ordinance. The Council should also review past delinquent customer accounts and consider billing for the correct amount of penalties, if appropriate. Ensure an adequate review of delinquent sewer reports



City of Joplin
Management Advisory Report - State Auditor's Findings

is performed and sewer service is shut off in accordance with city ordinance. Develop written policies for the write-off of uncollectible accounts.

- 11.3 Establish a schedule of fees charged, including defining the types and amounts of costs included in the \$500 administrative fee.

Auditee's Response

- 11.1 *As noted by the State Auditor's review, the Finance Department has some procedures in place for billing adjustments to accounts receivable, including sewer and trash billing. However, the Finance Department does not have a comprehensive policy addressing accounts receivable adjustments and write-offs. The city concurs with the State Auditor's review that all adjustments must be independently reviewed and approved, as well as performance of an independent follow-up review of all adjustments made. The city will develop and implement proper policies and procedures to ensure sufficient controls are in place to safeguard city assets.*

- 11.2 *The city changed the sewer penalty ordinance after taking over the sewer billing and collecting. This penalty calculation by the computer system has already been corrected by the Finance Department to properly match the ordinance.*

The city does not review all past due balances to determine if city employees are delinquent. However, the Finance Department understands that we are held to a higher standard than other city employees in performing the billing and collecting of sewer and trash bills. The Finance Department will strive to ensure this situation does not happen in the future.

The city is aware of the sewer and trash balances being carried by many residents of Joplin. Since taking over the billing, the Finance Department has been making every effort to reduce these balances through the shut-off process. However, the city is limited by the sheer number of shut offs the private water company can perform.

When the utility billing and collection services were transferred to the city from the private water company, the Finance Department adopted certain policies and procedures required to provide this service. The Finance Department also understood that additional policies and procedures would need to be implemented, as well as continuing to update the adopted policies as the department began to learn what was needed to provide an efficient and effective service. The city will continue to implement needed new policies, such as a write-off policy, as well as continuing to alter existing policies to ensure this process is as efficient as possible.



City of Joplin
Management Advisory Report - State Auditor's Findings

11.3 *The city will establish a detailed basis for the administrative fees related to demolitions. Administrative fees do not contain outside costs for title searches and publications costs, but are meant to cover and recoup internal administrative costs such as personnel, postage for certified letters, vehicle operation and maintenance, office equipment and supplies, etc., used throughout the "dangerous building" and demolition process. The city is currently conducting the bi-annual fee review. During this review, the administrative fee assessed for special tax bills will be included. Also, the city will develop and adopt formal policies and procedures regarding special tax bills, including any interest assessed.*

12. Financial Issues and Reporting

Improvement is needed in the city's handling of certain financial issues and reporting.

12.1 Health Self Insurance Fund (HSIF)

The city has not prepared adequate long-range plans for the Health Self Insurance Fund (HSIF), and the city has not formally projected whether fund assets along with revenues will be sufficient to cover fund expenses and the minimum reserve balance or if the city will need to subsidize the HSIF fund with other city funds. In addition, the city has not utilized all contract provisions.

The city implemented a self-funded medical plan in 2011. The city contracts with a third party administrator (TPA) to review, process, and pay claims, and has stop-loss coverage to insure individual claims exceeding \$150,000. Currently, the city pays monthly medical premiums for employees, 75 percent of medical premiums for employee family members, 70 percent of dental premiums for employees, and 65 percent of dental premiums for employee family members. Retirees and Consolidation Omnibus Budget Reconciliation Act (COBRA) participants are responsible for their own premiums. All premium rates are set by the Council in conjunction with the city's insurance consultant. All premiums are held in the HSIF, and claims and other costs related to the medical and wellness programs are paid from this fund.

The costs to operate the medical plan have gradually increased and fiscal year 2014 revenues slightly exceeded expenditures. The following table presents the HSIF revenues, expenditures, assets, estimated liabilities, and reserve balances for the 4 years ended October 31, 2014.



City of Joplin
Management Advisory Report - State Auditor's Findings

	Year Ended October 31,			
	2014	2013	2012	2011
Beginning totals asset	\$ 2,257,356	1,678,430	1,233,787	0
Revenues				
Medical contributions and premiums	4,453,885	4,346,942	4,162,333	3,378,487
Stop-loss insurance proceeds	413,730	193,604	614,176	435,333
Interest	0	1,897	8,417	2,105
Transfers in	0	0	0	1,000,000
Total revenues	4,867,615	4,542,443	4,784,926	4,815,925
Expenditures				
Medical claims	4,081,387	3,198,908	3,654,898	3,110,982
Premiums and fees	404,310	481,353	401,602	261,002
Consulting	55,900	21,000	37,500	19,500
Benefit plan administration	271,155	260,789	245,945	190,654
Wellness and other costs	8,679	1,467	337	0
Total expenditures	4,821,431	3,963,517	4,340,282	3,582,138
Ending total assets	2,303,540	2,257,356	1,678,431	1,233,787
Estimated liability for unpaid claims	331,510	254,067	215,478	222,400
Reserve Balance	\$ 1,972,030	2,003,289	1,462,953	1,011,387

At the time the self-funded medical plan was implemented, the Council approved decreasing the employer share of coverage of medical premiums for the employee's family from 80 percent in January 2011 to 77 percent in January 2012 and 75 percent in January 2013. At the same time, the Council approved increasing the employer's share of coverage of dental premiums for the employee from 66 percent in January 2011 to 68 percent in January 2012 and 70 percent in January 2013 and decreased the employer's share of coverage of dental premiums for the employee's family from 66 percent in January 2011 to 65 percent in January 2012. No other changes have occurred since January 2013.

While the city has established a goal for the minimum reserve balance for the HSIF, it has not set a date it plans to reach the goal. The city's goal is for the minimum reserve balance to approximate the annual average of medical claim payments. Based on the medical claim expenditures and reserve balances in the table above, the city had not met its goals, as the minimum reserve balances were underfunded at the start of each year by \$2.1 million for 2015, \$1.2 million for 2014, \$2.2 million for 2013, and \$2.1 million for 2012.

Failure to adequately plan for future needs could result in a decline of the financial condition of the HSIF and may require the city to subsidize the



City of Joplin
Management Advisory Report - State Auditor's Findings

fund. Documented long-term planning is essential to ensure HSIF resources are sufficient to cover expenses and minimum reserve balances and improve the fund's financial condition.

Contract provisions

The city has not utilized a TPA contract provision that allows the city to conduct an audit of claims during the current calendar year or immediately preceding calendar year. The city paid approximately \$4 million in medical claims and \$673,000 in administrative and stop-loss fees to this company during the year ended October 31, 2014.

Periodically conducting or obtaining audits of claims would provide the city added assurance that services provided and amounts paid out for claims are reasonable and appropriate and adequately supported.

12.2 Financial issues

The golf course and airport operate at a loss and need continued financial support from other city funds to cover operating costs. In addition, improvement is needed in the city's handling of airport contracts.

Golf course
subsidization

The city has historically operated its golf course at a loss, and as a result, the General Fund is required to subsidize course operations and activities. The Golf Course Fund operating revenues, expenditures, and operating loss according to information obtained from the city's independent audit report for the last 4 years are noted in the following table.

Year ended October 31,				
	2014	2013	2012	2011
Revenues	\$ 467,842	477,947	569,372	498,234
Expenditures	708,400	704,517	662,275	622,205
Operating Loss	\$ (240,558)	(226,570)	(92,903)	(123,971)

In addition, the city obtained a golf course study in 2008 that recommended rate increases of 3.33 to 6.25 percent annually; however, the city only increased rates in 2009.

Airport subsidization

The city has historically operated its airport at a loss, and the city has transferred \$650,000 from the Transportation Sales Tax Fund to the Airport Fund in each of the last 4 years (2011 through 2014) to subsidize airport operations and activities. In addition, the city has reported an unrestricted deficit for the Airport Fund for the last 4 years. The Airport Fund revenues, expenditures, loss, and unrestricted deficit according to information obtained from the city's independent audit report for the last 4 years are noted in the following table:



City of Joplin
Management Advisory Report - State Auditor's Findings

		Year ended October 31,			
		2014	2013	2012	2011
Revenues	\$	646,922	623,806	628,923	666,173
Expenditures		2,186,624	2,312,084	2,347,518	2,398,811
Operating loss before transfers and contributions	\$	(1,539,702)	(1,688,278)	(1,718,595)	(1,732,638)
Unrestricted (deficit)	\$	(574,696)	(530,280)	(492,620)	(799,723)

Airport lease contracts and parking

The Airport Manager does not adequately monitor hangar lease contracts and has not updated some hangar lease and rental car company contracts. In addition, the Finance Department lacks adequate collection procedures for delinquent accounts, and the city does not charge for parking at the airport, a common revenue source for most airports. The Airport Manager signs all lease contracts on behalf of the city, maintains the contracts at the airport facility, and notifies the Finance Department of rate increases. The Finance Department sends bills to each tenant and collects the lease payments, but does not provide a collection report to the Airport Manager. As a result, the Finance Department is unaware of the details contained in each contract, and the Airport Manager is unaware if tenants are delinquent in making payments. The airport received approximately \$102,000 from hangar leases and \$69,000 from car rental companies during the year ended October 31, 2014.

Hangar lease contracts do not provide for late payment penalties or eviction procedures for lack of payment, and the city lacks collection procedures for delinquent accounts. As of February 3, 2015, a tenant had a balance due of \$3,410, equivalent to over 20 months of rent at \$165 per month. Another tenant had a balance due of \$2,325, or over 14 months of rent, and this tenant had not paid his balance in full since September 2006. The city had taken no steps to pursue collection of any delinquent airport lease accounts.

The Airport Manager has not updated or signed contracts with some tenants. During our review of 5 hangar leases, 3 tenants were billed at a higher rate than the rate specified in their contract. These contracts had not recently been updated and did not contain the current amounts charged by the city for hangar rentals. The contracts with the 2 rental car companies were outdated (contracts on file were for the period July 1, 1993, through June 30, 1998) and not signed.

Conclusion

While the golf course and airport provide benefits to city residents and the city's General Fund has an adequate financial condition, the city should take steps to minimize losses in these funds. To maximize receipts, the Airport



City of Joplin Management Advisory Report - State Auditor's Findings

Manager and Finance Department should work together to update and monitor contracts and pursue the collection of delinquent accounts. The city should also consider including contract provisions for late payment penalties and eviction procedures and charging for parking at the airport.

12.3 Calculation of excess revenues

The city and the municipal division do not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected. This information is needed to accurately calculate the percent of annual general operating revenue from fines and court costs related to traffic violations. The city's fiscal year ended October 31, 2014, and 2013, audited financial reports were timely filed with the State Auditor's office, and included an accounting of the percent. However, our review determined the reported percent was not accurate because it included both traffic and general ordinance violations.

Effective August 28, 2013, Section 302.341.2, RSMo, was amended, reducing the threshold for remitting excess revenues to the state, and requiring cities to provide an accounting of the percent of annual general operating revenue from fines and court costs in its annual financial report submitted to the State Auditor's office as required by Section 105.145, RSMo. Section 302.341.2, RSMo, further provides that a city that is noncompliant with the law and fails to make an accurate or timely report "... shall suffer immediate loss of jurisdiction of the municipal court of said city. . . on all traffic-related charges until all requirements of this section are satisfied." Thus, it is imperative the city work with the court to obtain the required traffic violation data and file annual financial reports that provide the required accounting.

Recommendations

The City Council:

- 12.1 Closely monitor and take the necessary steps to fund the minimum reserve balance and improve the financial condition of the HSIF, and conduct periodic audits of claims as allowed by contract.
- 12.2 Closely monitor the ongoing financial condition of the Golf Course Fund and Airport Fund. Take the necessary steps to ensure timely collection of delinquent airport accounts and consider including contract provisions for late payment penalties and eviction procedures, and charging for parking at the airport. Ensure airport contracts are updated periodically and signed by both parties.
- 12.3 Accurately calculate the percent of annual general operating revenue from fines and court costs related to traffic violations as required by law.



City of Joplin
Management Advisory Report - State Auditor's Findings

Auditee's Response

12.1 *The city agrees it is imperative to constantly monitor the Health Self Insurance Fund (HSIF). The effort undertaken by the city in regard to switching to partially self-insured health insurance is still in its infancy. The city has developed short-term goals and some long-term goals. However, the city has not developed comprehensive long-term goals for this effort. The city concurs with the State Auditor that comprehensive long-term goals for the HSIF need to be developed, especially given the changes created by the Affordable Care Act (ACA).*

There are only 2 ways to increase the reserve balance. One is to have less in claim expenses than anticipated. The other is to increase premium costs to the city and to the employees to ensure revenues are higher than claim expenses. The city will work with our outside consultant to adopt a comprehensive long-term plan that outlines a method of achieving and maintaining the targeted reserve balance, as well as strives to address the future of the city's health insurance given requirements of the ACA. Additionally, the city will consider utilizing the option of periodic audits of the claims administrator.

12.2 *The city Finance Committee, with the assistance of the Parks Department, the Finance Department, and the City Manager, recently reviewed the golf course finances and made recommendations to help improve the overall financial condition. Those recommendations included increasing fees and hiring a golf course professional. The Council adopted those recommendations and the changes were recently implemented. The city will continue to monitor the financial condition of the golf course and make appropriate changes as needed to try to recover its operating expenses.*

As noted in the city's response to 11.1, the city will adopt accounts receivable policies and procedures, which will address the process for delinquent accounts. The Finance Department will work with the airport to include appropriate language in the contract provisions to assist with the collection of delinquent accounts. The airport will develop and adopt policies and procedures to ensure contracts are updated timely and all signatures are obtained.

While the city understands the financial condition of the Airport Fund, the city believes that free parking attracts people from outside the region to fly in and out of Joplin, rather than using other area regional airports such as Springfield, Tulsa, or Northwest Arkansas. The city further believes the benefit of free parking outweighs the revenue gain from charging for parking.



City of Joplin
Management Advisory Report - State Auditor's Findings

12.3 *As noted, the city has been calculating the percent of annual general operating revenue from fines and court costs related to traffic violations and general ordinance violations. At 5 percent, the city is well below the 30 percent parameter of the State law when including both violations. By only including traffic violations, the city percentage will decrease, which is still well below the State requirement of 30 percent. However, the city understands that by computing the calculation using the sum of both violations, the city is not in complete compliance with State statute. The Finance Department will work with the municipal court to separate the collections of traffic violations from the collections of general ordinance violations in order to properly comply with the law.*

13. Internal Audit Function

During fiscal year 2014, the city had annual revenues and expenditures of approximately \$88 million each, and numerous cash collection points and compliance and policy requirements; however, the city does not have an internal audit function or similar alternative arrangements for audits of various processes. In addition, some recommendations made by the city's independent financial statement auditor for the year ended October 31, 2013, had not been implemented.

If utilized properly, the internal audit function can assist management in performing its duties more efficiently and effectively, and the savings could potentially exceed the cost. In addition, an internal audit function can enhance the city's annual external financial statement audit by providing valuable information to those auditors and ensuring the city has strong internal controls and accounting procedures in place. An effective internal audit function could have helped in discovering and/or resolving many of the accounting and procedural control weaknesses, and policy and compliance issues addressed in this report.

Recommendation

The City Council consider appointing an internal auditor or contracting with an independent audit firm to conduct audits of specific city operations and activities.

Auditee's Response

The city respects the State Auditor's comments in this section. The city will consider the ability to implement this recommendation given the financial constraints of the city. If the city is unable to implement this recommendation as outlined by the State Auditor, the city will strive to achieve the same outcome by other means within the current city staffing levels or on a contract basis.

City of Joplin

Organization and Statistical Information

The City of Joplin is located in Jasper and Newton Counties. The city was incorporated in 1873 and is currently a home rule-charter class city. The city employed 504 full-time employees and 133 part-time employees on October 31, 2014.

City operations include police and fire protection services, sewer service, low-income health care services, convention and tourism promotional activities, airport services, economic development, street maintenance, and recreational facilities (aquatic centers, golf course, and parks).

Mayor and Councilmembers The city government consists of a nine-member Council, elected at large for 4-year terms, with four members required to be residents of specific geographic zones. Every 2 years the Council selects one of its members to serve as mayor and another as mayor pro tem, who assumes mayoral responsibilities in the mayor's absence. Zone I covers North Joplin, Zone II covers West Joplin, Zone III covers the Center and East Joplin, and Zone IV covers South Joplin. The Councilmembers (including the mayor) are paid \$5 for each meeting attended, but not exceeding \$120 a year. The compensation of these officials is established by city charter. The Mayor and Councilmembers as of October 31, 2014, are listed below.

Michael Seibert, Mayor and Zone IV Councilmember
Morris Glaze, Mayor Pro Tem
Bill Searce, General Councilmember
Miranda Lewis, General Councilmember
Ryan Stanley, General Councilmember
Mike Woolston, General Councilmember
Gary Shaw, Zone I Councilmember
Melodee Colbert-Kean, Zone II Councilmember
Dr. Benjamin Rosenberg, Zone III Councilmember



City of Joplin
Organization and Statistical Information

Other Principal Officials

Name and Title	Compensation Paid for the Year Ended October 31, 2014
Samuel Anselm, Interim City Manager ¹	\$117,196
Peter Edwards, City Attorney ²	72,172
Barbara Hogelin, City Clerk ³	67,091
Department Directors⁴	
Leslie Haase, Finance	99,587
Mark Morris, Information Services	94,432
Daniel Pekarek, Health	93,712
Nicholas Heatherly, Public Works	92,551
Christopher Cotton, Parks and Recreation	92,137
David Allgood, Human Resources	90,585
Jason Burns, Police Chief ⁵	76,995
Troy Bolander, Planning and Community Development	75,080
Steve Stockam, Airport Manager	71,052
Jacque Gage, Library	65,619
Lynn Onstot, Public Information	64,770
James Furgerson, Interim Fire Chief ⁶	61,817
Patrick Tuttle, Convention and Visitor's Bureau	55,228
Leslie Simpson, Art Library	49,895
Sunny Goodwin, Public Safety Communications Manager	44,180

¹ Mark Rohr served as City Manager until he was terminated in February 2014. His compensation for the year ended October 31, 2014, was \$100,834 which includes longevity pay of \$717, a vehicle allowance of \$1,800, and a cell phone allowance of \$156. Samuel Anselm was the Assistant City Manager until he was appointed Interim City Manager in February 2014. He served in this capacity until his appointment as City Manager in November 2014. His compensation includes a vehicle allowance of \$5,400 and a cell phone allowance of \$624.

² Brian Head served as City Attorney until he resigned in May 2014. His compensation for the year ended October 31, 2014, was \$71,400 which includes longevity pay of \$1,185, a vehicle allowance of \$2,800, and a cell phone allowance of \$364. Peter Edwards was the Assistant City Attorney until he was appointed interim City Attorney in May 2014. He served in this capacity until appointment as City Attorney in August, 2014. His compensation includes longevity pay of \$1,484, a vehicle allowance of \$2,875, and a cell phone allowance of \$624.

³ Compensation includes longevity pay of \$1,783, a vehicle allowance of \$4,800, and a cell phone allowance of \$624.

⁴ Compensation includes, as applicable, longevity pay, vehicle allowances, cell phone allowances, and other stipends.

⁵ Lane Roberts served as Police Chief until he retired in March 2014. His compensation for the year ended October 31, 2014, was \$55,807. Jason Burns was promoted from Assistant Police Chief to Police Chief in March 2014.

⁶ Mitch Randles served as Fire Chief until he resigned in August 2014. His compensation for the year ended October 31, 2014, was \$80,552. James Furgerson was a Battalion Chief until May 2014 when he became Deputy Fire Chief. He was promoted to Interim Fire Chief in August 2014.



City of Joplin
Organization and Statistical Information

**Joplin Redevelopment
Corporation (JRC) members**

The JRC is comprised of 7 members, and those members as of October 31, 2014, are listed below.

Brad McIntyre
Fred Osborn
Phil Stinnett
Brian Shaw
Keith Grebe
Laurie Delano
Gary Duncan

**Citizens Advisory Recovery
Team (CART) members**

The CART was formed in June 2011 and comprised of 30 members. The 9 members in committee chair positions are listed below.

Chairperson: Jane Cage, Heartland Technology Solutions
Vice-Chairperson: Andy Martin, Walmart

Housing and Neighborhood Chairs:
Kim Cox, The Ozarks Gateway Association of Realtors
Matt Moran, Housing Authority of Joplin

Schools and Community Facilities Chairs:
Doug Doll, Arvest Bank
Jane Cage, Heartland Technology Solutions

Infrastructure and Environment Chairs:
Amanda Bilke, The Katie Bell Agency
Clifford Wert, US Bank

Economic Development Chairs:
Randy Moore, Eagle-Picher
Fred Osborn, Commerce Bank

**CART Implementation Task
Force (ITF) members**

The CART ITF was established in November 2011 and comprised of the 14 members listed below.

Jane Cage, CART ITF Chairperson
Kim Carr, CART Housing Co-Chair
Doug Doll, CART Schools and Community Facilities Co-Chair
Randy Moore, CART Economic Development Co-Chair
Clifford Wert, CART Infrastructure and Environment Co-Chair
Mark Rohr, Joplin City Manager
Trish Raney, City Council
Michael Seibert, City Council
C.J. Huff, Joplin Schools Superintendent
Anne Sharp, School Board
Jim Kimbrough, School Board
Rob O'Brian, Joplin Area Chamber of Commerce (JACC) President
Mike Wiggans, JACC Board Chair
Brad Beecher, JACC Board Member



City of Joplin
Organization and Statistical Information

Financial Activity

A summary of the city's financial activity for the year ended October 31, 2014, which was obtained from the City of Joplin Comprehensive Annual Financial Report; and, disaster recovery funding and expenditures from May 22, 2011 to April 30, 2015, which were obtained from city accounting records, follows:

City of Joplin, Missouri
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended October 31, 2014

Appendix A

	General	Parks/Storm Water Sales Tax	Transportation Sales Tax	Capital Improvement Sales Tax	Community Development Entitlement Grant	Joplin Redevelopment Corporation	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	\$ 18,925,559	\$ 3,121,537	\$ 8,186,453	\$ 4,697,046	\$ -	\$ -	\$ 3,591,108	\$ 38,521,703
Intergovernmental activity taxes	-	-	-	-	-	1,411,551	850,846	2,262,397
Intergovernmental	595,951	613,490	1,143,935	2,246,878	9,372,320	-	3,182,866	17,155,440
Licenses and permits	1,488,303	-	-	-	23,701	-	-	1,512,004
Charges for services	397,312	-	540,801	-	62,710	-	3,700,165	4,700,988
Fines and forfeitures	2,164,984	-	-	-	-	-	-	2,164,984
Interest	92,758	-	-	12,439	-	966	12,527	118,690
Other	253,669	-	20,157	-	-	3,855,926	27,424	4,157,176
Total Revenues	23,918,536	3,735,027	9,891,346	6,956,363	9,458,731	5,268,443	11,364,936	70,593,382
Expenditures:								
Current:								
General government	5,655,005	-	-	-	-	344,978	200,590	6,200,573
Public safety	22,418,295	-	-	-	-	-	-	22,418,295
Public works	3,124,033	-	-	5,268,033	-	-	92,068	8,484,134
Highway and streets	-	3,718,403	8,339,597	-	-	-	-	12,058,000
Environmental	-	-	-	-	-	-	2,632,027	2,632,027
Health services	-	-	-	-	-	-	3,988,302	3,988,302
Culture and recreation	616,497	365,526	-	-	-	-	5,335,537	6,317,560
Social services	-	-	-	-	9,603,573	-	12,264	9,615,837
Capital outlay	-	-	-	-	-	-	2,303,477	2,303,477
Debt service:								
Principal	-	-	-	-	-	-	2,236,822	2,236,822
Interest	-	-	-	-	-	1,253,985	191,670	1,445,655
Total expenditures	31,813,830	4,083,929	8,339,597	5,268,033	9,603,573	1,598,963	16,992,757	77,700,682
Excess of revenues over (under) expenditures	(7,895,294)	(348,902)	1,551,749	1,688,330	(144,842)	3,669,480	(5,627,821)	(7,107,300)
Other financing sources (uses):								
Transfers in	10,503,536	-	-	-	-	-	3,041,875	13,545,411
Transfers out	(2,755,000)	(100,310)	(1,894,770)	(7,638)	-	-	(277,836)	(5,035,554)
Insurance proceeds	41,590	-	47,652	-	-	-	30,741	119,983
Sale of capital assets	37,960	-	22,185	-	-	-	-	60,145
Total other financing sources (uses)	7,828,086	(100,310)	(1,824,933)	(7,638)	-	-	2,794,780	8,689,985
Net change in fund balances	(67,208)	(449,212)	(273,184)	1,680,692	(144,842)	3,669,480	(2,833,041)	1,582,685
Fund balances (deficit)	22,786,601	972,900	706,200	11,908,599	(1,263,552)	17,118,905	10,366,188	62,595,841
Fund Balances (deficit) - end of year	\$ 22,719,393	\$ 523,688	\$ 433,016	\$ 13,589,291	\$ (1,408,394)	\$ 20,788,385	\$ 7,533,147	\$ 64,178,526

Appendix B

City of Joplin, Missouri
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended October 31, 2014

	Airport	Sanitary Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 648,243	\$ 9,186,079	\$ 833,257	\$ 10,667,579	\$ 9,630,860
Total operating revenues	<u>648,243</u>	<u>9,186,079</u>	<u>833,257</u>	<u>10,667,579</u>	<u>9,630,860</u>
Operating expenses:					
Personnel services	415,126	2,006,073	360,265	2,781,464	1,292,410
Supplies	69,814	307,442	108,098	485,354	1,514,928
Contractual services	465,909	1,941,357	165,353	2,572,619	6,417,298
Depreciation and amortization	1,235,775	2,595,157	141,535	3,972,467	475,847
Total operating expenses	<u>2,186,624</u>	<u>6,850,029</u>	<u>775,251</u>	<u>9,811,904</u>	<u>9,700,483</u>
Operating income (loss)	<u>(1,538,381)</u>	<u>2,336,050</u>	<u>58,006</u>	<u>855,675</u>	<u>(69,623)</u>
Nonoperating revenues (expenses):					
Franchise fees	-	6,649,802	-	6,649,802	-
Insurance reimbursements and settlements	4,768	3,443	-	8,211	-
Interest income	-	149,843	9	149,852	3,056
Interest expense and fiscal charges	-	(455,490)	-	(455,490)	(25,245)
Other income	(6,089)	6,956	-	867	7,501
Total nonoperating revenues (expenses)	<u>(1,321)</u>	<u>6,354,554</u>	<u>9</u>	<u>6,353,242</u>	<u>(14,688)</u>
Income (loss) before contributions and transfers	<u>(1,539,702)</u>	<u>8,690,604</u>	<u>58,015</u>	<u>7,208,917</u>	<u>(84,311)</u>
Capital grants and contributions	3,566,858	1,214,318	-	4,781,176	-
Transfers in	650,000	-	-	650,000	-
Transfers out	<u>(124,260)</u>	<u>(8,601,747)</u>	<u>(293,479)</u>	<u>(9,019,486)</u>	<u>(140,371)</u>
Change in net position	<u>2,552,896</u>	<u>1,303,175</u>	<u>(235,464)</u>	<u>3,620,607</u>	<u>(224,682)</u>
Net position -beginning of year	<u>18,915,822</u>	<u>48,511,242</u>	<u>988,552</u>	<u>68,415,616</u>	<u>7,032,241</u>
Net position -end of year	<u>\$ 21,468,718</u>	<u>\$ 49,814,417</u>	<u>\$ 753,088</u>	<u>72,036,223</u>	<u>\$ 6,807,559</u>
Change in net position, enterprise funds				3,620,607	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>(14,204)</u>	
Change in net position				<u>\$ 3,606,403</u>	

Appendix C

City of Joplin

Summary of Disaster Recovery Funding and Expenditures

Period of May 22, 2011 to April 30, 2015

Grantor Agency/Projects	Federal CFDA Number	Completion Date of Project	A		B		C	D
			Estimated Project Amount	Amount Expended	Amount Received From FEMA		Amount of Insurance Proceeds Received	Balance Due from SEMA
FEDERAL EMERGENCY MANAGEMENT (FEMA)								
Small Projects -	97.036							
Temporary emergency sirens		5/30/2011	\$ 9,047	9,047	6,785		0	905
Temporary street signs		5/30/2011	3,765	108	2,823		0	377
Emergency sirens		6/30/2011	32,562	25,195	24,421		0	3,256
Sewer manhole covers		6/30/2011	5,838	3,029	4,385		0	584
Demolition of fire stations 2 and 4		6/30/2011	24,600	4,292	0		0	20,910 ¹
26th Street and Maiden Lane traffic signal		7/31/2011	14,683	14,055	0		0	12,481 ¹
Emergency operations center		7/31/2011	48,597	7,832	33,191		0	4,860
Police, Public Works, and Parks Department damaged vehicles		7/31/2011	57,151	759	42,863		0	5,715
Direct administrative costs-Emergency disaster response		8/30/2011	48,597	25,552	36,448		0	4,860
Uniforms-police and jail		8/31/2011	11,974	1,230	8,981		0	1,197
Uniforms-fire		8/31/2011	15,762	16,379	0		10,403	0 ³
Temporary debris signage		8/31/2011	10,299	0	7,724		0	1,030
Mohaska Park		9/30/2011	2,502	1,892	1,877		0	250
Humane society sheltering animals		10/31/2011	21,045	21,091	15,784		0	2,105
Temporary tires and other equipment		10/31/2011	24,291	17,080	13,807		0	2,429
Temporary costs of fire stations		11/30/2011	8,153	6,074	1,103		0	815
Repair cascade system/generator		12/31/2011	3,371	0	0		0	2,865 ¹
Police south station		1/31/2012	1,876	4,595	1,407		12,711	188
Senior citizens center grounds		2/28/2012	14,735	7,747	11,052		0	1,474
Lost or damaged barricades/cones		4/30/2012	2,654	2,118	1,991		0	265
Fire hydrants		5/31/2012	50,680	23,267	38,010		0	5,068
Parr Hill Park bathroom		5/31/2012	24,695	199	18,521		0	2,470
Permanent tires and other equipment		6/30/2012	38,833	0	29,125		0	3,883
Radio antenna communication device		8/30/2012	12,360	13,845	9,270		21,358	1,236
Air quality monitoring		8/31/2012	10,067	3,062	7,550		0	1,007
Portable toilets		8/31/2012	29,597	31,867	22,198		0	2,960
Cunningham Park bathroom contents		10/31/2012	1,372	0	1,029		0	137
Cunningham pool house contents		10/31/2012	5,983	0	0		4,487	0 ³
Catch basin debris cleaning		10/31/2012	16,025	0	12,019		0	1,603

Appendix C

City of Joplin

Summary of Disaster Recovery Funding and Expenditures

Period of May 22, 2011 to April 30, 2015

Grantor Agency/Projects	Federal CFDA Number	Completion Date of Project	Estimated Project Amount	Amount Expended	Amount Received From FEMA	Amount of Insurance Proceeds Received	Balance Due from SEMA
Garvin Park		11/30/2012	21,898	33,318	15,925	640	2,190
Trolley stops		1/31/2013	56,561	42,185	42,421	0	5,656
School flashers		In progress	21,946	0	16,459	0	2,195
Ewert Park		⁴	5,559	0	4,169	5,000	556 ²
Totals			\$ 657,078	315,818	431,338	54,599	95,524

^A The city receives 85% of the project worksheet regardless of the amount spent.

^B Amounts equals 75% of project worksheet amount.

^C Insurance is applied to line items per the city's records.

^D Amount equals 10% of project worksheet amount.

¹ The city has not received any funding and the balance reflects the 85% of the project worksheet.

² The city is not replacing the damaged lights in Ewert Park.

³ Amount due is \$0 since the city is receiving insurance.

⁴ The city is not replacing the damaged lights in Ewert Park.

Appendix C

City of Joplin

Summary of Disaster Recovery Funding and Expenditures

Period of May 22, 2011 to April 30, 2015

Grantor Agency/Projects	Federal CFDA Number	Completion Date of Project	Estimated Project Amount	A Amount Expended	B Amount of Federal Funds Received	C Amount of Insurance Proceeds Received	D Balance Due from FEMA/SEMA
FEMA							
Large Projects -	97.036						
Mutual aid assistance		6/30/2011	\$ 1,516,369	2,013,077	0	0	1,711,115
Debris removal-outside expedited debris removal area		8/7/2011	95,429	15,665	0	0	13,315 ⁵
Debris removal-inside expedited debris removal area		8/7/2011	374,101	23,709	0	0	23,709 ^{3,5}
Emergency protective measures-fire		10/31/2011	778,137	383,303	0	0	325,808 ⁵
Emergency protective measures-police		10/31/2011	624,864	25,490	0	0	21,667 ⁵
Temporary fire trucks-emergency protective measures		1/31/2012	614,639	614,499	0	0	522,324
Senior citizens center building		3/30/2012	89,358	97,609	1,106	123,158	0 ¹⁰
Volunteer assistance		6/30/2012	71,986	73,640	0	0	62,594
American Society for the Prevention of Cruelty to Animals- sheltering animals		9/30/2012	350,650	350,650	0	0	298,053
Cunningham Park bathroom		10/31/2012	170,813	97,642	0	134,400	0 ¹
Cunningham Park pool house		10/31/2012	93,656	77	0	0	0
Debris removal-final cleanup		10/31/2012	1,002,211	1,216,358	0	0	1,033,904 ⁵
Sewers		10/31/2012	1	349	1	0	0 ⁶
Remote television camera inspection of sewer lines		10/31/2012	308,700	1,012,330	0	0	860,481 ⁶
Temporary repairs of sewer lines		10/31/2012	125,000	0	0	0	0 ⁶
Parr Hill Park		3/31/2013	100,258	51,503	0	0	43,778
Transitional housing unit site-firefighters		4/30/2013	245,115	371,856	0	0	316,078
Transitional housing unit site-fire truck		4/30/2013	110,000	110,000	0	0	93,500
Fire trucks		5/31/2013	439,785	1,348,631	0	40,312	1,112,071 ⁸
Street signs, poles, and sockets		6/30/2013	142,923	136,215	64,748	50,000	18,247 ^{4,8,9}
Permanent traffic signals		6/30/2013	722,559	763,577	678,610	50,000	0 ⁹
Cunningham Park		6/30/2013	894,777	793,225	0	680,338	0 ¹
Street lights		6/30/2013	96,697	994	0	50,000	845 ⁴
Demolition		6/30/2013	107,500	3,880	0	0	3,298
Fire station 2 contents		6/30/2013	70,356	22,711	0	47,667	0
Fire station 4 contents		6/30/2013	173,282	13,949	0	115,565	0
Fire station 2		6/30/2013	864,865	877,677	0	734,499	0 ⁷
Fire station 4		6/30/2013	823,730	708,926	0	672,125	0 ⁷
Fire station 2 grounds		10/31/2013	102,296	0	0	0	86,952 ⁷

Appendix C

City of Joplin

Summary of Disaster Recovery Funding and Expenditures

Period of May 22, 2011 to April 30, 2015

Grantor Agency/Projects	Federal CFDA Number	Completion Date of Project	Estimated Project Amount	Amount Expended	Amount of Federal Funds Received	Amount of Insurance Proceeds Received	Balance Due from FEMA/SEMA
Broken and damaged catch basins		In progress	101,441	0	45,175	0	0 ^{2, 11}
Sidewalks		In progress	117,897	0	0	0	0 ²
Curbs		In progress	158,278	0	0	0	0 ²
Streets and alleys		In progress	2,579,647	12,553	0	0	10,670 ²
Retaining walls		In progress	132,410	0	0	0	0 ²
Totals			\$ 14,199,730	11,140,095	789,640	2,698,064	6,558,407

^A The city receives 85% of the amount expended.

^B Received from FEMA and Federal Highway Administration (FHWA).

^C Insurance is applied to line items per the city's records.

^D Amount equals 85% of amount expended.

¹ These projects will not receive funding from FEMA because it is covered by insurance. The city will receive more money when they submit all documentation to insurance for actual costs reimbursement.

² Projects are pending.

³ Percentage of reimbursement is 100% (90% FEMA and 10% SEMA).

⁴ The street lamps project was completed with the street signs project and total costs were charged to the signs project and need to be broken out for internal purposes but does not impact total amount due.

⁵ Amounts expended are not complete because labor and equipment have not been added to each project.

⁶ All sewer projects were completed by one contractor. Total amount expended has been included on one project, but needs to be broken out appropriately for the three projects for internal purposes.

⁷ Amount expended for grounds was included in the fire station totals but has not been broken out.

⁸ Balance due equals amount expended less amount received less insurance received.

⁹ Amounts received from FHWA.

¹⁰ Amount received from FEMA. This project was covered by insurance but FEMA still disbursed \$1,106.

¹¹ This project has not begun and the city has received funding from FEMA. Finance Director believes FEMA applied insurance to the project and lowered the estimated amount to make the project a small project and paid a percentage of the small project.

Appendix C

City of Joplin

Summary of Disaster Recovery Funding and Expenditures

Period of May 22, 2011 to April 30, 2015

Period of May 22, 2011 to April 30, 2015

Grantor Agency/Program Title/Projects	Federal CFDA Number	Completion Date	Award Amount	Amount Expended	Amount of Federal Funds Received	Amount of	A
						Insurance Proceeds Received	Remaining Project Amount
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)							
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)							
CDBG Disaster Recovery I -	14.218						
Sidewalks		In progress	\$ 2,500,000	0	0	0	2,500,000
Trail construction		In progress	2,000,000	198,325	198,325	0	1,801,675
Tree planting		In progress	2,000,000	0	0	0	2,000,000
Performing and visual arts center and depot		In progress	5,390,000	0	0	0	5,390,000
Single family assistance		In progress	12,750,000	8,863,102	8,119,893	0	3,886,898
Multi-family residential		In progress	9,000,000	188	188	0	8,999,812
Single family rehabilitation		In progress	1,500,000	85,402	38,113	0	1,414,598
Land acquisition/assemblage		In progress	7,440,000	0	0	0	7,440,000
FEMA transitional housing unit relocation		In progress	60,000	11,800	11,800	0	48,200
Housing authority tenant rental		In progress	290,000	65,960	65,960	0	224,040
Housing authority site repair		In progress	210,000	128	0	0	209,872
City of Joplin administrative costs		In progress	452,667	284,706	281,950	0	167,961
Consultant administrative costs		In progress	1,674,042	1,700,779	1,700,779	0	(26,737)
Totals			45,266,709	11,210,390	10,417,008	0	34,056,319
CDBG Disaster Recovery II -							
	14.218						
Sanitary Sewer-Design & Construction		In progress	9,001,333	1,174,037	857,253	0	7,827,296
Mercy Public Park		In progress	3,200,000	67	0	0	3,199,933
Crosslines Community Facility		In progress	555,000	56,307	233	0	498,693
Early Childhood Center		In progress	5,000,000	0	0	0	5,000,000
Planning & Design-Infrastructure		In progress	10,862,400	1,910,914	1,636,924	0	8,951,486
Mental Health		In progress	331,397	329,230	276,154	0	2,167
City of Joplin administrative costs		In progress	605,951	79,951	66,028	0	526,000
Consultant administrative costs		In progress	831,805	684,097	537,313	0	147,708
Planning		In progress	2,028,000	292,493	0	0	1,735,507
Undesignated Funding		In progress	80,860,114	0	0	0	80,860,114
Totals			113,276,000	4,527,096	3,373,905	0	108,748,904

Appendix C

City of Joplin

Summary of Disaster Recovery Funding and Expenditures

Period of May 22, 2011 to April 30, 2015

Grantor Agency/Program Title/Projects	Federal CFDA Number	Completion Date	Award Amount	Amount Expended	Amount of Federal Funds Received	Amount of Insurance Proceeds Received	Remaining Project Amount
DEPARTMENT OF ECONOMIC DEVELOPMENT (DED)							
CDBG-Concrete Removal	14.228	In progress	4,000,000	2,662,626	0	0	1,337,374 ¹
ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)							
Library Construction Grant	11.307	In progress	20,000,000	1,169,330	0	0	18,830,670
Disaster Recovery Coordinator Salary- Recovery Grant	11.307	10/31/2014	253,232	231,883	231,883	0	0
DEPARTMENT OF TRANSPORTATION							
Transportation Investment Generating Economic Recovery (TIGER)							
Grant -	20.933						
Schifferdecker		In progress	1,558,148	2,153,765	2,134,278	0	(595,617)
Maiden Lane		In progress	4,346,085	1,691,422	724,540	0	2,654,663
26th street		In progress	2,069,375	2,765,257	2,721,138	0	(695,882)
20th street overpass		In progress	3,770,200	1,386,109	0	0	2,384,091
20th street transit		In progress	256,192	619,841	295,701	0	(363,649)
Totals			12,000,000	8,616,394	5,875,657	0	3,383,606
ENVIRONMENTAL PROTECTION AGENCY (EPA)							
Lead Remediation Grant	66.802	In progress	8,500,000	5,726,079	5,542,992	0	2,773,921
FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)							
Flood Plain Buyout	97.039	In progress	140,321	84,447	0	0	55,874
STATE OF MISSOURI							
Budgetary Allocation -							
Stormwater system		In progress	608,260	391,652	383,515	0	216,608
Stormwater repairs		In progress	473,000	122,478	122,478	0	350,522
West of Arizona and North of 32nd street		In progress	2,081,498	533,024	345,924	0	1,548,474
Michigan and Kansas street		In progress	1,041,955	208,473	206,033	0	833,482
15th and Highview street		In progress	712,149	393,681	127,182	0	318,468
24th and Patterson streets		In progress	230,660	145,633	145,370	0	85,027
Even to Country Club streets		In progress	351,250	116,636	65,887	0	234,614

Appendix C

City of Joplin

Summary of Disaster Recovery Funding and Expenditures

Period of May 22, 2011 to April 30, 2015

Grantor Agency/Program Title/Projects	Federal CFDA Number	Completion Date	Award Amount	Amount Expended	Amount of Federal Funds Received	Amount of Insurance Proceeds Received	Remaining Project Amount
Pennsylvania and Virginia streets		In progress	1,096,700	364,005	188,002	0	732,695
Northeast side of Murphy Boulevard		In progress	804,074	801,928	801,928	0	2,146
Sewer system repairs		In progress	2,556,865	1,414,230	1,128,022	0	1,142,635
Sidewalks, curbs, streets		In progress	292,000	292,000	292,000	0	0
Sidewalk, curb, and street repair		In progress	3,466,624	634,203	376,458	0	2,832,421
Sewer system inspection		In progress	284,965	138,395	138,395	0	146,570
Totals			\$ 14,000,000	5,556,338	4,321,194	0	8,443,662

^A Remaining amount is award amount less amount expended.

¹ In June 2015, the DED reclassified the CDBG from concrete removal to disaster recovery. During the reclassification, the award amount was reduced to \$2,762,626.



Nicole R. Galloway, CPA
Missouri State Auditor

Economic Development

Office of the Public Counsel



August 2015

Report No. 2015-061

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of the Public Counsel

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions and no significant deficiencies in management practices and procedures. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Office of the Public Counsel

Table of Contents

State Auditor's Report	2
------------------------	---

Organization and Statistical Information	4
------------------------------------------	---

Appendixes

A	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2015.....	5
B	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2015.....	6



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Mike Downing, Director
Department of Economic Development
and
Dustin Allison, Acting Public Counsel
Office of the Public Counsel
Jefferson City, Missouri

We have audited certain operations of the Office of the Public Counsel in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015, and 2014. The objectives of our audit were to:

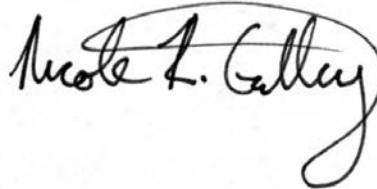
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Office of the Public Counsel.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Robert McArthur II
Audit Staff:	Steven Barton

Office of the Public Counsel

Organization and Statistical Information

The Office of the Public Counsel was established in July 1974 as a result of the provisions of the Omnibus State Reorganization Act of 1974. This act transferred the powers and responsibilities of the General Counsel to the Missouri Public Service Commission, to the Office of the Public Counsel. Chapter 386, RSMo, was amended in 1977 to explicitly define the duties and responsibilities of the Public Counsel. The Office of the Public Counsel is assigned to the Department of Economic Development (DED) and the Public Counsel is appointed by the Director of the DED.

The Office of the Public Counsel is charged with the responsibility of representing the public before the Missouri Public Service Commission. In addition to participating in rate increase cases, the Public Counsel has been involved in complaints dealing with rate reductions and cases dealing with rate design, utility mergers and acquisitions, generation capacity planning, rulemaking, and consumer complaints. The Public Counsel can appeal the decisions of the Missouri Public Service Commission to the courts of Missouri.

The Public Counsel, pursuant to Section 523.277, RSMo, appoints an ombudsman for property rights. The property rights ombudsman assists citizens by providing guidance to individuals seeking information regarding the condemnation process and procedures. The ombudsman documents the use of eminent domain within the state and submits an annual report to the General Assembly. The Public Counsel consolidated the duties of the property rights ombudsman and the Chief Deputy Public Counsel as of August 2014.

Funding for the Office of the Public Counsel is provided by the General Assembly through an appropriation to the DED from the Public Service Commission Fund. Operating costs of the Office of the Public Counsel are included in the regulatory assessments imposed upon the regulated utilities by the Public Service Commission. Those utilities recover the regulatory assessment costs from their customers through the utility rate structure.

Lewis R. Mills served as Public Counsel from May 5, 2005 until May 1, 2014. Dustin Allison was appointed as Acting Public Counsel effective May 1, 2014 and continues to serve in that capacity.

The Office of the Public Counsel at June 30, 2015, consisted of 12 full-time and 2 part-time/seasonal staff members. Besides the Public Counsel, there were 3 attorneys, 4 accountants, 2 economists, 2 administrative staff, a part-time senior analyst and a summer intern. The Office of the Public Counsel reported participating in over 20 rate cases and approximately 260 non-rate cases for the year ended June 30, 2015.

Appendix A

Department of Economic Development
Office of the Public Counsel
Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,					
		2015			2014		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
PUBLIC SERVICE COMMISSION FUND							
Personal Service	\$	753,858	647,951	105,907	611,612	611,548	64
Expense and Equipment		258,199	227,619	30,580	94,171	94,071	100
Total Public Service Commission Fund	\$	1,012,057	875,570	136,487	705,783	705,619	164

Appendix B

Department of Economic Development
Office of the Public Counsel
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2015	2014	2013	2012	2011
Salaries and wages	\$ 647,951	611,548	582,393	566,947	561,151
Travel, in-state	4,691	4,535	4,811	6,092	2,800
Travel, out-of-state	9,473	7,646	9,370	2,966	68
Supplies	13,282	7,960	12,908	11,435	12,368
Professional development	10,820	9,777	8,099	8,454	8,600
Communication services and supplies	6,412	7,274	7,045	7,481	12,935
Professional services	174,050	54,415	54,297	71,673	69,219
Maintenance and repair services	3,802	787	688	595	1,496
Office equipment	2,320	0	286	0	0
Other equipment	2,637	1,652	9,930	0	0
Property and improvements	0	0	0	965	0
Miscellaneous	132	25	24	28	47
Total Expenditures	\$ <u>875,570</u>	<u>705,619</u>	<u>689,851</u>	<u>676,636</u>	<u>668,684</u>



Nicole R. Galloway, CPA
Missouri State Auditor

1225 Washington Transportation Development District



August 2015

Report No. 2015-062

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the 1225 Washington Transportation Development District

Budgets

The budgets for the years ended June 30, 2014, 2013, and 2012, did not include actual or estimated receipts or disbursements for the preceding year, as required by state law. In addition, the budgets for the years ended June 30, 2013 and 2012 showed an estimated beginning cash balance of \$0, which significantly differed from the actual ending cash balances totaling \$49,371 and \$38,343 for the previous years, and did not present a clear picture of the Transportation Development District's finances.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

1225 Washington Transportation Development District

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Budgets.....4
-------------------------------------------------------------	------------------

Organization and Statistical Information	5
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NICOLE R. GALLOWAY, CPA

Missouri State Auditor

Timothy McGowan, Executive Director
and
Board of Directors
1225 Washington Transportation Development District
St. Louis, Missouri

We have audited certain operations of the 1225 Washington Transportation Development District in fulfillment of our duties under Section 238.272, RSMo. The scope of our audit included, but was not necessarily limited to, the 3 years ended June 30, 2014. The objectives of our audit were to:

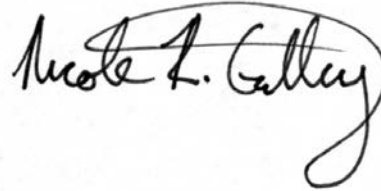
1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the 1225 Washington Transportation Development District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Wayne Kauffman, MBA

1225 Washington Transportation Development District

Management Advisory Report

State Auditor's Findings

1. Budgets

Budgets adopted by the Transportation Development District (TDD) Board do not contain certain elements required by state law.

The budgets for the years ended June 30, 2014, 2013, and 2012, did not include actual or estimated receipts and disbursements for the most recent preceding year, as required by state law. Since that fiscal year had not been completed at the time budgets were prepared, rather than estimating these amounts for the budgets, district officials included a footnote indicating these amounts were not available. In addition, the budgets for the years ended June 30, 2013 and 2012 showed an estimated beginning cash balance of \$0, which significantly differed from the actual ending cash balances totaling \$49,371 and \$38,343 for the previous years, and did not present a clear picture of the TDD's finances. This problem was due, at least partially, to the lack of preceding year financial information in the budgets.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. The budget is to include a comparative statement of actual or estimated receipts and disbursements for the 2 preceding years. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool.

Recommendation

The TDD Board ensure budgets contain all information required by state law.

Auditee's Response

We agree and will report estimated actual figures going forward.

1225 Washington Transportation Development District

Organization and Statistical Information

The 1225 Washington Transportation Development District (TDD) is located in the City of St. Louis. The TDD was organized in October 2009 by petition of the property owners within the proposed TDD. The members of the Board of Directors of the district are elected by the property owners and include five members representing the property owners.

In October 2009, the qualified voters of the TDD, in this case the property owners, approved the imposition of a sales tax of up to 1-cent (1 percent) on all taxable transactions within the boundaries of the district. The Board of Directors subsequently passed a resolution that set the sales tax rate at 1-cent (1 percent), effective June 1, 2010, for 40 years, unless terminated sooner. The retail establishments within the district are required to collect and remit the sales tax to the Missouri Department of Revenue (DOR). In turn, the DOR distributes the sales tax monies to the district.

The TDD was formed for the purpose of acquiring, constructing, reconstructing, and repairing of a parking lot or garage and other related improvements; construction of public access areas to the district; construction, reconstruction, relocation, installation, and repair of streets, roads and signing; acquisition of right-of-way or easement rights necessary for any or all of the transportation project improvements; and other improvements located within or adjacent to the parking lot or garage right-of-way or street and roads including trees, lighting, landscaping and/or other decorative features. The City of St. Louis is the public entity with jurisdiction over these projects. The parking lot had already been constructed at the time the TDD was formed and no additional work has been performed on the project.

The TDD has a fiscal year end of June 30, and did not have independent audits performed for the 3 years ended June 30, 2014.

District Board

An elected board acts as the policy-making body for the district's operations. The board's five members, all of which are representatives of the property owners, serve 3-year terms without compensation. Members of the board at June 30, 2014, were:

Timothy McGowan, Executive Director
Sean McGowan, Treasurer
Seamus McGowan, Secretary
William McGowan, Member
Jamie Fite, Member

Financial Activity

On April 1, 2010, the TDD leased 100 spaces for public parking in a parking lot owned by the developer in return for all of the TDD's revenues, less payments to associated Tax Increment Financing (TIF) districts and



1225 Washington Transportation Development District Organization and Statistical Information

payments for the administrative costs of the district. The lease is for a period of 23 years or until the debt of the TIF districts has been repaid.

A summary of the district's financial activity for the 3 years ended June 30, 2014, follows:

	Year Ended June 30,		
	2014	2013	2012
RECEIPTS			
Sales taxes	\$ 78,837	88,401	105,083
Total Receipts	78,837	88,401	105,083
DISBURSEMENTS			
Professional fees	5,591	0	0
Administrative	277	30	30
Transportation project costs	59,644	69,446	64,515
Tax increment financing	25,469	25,158	29,510
Total Disbursements	90,981	94,634	94,055
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,144)	(6,233)	11,028
BEGINNING CASH	43,138	49,371	38,343
ENDING CASH	\$ 30,994	43,138	49,371



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stone County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Stone County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

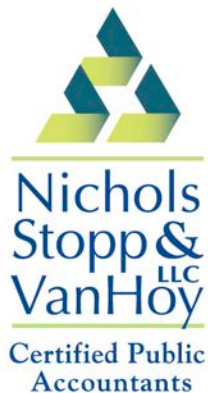
August 2015
Report No. 2015-063

**The County of Stone
Galena, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2014 & 2013**



**The County of Stone
Galena, Missouri
Table of Contents**

<u>Financial Section</u>	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2014.....	3
For the year ended December 31, 2013.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2014 and 2013.....	5
Notes to the Financial Statements.....	24
<u>Federal Compliance Section</u>	
Report on Internal Control over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	35
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	37
Schedule of Expenditures of Federal Awards.....	39
Notes to the Schedule of Expenditures of Federal Awards.....	40
Schedule of Findings and Questioned Costs.....	41
Schedule of Prior Year Audit Findings.....	44



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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Stone County, Missouri

We have audited the accompanying financial statements of Stone County, Missouri, as of and for the years ended December 31, 2014 and 2013, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Stone County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Stone County, Missouri, as of December 31, 2014 and 2013, or the changes in its financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Stone County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stone County, Missouri’s basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2015, on our consideration of Stone County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stone County, Missouri’s internal control over financial reporting and compliance.

Nichols, Stopp, & VanHoy, LLC

Creve Coeur, Missouri
July 8, 2015

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2014

<u>Fund</u>	Cash and Equivalents January 1, 2014	Receipts 2014	Disbursements 2014	Cash and Equivalents December 31, 2014
General Revenue	\$ 1,177,209	\$ 6,709,867	\$ 7,010,703	\$ 876,373
Special Road and Bridge	861,812	4,033,070	4,165,513	729,369
Road and Bridge Reserve	500,000	-	-	500,000
Road and Bridge Capital Improvement	10,242	75,156	20,000	65,398
Special Road Projects	3,859	9,703	12,487	1,075
Flood Control	-	683,755	683,755	-
National Forest	(1)	33,310	33,309	-
Assessment	211,412	530,463	571,727	170,148
Law Enforcement Restitution	31,412	31,449	34,310	28,551
Election Grant	8,672	18,136	287	26,521
Law Enforcement Grant	(4,390)	33,198	26,762	2,046
Capital Improvement	4	66,381	66,381	4
Emergency	1,336,404	2,956	300,000	1,039,360
Law Enforcement Training	703	4,538	5,870	(629)
Prosecuting Attorney Training	1,199	717	1,594	322
Local Emergency Planning Committee	12,856	6,862	2,903	16,815
Insurance Claims Proceeds	39,288	40,803	63,824	16,267
Children's Trust	765	790	815	740
Abuse Victims	4,050	4,223	4,270	4,003
Inmate Security	15,428	51,987	42,077	25,338
Special Recorder	239,567	116,000	174,996	180,571
Special Recorder Capital Improvement	-	100,000	-	100,000
Sheriff's Revolving	23,637	37,498	38,190	22,945
Election Services	21,185	7,453	7,524	21,114
Senior Citizens Service Board	150,654	263,264	280,996	132,922
Prosecuting Attorney Delinquent Tax	20,887	2,705	11,949	11,643
Drug Abuse Resistance Education	12,070	14,703	15,023	11,750
Jail Prisoner Transport	-	26,421	11,538	14,883
Reserve	-	300,856	-	300,856
Law Enforcement Civil Fees	4,957	68,908	64,492	9,373
Prosecuting Attorney Bad Check	1,577	10,151	4,915	6,813
Collector's Tax Maintenance	1,784	55,156	56,735	205
Tax Maintenance Archive	67,360	-	-	67,360
Federal Seized and Forfeiture	424	1	-	425
Total	\$ 4,755,026	\$ 13,340,480	\$ 13,712,945	\$ 4,382,561

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2013

<u>Fund</u>	Cash and Equivalents January 1, 2013 (restated)	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue	\$ 1,337,676	\$ 6,611,840	\$ 6,772,307	\$ 1,177,209
Special Road and Bridge	660,156	3,896,963	3,695,307	861,812
Road and Bridge Reserve	500,000	-	-	500,000
Road and Bridge Capital Improvement	10,173	69	-	10,242
Special Road Projects	1,179	5,276	2,596	3,859
Flood Control	-	748,608	748,608	-
National Forest	(1)	42,024	42,024	(1)
Assessment	205,476	530,060	524,124	211,412
Law Enforcement Restitution	17,959	28,812	15,359	31,412
Election Grant	3,623	21,668	16,619	8,672
Law Enforcement Grant	388	10,277	15,055	(4,390)
Capital Improvement	4,806	8	4,810	4
Emergency	1,027,392	309,012	-	1,336,404
Law Enforcement Training	7,157	3,709	10,163	703
Prosecuting Attorney Training	647	667	115	1,199
Local Emergency Planning Committee	15,783	-	2,927	12,856
Insurance Claims Proceeds	42,441	48,251	51,404	39,288
Children's Trust	435	830	500	765
Abuse Victims	4,338	4,403	4,691	4,050
Inmate Security	1,956	17,293	3,821	15,428
Special Recorder	272,249	110,811	143,493	239,567
Special Recorder Capital Improvement	-	-	-	-
Sheriff's Revolving	7,101	45,607	29,071	23,637
Election Services	20,716	5,487	5,018	21,185
Senior Citizens Service Board	208,492	256,789	314,627	150,654
Prosecuting Attorney Delinquent Tax	17,990	2,977	80	20,887
Drug Abuse Resistance Education	3,532	21,430	12,892	12,070
Jail Prisoner Transport	-	-	-	-
Reserve	-	-	-	-
Law Enforcement Civil Fees	235	53,192	48,470	4,957
Prosecuting Attorney Bad Check	4,316	11,985	14,724	1,577
Collector's Tax Maintenance	578	51,091	49,885	1,784
Tax Maintenance Archive	58,110	14,000	4,750	67,360
Federal Seized and Forfeiture	421	3	-	424
Total	\$ 4,435,324	\$ 12,853,142	\$ 12,533,440	\$ 4,755,026

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	General Revenue Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 720,540	\$ 729,722	\$ 720,540	\$ 667,201
Sales Taxes	4,096,824	4,294,745	3,912,925	4,291,308
Intergovernmental	297,612	310,128	267,248	281,329
Charges for Services	1,139,800	1,042,469	1,003,100	1,004,363
Interest	5,000	4,962	20,000	13,184
Other Receipts	302,740	325,001	310,240	354,455
Transfers In	-	2,840	-	-
Total Receipts	<u>\$ 6,562,516</u>	<u>\$ 6,709,867</u>	<u>\$ 6,234,053</u>	<u>\$ 6,611,840</u>
<u>Disbursements</u>				
General County Government:				
County Commission	\$ 215,084	\$ 211,146	\$ 214,144	\$ 212,590
County Clerk	154,120	151,194	152,160	149,741
Elections	250,620	198,745	184,140	138,948
Buildings and Grounds	325,320	315,363	262,600	273,460
Employee Fringe Benefits	922,049	841,347	852,403	846,965
County Treasurer	95,240	92,825	91,050	89,639
County Collector	276,257	277,409	267,256	271,278
Recorder of Deeds	171,980	167,993	170,700	164,300
Circuit Clerk	83,860	77,516	78,380	74,179
Court Administration	134,874	86,468	139,200	85,217
Public Administrator	64,075	62,188	64,675	61,231
Public Safety:				
Sheriff	1,665,254	1,659,806	1,630,575	1,650,734
Jail	703,710	701,024	705,433	695,849
Prosecuting Attorney	490,879	474,041	472,622	455,832
Juvenile Officer	118,508	96,108	112,006	96,841
County Coroner	41,121	41,776	36,171	40,648
Other:				
Emergency Management	19,850	19,029	19,750	18,634
Janitorial	88,620	83,480	122,940	117,455
Planning and Zoning	191,507	183,228	178,315	171,983
Debt Service	266,000	267,650	234,200	264,170
Other Disbursements	840,327	727,877	497,480	467,916
Transfers Out	275,855	274,490	484,697	424,697
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 7,395,110</u>	<u>\$ 7,010,703</u>	<u>\$ 6,970,897</u>	<u>\$ 6,772,307</u>
Receipts Over (Under)				
Disbursements	\$ (832,594)	\$ (300,836)	\$ (736,844)	\$ (160,467)
Cash and Equivalents, Jan 1	<u>1,177,209</u>	<u>1,177,209</u>	<u>1,337,676</u>	<u>1,337,676</u>
Cash and Equivalents, Dec 31	<u>\$ 344,615</u>	<u>\$ 876,373</u>	<u>\$ 600,832</u>	<u>\$ 1,177,209</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Road and Bridge Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 6,500	\$ 6,763	\$ 5,490	\$ 7,506
Sales Taxes	1,952,687	2,089,667	1,855,945	1,952,686
Intergovernmental	1,212,000	1,293,098	1,182,000	1,249,674
Charges for Services	-	-	-	-
Interest	14,000	4,454	14,000	12,649
Other Receipts	7,000	4,275	1,000	11,463
Transfers In	689,352	634,813	664,352	662,985
Total Receipts	<u>\$ 3,881,539</u>	<u>\$ 4,033,070</u>	<u>\$ 3,722,787</u>	<u>\$ 3,896,963</u>
<u>Disbursements</u>				
Salaries	\$ 1,133,600	\$ 1,090,424	\$ 1,114,880	\$ 1,093,577
Employee Fringe Benefits	352,589	329,084	341,225	330,996
Supplies	366,500	369,425	378,500	346,150
Insurance	68,000	66,703	66,602	67,135
Road and Bridge Materials	1,748,000	1,649,635	1,680,000	1,532,826
Equipment Repairs	217,500	226,472	236,312	179,956
Rentals	2,000	752	2,500	148
Equipment Purchases	300,000	277,411	90,000	30,681
Other Expenditures	163,460	155,607	137,350	113,838
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 4,351,649</u>	<u>\$ 4,165,513</u>	<u>\$ 4,047,369</u>	<u>\$ 3,695,307</u>
Receipts Over (Under)				
Disbursements	\$ (470,110)	\$ (132,443)	\$ (324,582)	\$ 201,656
Cash and Equivalents, Jan 1	<u>861,812</u>	<u>861,812</u>	<u>660,156</u>	<u>660,156</u>
Cash and Equivalents, Dec 31	<u><u>\$ 391,702</u></u>	<u><u>\$ 729,369</u></u>	<u><u>\$ 335,574</u></u>	<u><u>\$ 861,812</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Road and Bridge Reserve Fund				Road and Bridge Capital Improvement Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	65	156	25	69
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	75,000	75,000	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,065</u>	<u>\$ 75,156</u>	<u>\$ 25</u>	<u>\$ 69</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	500,000	-	500,000	-	85,000	20,000	10,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 20,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (500,000)	\$ -	\$ (500,000)	\$ -	\$ (9,935)	\$ 55,156	\$ (9,975)	\$ 69
Cash and Equivalents, Jan 1	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>10,242</u>	<u>10,242</u>	<u>10,173</u>	<u>10,173</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 307</u>	<u>\$ 65,398</u>	<u>\$ 198</u>	<u>\$ 10,242</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Road Projects Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	5,000	9,703	3,000	5,276
Transfers In	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ 9,703</u>	<u>\$ 3,000</u>	<u>\$ 5,276</u>
 <u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	8,858	12,487	4,000	2,596
Services	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 8,858</u>	<u>\$ 12,487</u>	<u>\$ 4,000</u>	<u>\$ 2,596</u>
 Receipts Over (Under)				
Disbursements	\$ (3,858)	\$ (2,784)	\$ (1,000)	\$ 2,680
 Cash and Equivalents, Jan 1	<u>3,859</u>	<u>3,859</u>	<u>1,179</u>	<u>1,179</u>
Cash and Equivalents, Dec 31	<u><u>\$ 1</u></u>	<u><u>\$ 1,075</u></u>	<u><u>\$ 179</u></u>	<u><u>\$ 3,859</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Flood Control Fund				National Forest Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	683,755	-	748,608	-	33,310	-	42,024
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 683,755	\$ -	\$ 748,608	\$ -	\$ 33,310	\$ -	\$ 42,024
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	132,269	-	146,129	-	24,982	-	31,518
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	551,486	-	602,479	-	8,327	-	10,506
Total Disbursements	\$ -	\$ 683,755	\$ -	\$ 748,608	\$ -	\$ 33,309	\$ -	\$ 42,024
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -
Cash and Equivalents, Jan 1	-	-	-	-	(1)	(1)	(1)	(1)
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Assessment Fund				Law Enforcement Restitution Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	451,545	470,651	440,706	451,581	-	-	-	-
Charges for Services	-	-	-	-	30,000	31,449	27,000	28,812
Interest	2,000	691	2,000	2,002	-	-	-	-
Other Receipts	1,000	1,012	1,300	1,780	-	-	100	-
Transfers In	58,109	58,109	134,697	74,697	-	-	-	-
Total Receipts	<u>\$ 512,654</u>	<u>\$ 530,463</u>	<u>\$ 578,703</u>	<u>\$ 530,060</u>	<u>\$ 30,000</u>	<u>\$ 31,449</u>	<u>\$ 27,100</u>	<u>\$ 28,812</u>
<u>Disbursements</u>								
Salaries	\$ 366,520	\$ 353,605	\$ 359,760	\$ 339,454	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	104,537	90,470	104,541	87,617	-	-	-	-
Materials and Supplies	51,000	46,883	39,500	36,404	-	-	-	-
Services	12,700	9,401	12,700	10,026	-	-	-	-
Other Expenditures	18,700	15,095	17,864	14,025	60,000	34,310	45,000	15,359
Capital Outlay	66,000	56,273	34,000	36,598	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 619,457</u>	<u>\$ 571,727</u>	<u>\$ 568,365</u>	<u>\$ 524,124</u>	<u>\$ 60,000</u>	<u>\$ 34,310</u>	<u>\$ 45,000</u>	<u>\$ 15,359</u>
Receipts Over (Under)								
Disbursements	\$ (106,803)	\$ (41,264)	\$ 10,338	\$ 5,936	\$ (30,000)	\$ (2,861)	\$ (17,900)	\$ 13,453
Cash and Equivalents, Jan 1	<u>211,412</u>	<u>211,412</u>	<u>205,476</u>	<u>205,476</u>	<u>31,412</u>	<u>31,412</u>	<u>17,959</u>	<u>17,959</u>
Cash and Equivalents, Dec 31	<u>\$ 104,609</u>	<u>\$ 170,148</u>	<u>\$ 215,814</u>	<u>\$ 211,412</u>	<u>\$ 1,412</u>	<u>\$ 28,551</u>	<u>\$ 59</u>	<u>\$ 31,412</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Election Grant Fund				Law Enforcement Grant Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	9,291	18,045	8,808	21,091	35,000	29,831	35,500	7,940
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	77	70	135	-	-	-	-
Other Receipts	-	14	1,000	442	-	1,050	500	2,337
Transfers In	-	-	-	-	-	2,317	-	-
Total Receipts	<u>\$ 9,291</u>	<u>\$ 18,136</u>	<u>\$ 9,878</u>	<u>\$ 21,668</u>	<u>\$ 35,000</u>	<u>\$ 33,198</u>	<u>\$ 36,000</u>	<u>\$ 10,277</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	9,500	287	9,808	16,619	25,000	26,762	35,500	15,055
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 9,500</u>	<u>\$ 287</u>	<u>\$ 9,808</u>	<u>\$ 16,619</u>	<u>\$ 25,000</u>	<u>\$ 26,762</u>	<u>\$ 35,500</u>	<u>\$ 15,055</u>
Receipts Over (Under)								
Disbursements	\$ (209)	\$ 17,849	\$ 70	\$ 5,049	\$ 10,000	\$ 6,436	\$ 500	\$ (4,778)
Cash and Equivalents, Jan 1	<u>8,672</u>	<u>8,672</u>	<u>3,623</u>	<u>3,623</u>	<u>(4,390)</u>	<u>(4,390)</u>	<u>388</u>	<u>388</u>
Cash and Equivalents, Dec 31	<u>\$ 8,463</u>	<u>\$ 26,521</u>	<u>\$ 3,693</u>	<u>\$ 8,672</u>	<u>\$ 5,610</u>	<u>\$ 2,046</u>	<u>\$ 888</u>	<u>\$ (4,390)</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Capital Improvement Fund				Emergency Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	10	-	-	8	8,700	2,956	8,500	9,012
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	67,746	66,381	-	-	-	-	300,000	300,000
Total Receipts	<u>\$ 67,756</u>	<u>\$ 66,381</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 8,700</u>	<u>\$ 2,956</u>	<u>\$ 308,500</u>	<u>\$ 309,012</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	4,802	4,810	400,000	-	400,000	-
Capital Outlay	67,746	66,381	-	-	-	-	-	-
Transfers Out	-	-	-	-	300,000	300,000	-	-
Total Disbursements	<u>\$ 67,746</u>	<u>\$ 66,381</u>	<u>\$ 4,802</u>	<u>\$ 4,810</u>	<u>\$ 700,000</u>	<u>\$ 300,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 10	\$ -	\$ (4,802)	\$ (4,802)	\$ (691,300)	\$ (297,044)	\$ (91,500)	\$ 309,012
Cash and Equivalents, Jan 1	<u>4</u>	<u>4</u>	<u>4,806</u>	<u>4,806</u>	<u>1,336,404</u>	<u>1,336,404</u>	<u>1,027,392</u>	<u>1,027,392</u>
Cash and Equivalents, Dec 31	<u>\$ 14</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 645,104</u>	<u>\$ 1,039,360</u>	<u>\$ 935,892</u>	<u>\$ 1,336,404</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,500	2,261	2,300	2,458	650	717	575	667
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	1,277	950	1,251	-	-	-	-
Transfers In	-	1,000	-	-	-	-	-	-
Total Receipts	<u>\$ 2,500</u>	<u>\$ 4,538</u>	<u>\$ 3,250</u>	<u>\$ 3,709</u>	<u>\$ 650</u>	<u>\$ 717</u>	<u>\$ 575</u>	<u>\$ 667</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,500	5,870	8,500	10,163	1,800	1,594	700	115
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,500</u>	<u>\$ 5,870</u>	<u>\$ 8,500</u>	<u>\$ 10,163</u>	<u>\$ 1,800</u>	<u>\$ 1,594</u>	<u>\$ 700</u>	<u>\$ 115</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (1,332)	\$ (5,250)	\$ (6,454)	\$ (1,150)	\$ (877)	\$ (125)	\$ 552
Cash and Equivalents, Jan 1	<u>703</u>	<u>703</u>	<u>7,157</u>	<u>7,157</u>	<u>1,199</u>	<u>1,199</u>	<u>647</u>	<u>647</u>
Cash and Equivalents, Dec 31	<u><u>\$ 703</u></u>	<u><u>\$ (629)</u></u>	<u><u>\$ 1,907</u></u>	<u><u>\$ 703</u></u>	<u><u>\$ 49</u></u>	<u><u>\$ 322</u></u>	<u><u>\$ 522</u></u>	<u><u>\$ 1,199</u></u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Local Emergency Planning Committee Fund				Insurance Claims Proceeds Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,800	6,862	2,800	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	50,000	40,803	58,000	48,251
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,800	\$ 6,862	\$ 2,800	\$ -	\$ 50,000	\$ 40,803	\$ 58,000	\$ 48,251
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	15,000	2,903	15,000	2,927	-	-	10,000	9,512
Capital Outlay	-	-	-	-	50,000	63,824	60,000	41,892
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 15,000	\$ 2,903	\$ 15,000	\$ 2,927	\$ 50,000	\$ 63,824	\$ 70,000	\$ 51,404
Receipts Over (Under)								
Disbursements	\$ (12,200)	\$ 3,959	\$ (12,200)	\$ (2,927)	\$ -	\$ (23,021)	\$ (12,000)	\$ (3,153)
Cash and Equivalents, Jan 1	12,856	12,856	15,783	15,783	39,288	39,288	42,441	42,441
Cash and Equivalents, Dec 31	\$ 656	\$ 16,815	\$ 3,583	\$ 12,856	\$ 39,288	\$ 16,267	\$ 30,441	\$ 39,288

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Children's Trust Fund				Abuse Victims Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	830	790	800	830	4,450	4,223	4,000	4,403
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 830</u>	<u>\$ 790</u>	<u>\$ 800</u>	<u>\$ 830</u>	<u>\$ 4,450</u>	<u>\$ 4,223</u>	<u>\$ 4,000</u>	<u>\$ 4,403</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	1,000	815	900	500	6,000	4,270	6,000	4,691
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 815</u>	<u>\$ 900</u>	<u>\$ 500</u>	<u>\$ 6,000</u>	<u>\$ 4,270</u>	<u>\$ 6,000</u>	<u>\$ 4,691</u>
Receipts Over (Under)								
Disbursements	\$ (170)	\$ (25)	\$ (100)	\$ 330	\$ (1,550)	\$ (47)	\$ (2,000)	\$ (288)
Cash and Equivalents, Jan 1	<u>765</u>	<u>765</u>	<u>435</u>	<u>435</u>	<u>4,050</u>	<u>4,050</u>	<u>4,338</u>	<u>4,338</u>
Cash and Equivalents, Dec 31	<u>\$ 595</u>	<u>\$ 740</u>	<u>\$ 335</u>	<u>\$ 765</u>	<u>\$ 2,500</u>	<u>\$ 4,003</u>	<u>\$ 2,338</u>	<u>\$ 4,050</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Inmate Security Fund				Special Recorder Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	17,100	4,729	2,200	3,398	110,000	113,108	100,000	109,187
Interest	-	-	-	-	1,500	739	2,300	1,624
Other Receipts	20,000	47,258	-	13,895	-	2,153	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 37,100	\$ 51,987	\$ 2,200	\$ 17,293	\$ 111,500	\$ 116,000	\$ 102,300	\$ 110,811
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 29,000	\$ 16,652	\$ 30,056	\$ 12,950
Employee Fringe Benefits	-	-	-	-	2,219	1,274	2,300	987
Materials and Supplies	-	-	-	-	10,000	6,173	18,000	4,110
Services	-	-	-	-	9,000	2,660	3,000	1,920
Other Expenditures	44,000	39,237	-	-	-	-	180,000	83,599
Capital Outlay	-	-	2,300	3,821	59,000	48,237	49,000	39,927
Transfers Out	-	2,840	-	-	100,000	100,000	-	-
Total Disbursements	\$ 44,000	\$ 42,077	\$ 2,300	\$ 3,821	\$ 209,219	\$ 174,996	\$ 282,356	\$ 143,493
Receipts Over (Under)								
Disbursements	\$ (6,900)	\$ 9,910	\$ (100)	\$ 13,472	\$ (97,719)	\$ (58,996)	\$ (180,056)	\$ (32,682)
Cash and Equivalents, Jan 1	15,428	15,428	1,956	1,956	239,567	239,567	272,249	272,249
Cash and Equivalents, Dec 31	\$ 8,528	\$ 25,338	\$ 1,856	\$ 15,428	\$ 141,848	\$ 180,571	\$ 92,193	\$ 239,567

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Recorder Capital Improvement Fund				Sheriff Revolving Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	35,000	37,498	27,348	45,607
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	5,000	-	4,500	-
Transfers In	100,000	100,000	-	-	-	-	-	-
Total Receipts	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 40,000	\$ 37,498	\$ 31,848	\$ 45,607
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	395
Services	-	-	-	-	-	-	-	-
Other Expenditures	100,000	-	-	-	47,000	38,190	37,000	28,676
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 100,000	\$ -	\$ -	\$ -	\$ 47,000	\$ 38,190	\$ 37,000	\$ 29,071
Receipts Over (Under)								
Disbursements	\$ -	\$ 100,000	\$ -	\$ -	\$ (7,000)	\$ (692)	\$ (5,152)	\$ 16,536
Cash and Equivalents, Jan 1	-	-	-	-	23,637	23,637	7,101	7,101
Cash and Equivalents, Dec 31	\$ -	\$ 100,000	\$ -	\$ -	\$ 16,637	\$ 22,945	\$ 1,949	\$ 23,637

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Election Services Fund				Senior Citizens Service Board Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 260,521	\$ 262,812	\$ 250,686	\$ 250,053
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	7,345	-	5,487	-	-	-	-
Interest	-	-	-	-	600	373	600	565
Other Receipts	-	108	-	-	-	79	-	6,171
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 7,453	\$ -	\$ 5,487	\$ 261,121	\$ 263,264	\$ 251,286	\$ 256,789
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	3,300	1,921	3,300	1,809
Services	-	-	-	-	2,100	947	386,378	298,390
Other Expenditures	-	7,524	-	5,018	343,375	262,523	2,100	1,283
Capital Outlay	-	-	-	-	13,000	15,605	18,000	13,145
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ 7,524	\$ -	\$ 5,018	\$ 361,775	\$ 280,996	\$ 409,778	\$ 314,627
Receipts Over (Under)								
Disbursements	\$ -	\$ (71)	\$ -	\$ 469	\$ (100,654)	\$ (17,732)	\$ (158,492)	\$ (57,838)
Cash and Equivalents, Jan 1	21,185	21,185	20,716	20,716	150,654	150,654	208,492	208,492
Cash and Equivalents, Dec 31	<u>\$ 21,185</u>	<u>\$ 21,114</u>	<u>\$ 20,716</u>	<u>\$ 21,185</u>	<u>\$ 50,000</u>	<u>\$ 132,922</u>	<u>\$ 50,000</u>	<u>\$ 150,654</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Prosecuting Attorney Delinquent Tax Fund				Drug Abuse Resistance Education (D.A.R.E.) Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	2,705	-	2,977	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	14,703	-	19,430
Transfers In	-	-	-	-	-	-	-	2,000
Total Receipts	<u>\$ -</u>	<u>\$ 2,705</u>	<u>\$ -</u>	<u>\$ 2,977</u>	<u>\$ -</u>	<u>\$ 14,703</u>	<u>\$ -</u>	<u>\$ 21,430</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	11,949	-	80	-	15,023	-	12,892
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 11,949</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 15,023</u>	<u>\$ -</u>	<u>\$ 12,892</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (9,244)	\$ -	\$ 2,897	\$ -	\$ (320)	\$ -	\$ 8,538
Cash and Equivalents, Jan 1	<u>20,887</u>	<u>20,887</u>	<u>17,990</u>	<u>17,990</u>	<u>12,070</u>	<u>12,070</u>	<u>3,532</u>	<u>3,532</u>
Cash and Equivalents, Dec 31	<u>\$ 20,887</u>	<u>\$ 11,643</u>	<u>\$ 17,990</u>	<u>\$ 20,887</u>	<u>\$ 12,070</u>	<u>\$ 11,750</u>	<u>\$ 3,532</u>	<u>\$ 12,070</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Jail Prisoner Transport Fund				Reserve Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	856	-	-
Other Receipts	40,000	26,421	-	-	-	-	-	-
Transfers In	-	-	-	-	300,000	300,000	-	-
Total Receipts	<u>\$ 40,000</u>	<u>\$ 26,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,856</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	40,000	11,538	-	-	100,000	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 11,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 14,883	\$ -	\$ -	\$ 200,000	\$ 300,856	\$ -	\$ -
Cash and Equivalents, Jan 1	-	-	-	-	-	-	-	-
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 14,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 300,856</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Civil Fees Fund				Prosecuting Attorney Bad Check Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	32,679	-	38,183	-	10,141	-	11,960
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	36,229	-	15,009	-	10	-	25
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 68,908</u>	<u>\$ -</u>	<u>\$ 53,192</u>	<u>\$ -</u>	<u>\$ 10,151</u>	<u>\$ -</u>	<u>\$ 11,985</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	61,175	-	46,470	-	4,915	-	14,724
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	3,317	-	2,000	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 64,492</u>	<u>\$ -</u>	<u>\$ 48,470</u>	<u>\$ -</u>	<u>\$ 4,915</u>	<u>\$ -</u>	<u>\$ 14,724</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 4,416	\$ -	\$ 4,722	\$ -	\$ 5,236	\$ -	\$ (2,739)
Cash and Equivalents, Jan 1	<u>4,957</u>	<u>4,957</u>	<u>235</u>	<u>235</u>	<u>1,577</u>	<u>1,577</u>	<u>4,316</u>	<u>4,316</u>
Cash and Equivalents, Dec 31	<u>\$ 4,957</u>	<u>\$ 9,373</u>	<u>\$ 235</u>	<u>\$ 4,957</u>	<u>\$ 1,577</u>	<u>\$ 6,813</u>	<u>\$ 4,316</u>	<u>\$ 1,577</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Collector's Tax Maintenance Fund				Tax Maintenance Archive Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	45,000	55,143	45,000	51,065	-	-	-	-
Interest	25	13	55	26	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	14,000
Total Receipts	<u>\$ 45,025</u>	<u>\$ 55,156</u>	<u>\$ 45,055</u>	<u>\$ 51,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,000</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	45,000	56,735	40,000	35,885	-	-	-	4,750
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	14,000	-	-	-	-
Total Disbursements	<u>\$ 45,000</u>	<u>\$ 56,735</u>	<u>\$ 40,000</u>	<u>\$ 49,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,750</u>
Receipts Over (Under)								
Disbursements	\$ 25	\$ (1,579)	\$ 5,055	\$ 1,206	\$ -	\$ -	\$ -	\$ 9,250
Cash and Equivalents, Jan 1	<u>1,784</u>	<u>1,784</u>	<u>578</u>	<u>578</u>	<u>67,360</u>	<u>67,360</u>	<u>58,110</u>	<u>58,110</u>
Cash and Equivalents, Dec 31	<u>\$ 1,809</u>	<u>\$ 205</u>	<u>\$ 5,633</u>	<u>\$ 1,784</u>	<u>\$ 67,360</u>	<u>\$ 67,360</u>	<u>\$ 58,110</u>	<u>\$ 67,360</u>

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Federal Seized and Forfeiture Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	1	-	3
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)				
Disbursements	\$ -	\$ 1	\$ -	\$ 3
Cash and Equivalents, Jan 1	<u>424</u>	<u>424</u>	<u>421</u>	<u>421</u>
Cash and Equivalents, Dec 31	<u><u>\$ 424</u></u>	<u><u>\$ 425</u></u>	<u><u>\$ 421</u></u>	<u><u>\$ 424</u></u>

See Notes to the Financial Statements

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies

Organized in 1851, the county of Stone was named after pioneer judge William Stone. It is a third-class county, and the county seat is Galena. Stone County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Stone County, Missouri and the Stone County Senior Citizens Service Board.

Stone County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Stone County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Stone County's legal entity. The Stone County Senior Citizens Service Board is controlled by a separate board and is also included under the control of Stone County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Stone County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If Stone County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Stone County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2014: Special Road Projects Fund, Law Enforcement Grant Fund, Law Enforcement Training Fund, Insurance Claims Proceeds Fund and Collector's Tax Maintenance Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Election Grant Fund, Capital Improvement Fund, Law Enforcement Training Fund, Inmate Security Fund and Collector's Tax Maintenance Fund. We noted the following funds without a prepared budget for 2014 and 2013: Flood Control Fund, National Forest Fund, Election Services Fund, Prosecuting Attorney Delinquent Tax Fund, Drug Abuse Resistance Education Fund, Law Enforcement Civil Fees Fund, Prosecuting Attorney Bad Check Fund, Tax Maintenance Archive Fund, and Federal Seized and Forfeiture Fund.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Stone County's boundaries for the calendar year 2014 and 2013, respectively, for the purposes of County taxation was as follows:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 437,309,350	\$ 431,458,180
Personal Property	115,014,807	109,966,520
Railroad and Utilities	<u>12,953,044</u>	<u>12,606,401</u>
	<u><u>\$ 565,277,201</u></u>	<u><u>\$ 554,031,101</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2014 and 2013, respectively, for the purpose of County taxation, was as follows:

	<u>2014</u>	<u>2013</u>
General Revenue	\$ 0.1233	\$ 0.1288
Senior Citizens Service Board	0.0482	0.0481

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Stone County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Stone County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of December 31, 2014, 100% of Stone County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2014, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 5,235,527	\$ 4,332,561
Investments	50,000	50,000
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2014	<u>\$ 5,285,527</u>	<u>\$ 4,382,561</u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2013, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 5,601,154	\$ 4,705,026
Investments	50,000	50,000
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2013	<u>\$ 5,651,154</u>	<u>\$ 4,755,026</u>

Note: Bank balances are inclusive of all funds of Stone County, and as such, include balances of unaudited funds which are not included in the scope of this report.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Stone County's investment policy does not include custodial credit risk requirements. Stone County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014 and 2013.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Stone County or its agent but not in the government's name. Stone County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Stone County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Stone County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Stone County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Stone County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities. Stone County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014 and 2013.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2014 and 2013 are as follows:

<u>Fund</u>	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 2,840	\$ 274,490	\$ -	\$ 424,697
Special Road and Bridge	634,813	-	662,985	-
Road and Bridge Capital Improvement	75,000	-	-	-
Flood Control	-	551,486	-	602,479
National Forest	-	8,327	-	10,506
Assessment	58,109	-	74,697	-
Law Enforcement Grant	2,317	-	-	-
Capital Improvement	66,381	-	-	-
Emergency	-	300,000	300,000	-

The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 3 - Interfund Transfers (continued)

Law Enforcement Training	1,000	-	-	-
Inmate Security	-	2,840	-	-
Special Recorder	-	100,000	-	-
Special Recorder Capital Improvement	100,000	-	-	-
Drug Abuse Resistance Education	-	-	2,000	-
Reserve	300,000	-	-	-
Law Enforcement Civil Fees	-	3,317	-	2,000
Collector's Tax Maintenance	-	-	-	14,000
Tax Maintenance Archive	-	-	14,000	-
Total	<u>\$ 1,240,460</u>	<u>\$ 1,240,460</u>	<u>\$ 1,053,682</u>	<u>\$ 1,053,682</u>

Note 4 - Long-Term Debt

Certificates of Participation

In 2009, Stone County issued \$3,690,000 in Refunding Certificates of Participation (COP's) for the purpose of refinancing the Stone County, Missouri Refunding Certificates of Participation Series 1998 for the amount of \$2,155,000 and the Stone County, Missouri Black Oak Mountain Resort Phase I Neighborhood Improvement District Bonds Series 2000 for the amount of \$1,710,000. Principal payments are due annually on December 1; interest is payable semi-annually on June 1 and December 1 with annual variable interest rates at 3.00% - 4.10%.

<u>Balance at</u> <u>Dec. 31, 2012</u>	<u>Amount</u> <u>Borrowed</u>	<u>Amount</u> <u>Repaid</u>	<u>Balance at</u> <u>Dec. 31, 2013</u>	<u>Amount</u> <u>Borrowed</u>	<u>Amount</u> <u>Repaid</u>	<u>Balance at</u> <u>Dec. 31, 2014</u>
<u>\$ 2,950,000</u>	<u>\$ -</u>	<u>\$ (350,000)</u>	<u>\$ 2,600,000</u>	<u>\$ -</u>	<u>\$ (360,000)</u>	<u>\$ 2,240,000</u>

Interest expense for the years ended December 31, 2014 and 2013 was \$104,190 and \$118,190, respectively.

2014 Amortization			
Series 2009 Refunding Certificates of Participation			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 380,000	\$ 89,790	\$ 469,790
2016	395,000	74,590	469,590
2017	410,000	58,790	468,790
2018	425,000	42,390	467,390
2019	440,000	25,390	465,390
2020	190,000	7,790	197,790
	<u>\$ 2,240,000</u>	<u>\$ 298,740</u>	<u>\$ 2,538,740</u>

The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 4 - Long-Term Debt (continued)

Certificates of Participation (continued)

2013 Amortization			
Series 2009 Refunding Certificates of Participation			
Year	Principal	Interest	Total
2014	\$ 360,000	\$ 104,190	\$ 464,190
2015	380,000	89,790	469,790
2016	395,000	74,590	469,590
2017	410,000	58,790	468,790
2018	425,000	42,390	467,390
2019-2020	630,000	33,180	663,180
	<u>\$ 2,600,000</u>	<u>\$ 402,930</u>	<u>\$ 3,002,930</u>

Limited General Obligation Bonds

In 2012, the County issued \$1,115,000 in Limited General Obligation Bonds for the purpose of refinancing the Edgewater Village Neighborhood Improvement District Bonds Series 2000. Principal payments are due annually on September 1; interest payments are due semi-annually on March 1 and September 1 with annual variable interest rates at 2.00% - 3.00%.

Balance at Dec. 31, 2012	Amount Borrowed	Amount Repaid	Balance at Dec. 31, 2013	Amount Borrowed	Amount Repaid	Balance at Dec. 31, 2014
<u>\$ 1,115,000</u>	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$ 995,000</u>	<u>\$ -</u>	<u>\$ (135,000)</u>	<u>\$ 860,000</u>

Interest expense for the years ended December 31, 2014 and 2013 was \$27,150 and \$41,534, respectively.

2014 Amortization			
Series 2012 Limited General Obligation Bonds			
Year	Principal	Interest	Total
2015	\$ 135,000	\$ 24,450	\$ 159,450
2016	140,000	21,750	161,750
2017	140,000	17,550	157,550
2018	145,000	13,350	158,350
2019	150,000	9,000	159,000
2020	150,000	4,500	154,500
	<u>\$ 860,000</u>	<u>\$ 90,600</u>	<u>\$ 950,600</u>

The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 4 - Long-Term Debt (continued)

2013 Amortization			
Series 2012 Limited General Obligation Bonds			
Year	Principal	Interest	Total
2014	\$ 135,000	\$ 27,150	\$ 162,150
2015	135,000	24,450	159,450
2016	140,000	21,750	161,750
2017	140,000	17,550	157,550
2018	145,000	13,350	158,350
2019-2020	300,000	13,500	313,500
	<u>\$ 995,000</u>	<u>\$ 117,750</u>	<u>\$ 1,112,750</u>

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-877-632-2373.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 5 - County Employees' Retirement Fund (CERF) (continued)

Funding Policy

In accordance with Missouri state statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of \$215,860 and \$210,543, respectively, for the years then ended.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Stone County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Stone County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2014 and 2013.

Note 7 - Other Retirement Plan

Stone County have voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2014 and 2013 for the 457 plan were \$113,335 and \$103,076, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2014 and 2013 for the 401(a) plan were \$31,913 and \$31,484, respectively.

Note 8 - Post-Employment Benefits

Stone County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Stone County.

Note 9 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides employees with up to 200 hours (25 days) of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward a maximum of 320 hours (40 days). Accumulated sick leave is not paid out upon termination of employment. These have not been subjected to auditing procedures.

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 9 - Claims, Commitments and Contingencies (continued)

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Other Commitments

The County entered into a short-term promissory note with First Home Savings Bank for the purchase of a building. The note was for \$65,000 plus closing costs due February 15, 2014 with interest payable at 3.25%. This balance was paid in full as of February 15, 2014. Interest expense and loan fees for the note for the year ended December 31, 2014 was \$1,381.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 8, 2015, the date the financial statements were available to be issued.

On January 27, 2015, the County entered into a contract to purchase new election equipment at a cost of \$106,245 before trade allowance with an interest rate of 0.00%. This amount is due in January of 2018 with the payment schedule to be determined in accordance with the County's budget needs.

Note 12 - Prior Period Adjustments

Beginning cash balances of the County have been restated to include the National Forest Fund, Tax Maintenance Archive Fund and the Federal Seized and Forfeiture Fund. It has also been restated to correct a misstatement of the beginning cash balance of the Law Enforcement Grant Fund. The net effect of this adjustment will increase the beginning cash and equivalents of the County. This adjustment will have no material effect on operations of the County.

Total cash and equivalents, as Previously stated - December 31, 2012	\$ 4,375,591
Prior Period Adjustment 1	58,530
Prior Period Adjustment 2	<u>1,203</u>
Total cash and equivalents, as Restated - December 31, 2012	<u><u>\$ 4,435,324</u></u>

**The County of Stone
Galena, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 13 - Economic Concentrations

Approximately 32% and 38% of the County's sales tax revenues received was remitted by two taxpayers located in the County, for the years ended December 31, 2014 and 2013, respectively. Any material reduction in sales tax could result in a significant impact to the County's operations.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Stone County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Stone County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Stone County, Missouri's basic financial statements and have issued our report thereon dated July 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stone County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stone County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Stone County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: 14/13-002 and 14/13-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stone County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

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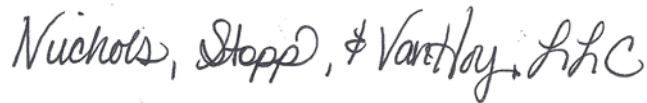
opinion. The results of our tests disclosed an instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 14/13-001.

Stone County, Missouri's Response to Findings

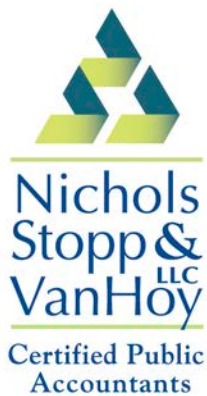
Stone County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Stone County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHay, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
July 8, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

To the County Commission and
Officeholders of Stone County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Stone County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Stone County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Stone County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Stone County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Stone County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Stone County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Stone County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 14/13-004. Our opinion on each major federal program is not modified with respect to these matters.

Stone County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Stone County,

Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Stone County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stone County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Stone County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 14/13-004 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Nichols, Stopp, & VanHoy, LLC

Creve Coeur, Missouri
July 8, 2015

**The County of Stone
Galena, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Agriculture				
Passed through state:				
Office of Administration - Schools and Roads - Grants to States	10.665	n/a	\$ 33,310	42,025
U.S. Department of Defense				
Passed through state:				
Office of Administration - Payments to States in Lieu of Real Estate Taxes	12.112	n/a	683,755	748,608
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	n/a	120,165	107,258
U.S. Department of Justice				
Passed through state:				
Department of Public Safety - Violence Against Women Formula Grants	16.588	2012-VAWA-005-OS	36,026	-
Violence Against Women Formula Grants	16.588	2011-VAWA-020-OS	-	42,313
Violence Against Women Formula Grants	16.588	2011-VAWA-024-SW	-	27,209
Total Violence Against Women Formula Grants			36,026	69,522
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-JAG-024	-	17,132
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-JAG-025	15,034	16,578
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-JAG-025	10,298	-
Total Edward Byrne Memorial Justice Assistance Grant			25,332	33,710
Total U.S. Department of Justice			61,358	103,232
General Services Administration				
Passed through state:				
Office of Secretary of State - Election Reform Payments	39.011	n/a	-	4,129
Election Assistance Commission				
Passed through state:				
Office of Secretary of State - Help America Vote Act Requirements Payments	90.401	n/a	4,196	8,821
Total Expenditures of Federal Awards			\$ 902,784	1,014,073

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Stone
Galena, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of *OMB Circular A-133*. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Stone County, Missouri.

Basis of Presentation

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Subrecipients

The County passed through \$132,269 and \$146,129 of federal funds related to the Payments to States in Lieu of Real Estate Taxes Program (CFDA #12.112) to local schools and road districts for the years ended December 31, 2014 and 2013, respectively.

The County passed through \$24,983 and \$31,518 of federal funds related to the Schools and Roads - Grants to States (CFDA #10.665) to local schools and road districts for the years ended December 31, 2014 and 2013, respectively.

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 510 (a) of Circular A-133?

 X Yes _____ No

Identification of Major Programs:

CFDA
Number

12.112

Name of Federal Program or Cluster

Payments to States in Lieu of Real Estate Taxes

Dollar threshold used to distinguish
between type A and type B programs:

 \$ 300,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings

14/13-001 **Condition:** During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2014: Special Road Projects Fund, Law Enforcement Grant Fund, Law Enforcement Training Fund, Insurance Claims Proceeds Fund and Collector's Tax Maintenance Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Election Grant Fund, Capital Improvement Fund, Law Enforcement Training Fund, Inmate Security Fund and Collector's Tax Maintenance Fund. We noted the following funds without a prepared budget for 2014 and 2013: Flood Control Fund, National Forest Fund, Election Services Fund, Prosecuting Attorney Delinquent Tax Fund, Drug Abuse Resistance Education Fund, Law Enforcement Civil Fees Fund, Prosecuting Attorney Bad Check Fund, Tax Maintenance Archive Fund, and Federal Seized and Forfeiture Fund.

Effect: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The phone number for the Clerk's office is (417) 357-6127.

14/13-002 **Condition:** Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 357-6127.

**The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings (continued)

14/13-003 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County Clerk will develop and perform the risk assessment. This will be included in the documentation of internal control in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 357-6127.

Section 3 - Federal Award Findings and Questioned Costs

14/13-004 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Effect: *OMB Circular A-133* requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: OMB Circular A-133 is being reviewed and training sessions will be initiated by September 30, 2015 in the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period. The County Clerk's office phone number is (417) 357-6127.

**The County of Stone
Galena, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Stone County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012.

Prior Year Financial Statement Findings

12/11-01 **Criteria:** Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

Context: During the audit planning phase of the audit, the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to the financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views to responsible officials and planned corrective actions: The County Clerk has taken steps to complete the audited financial statements for the next audit period. The Clerk's office can be reached at (417) 357-6127.

Status: Management has corrected this issue.

12/11-02 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

**The County of Stone
Galena, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

12/11-02 **Recommendation:** We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 357-6127.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-002.

12/11-03 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 357-6127.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-003.

**The County of Stone
Galena, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

12/11-04 **Criteria:** Account balances should be properly and timely reconciled on a monthly basis in the Prosecuting Attorney's office for 2012 and 2011.

Condition: During our audit, we noted that the reconciliations of the prosecuting attorney's accounts are not being properly reconciled on a monthly basis due to the software being used and its report format setup for 2012 and 2011.

Context: Bank statement reconciliations are not being properly prepared due to the software report format being used.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Prosecuting Attorney's account reconciliation is not being properly prepared.

Recommendation: We recommend that the Prosecuting Attorney's office properly reconcile its accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: The Prosecuting Attorney is currently working with Dennis Jones and Associates Bad Check Prosecution System Software to correct the reconciliation reports for the next audit period. The Prosecuting Attorney's office can be reached at (417) 357-6137.

Status: Management has corrected this issue.

Prior Year Federal Award Findings

SA	Federal Grantor:	Department of Defense
12/11-01	Pass-Through Grantor:	Missouri Office of Administration
	Federal CFDA Number:	12.112
	Program Title:	Payments to States in Lieu of Real Estate Taxes

Information on the federal programs: The Schedule of Expenditures of Federal Awards(SEFA) contained errors.

Criteria: Management is responsible for the preparation and the maintaining of support for the County's SEFA.

Condition: The Federal programs and the expenditures reported were not correctly reported on the SEFA.

Questioned Costs: Not Applicable.

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: Although the SEFA was corrected by the audit team, the amounts originally reported were incorrect. It is evident that ineffective monitoring controls and procedures are in place for the preparation of the SEFA.

Cause: Adequate emphasis was not placed on the preparation and obtaining of support for the SEFA.

**The County of Stone
Galena, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Federal Award Findings (Continued)

SA **Recommendation:** We recommend that the County implement procedures to ensure that the SEFA is prepared in
12/11-01 accordance with federal requirements. The County should continue in its efforts to establish an accounting system
(cont.) that will capture grant transactions in a manner sufficient to readily report the necessary information required on the
SEFA.

Views of responsible officials and planned corrective actions: OMB Circular A-133 is being reviewed and training sessions will be initiated on October 1, 2013 in the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period. The County Clerk's office phone number is (417) 357-6127.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-004.



Nicole R. Galloway, CPA
Missouri State Auditor

Judiciary

Supreme Court of Missouri



August 2015

Report No. 2015-064

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Supreme Court of Missouri

Unreimbursed Payroll	The Supreme Court does not treat the Missouri Bar (Bar), the Board of Certified Court Reporter Examiners (BCCR), and the Missouri Board of Law Examiners (MBLE) consistently and does not require all of these entities to reimburse the Court for administrative expenses incurred by Supreme Court employees performing duties that benefit the boards. The Bar and the BCCR do not reimburse the state for duties performed by Supreme Court employees to benefit their respective organizations. The Bar provides an annual stipend to the Clerk of the Supreme Court, but the stipend is paid directly to the Clerk instead of being sent to the Supreme Court and handled through the normal state payroll process. The MBLE does not reimburse the Supreme Court for administrative expenses associated with work performed by the Clerk of the Supreme Court, but does reimburse the state for such expenses associated with all other Supreme Court employees performing duties that benefit the MBLE.
En Banc Meeting Minutes	En Banc meetings are meetings of all Supreme Court judges, which are held to make administrative decisions. The court does not document motions and votes in the minutes, sign or formally approve prior meeting minutes or document meeting times or attendees for the public portion of the meetings.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Supreme Court of Missouri

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Unreimbursed Payroll.....4 2. En Banc Meeting Minutes.....5
-------------------------------------------------------------	-------------------------------------------------------------------

Organization and Statistical Information	7
---------------------------------------------	---

Appendixes

A	Combined Statement of Receipts, Disbursements, and Changes in Cash Balance, 2 Years Ended June 30, 2014.....	9
B	Comparative Statement of Receipts, 2 Years Ended June 30, 2014.....	10
C	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2014.....	11
D	Comparative Statement of Expenditures (From Appropriations) 5 Years Ended June 30, 2014.....	12
E	Combined Statement of Revenues, Expenses, and Changes in Net Assets for The Missouri Bar Association 2 Years Ended December 31, 2013	13
F	Combined Statement of Income, Expenses, and Net Asset Balances for The Missouri Board of Law Examiners and the Board of Certified Court Reporter Examiners 2 Years Ended September 30, 2014.....	14



Nicole R. Galloway, CPA

Missouri State Auditor

Members of the Supreme Court of Missouri
and
Honorable Patricia Breckenridge, Chief Justice
Jefferson City, Missouri

We have audited certain operations of the Supreme Court of Missouri, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014, and 2013. The objectives of our audit were to:

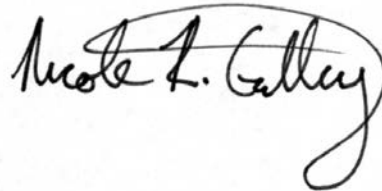
1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Supreme Court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Supreme Court of Missouri.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	James M Applegate, MBA
Audit Staff:	Amanda Messick Michelle Pummill

Supreme Court of Missouri

Management Advisory Report

State Auditor's Findings

1. Unreimbursed Payroll

The Missouri Bar (Bar) and the Board of Certified Court Reporter Examiners (BCCR) do not reimburse the state for duties performed by Supreme Court employees. Supreme Court employees also perform duties that benefit the Missouri Board of Law Examiners (MBLE). The MBLE reimburses the state for payroll and fringe benefit expenses of Supreme Court employees performing duties that benefit the MBLE, except for the Clerk of the Supreme Court.

The Missouri Bar

The Supreme Court Attorney Enrollment Office receives, records, deposits, and then disburses attorney enrollment fees to the Bar. During the years ended June 30, 2014, and 2013, three state employees were paid salary and fringe benefits totaling \$193,883 and \$188,324, respectively, from the state General Revenue Fund (GRF). The duties of these employees were primarily to provide benefits to the Bar. In addition, another employee works a portion of her time in the Attorney Enrollment Office and the remainder of her time on other Supreme Court duties. The Missouri Bar had net assets of \$3,490,091 at December 31, 2013.

Board of Certified Court Reporter Examiners

The Supreme Court has assigned one employee that works full-time and another employee who spends approximately 30 minutes per day processing applications, renewal forms, and fees for the court reporter exam and certification. During the years ended June 30, 2014, and 2013, these employees were paid salary and fringe benefits totaling \$69,844 and \$68,376, respectively, from the GRF to perform these duties. These expenses were paid by the Supreme Court; however, the duties were primarily of benefit to the BCCR. The BCCR had a bank balance of \$665,454 at September 30, 2014.

Clerk of the Supreme Court

In addition to the previously mentioned employees, the Clerk of the Supreme Court performs duties that benefit the Bar, the BCCR and the MBLE, and these boards do not reimburse the Supreme Court for the costs associated with these duties. The Supreme Court Rules for these boards indicate various annual and enrollment fees shall be collected, receipted and deposited by the Clerk. The rules also provide for other responsibilities of the Clerk, such as serving as ex-officio treasurer of the Bar. Many of these duties are performed by state employees, with the Clerk's supervision. According to the Clerk, these duties are performed during his regular work hours at the Supreme Court; however, the time he devotes to these duties is not tracked separately.

The Bar provides an annual stipend directly to the Clerk for duties performed. This stipend, not to exceed \$12,000 annually, is based on 2 percent of enrollment fees collected, as authorized by Supreme Court Rule 6.10. This stipend is not turned over to the Supreme Court. To promote transparency, this stipend should be turned over to the Supreme Court and, if desired by the Court, paid to the Clerk as part of his compensation



Supreme Court of Missouri
Management Advisory Report - State Auditor's Finding

through the normal state payroll process. During the years ended June 30, 2014, and 2013, the Supreme Court paid the Clerk salary and fringe benefits totaling \$154,834 and \$151,700, respectively.

Conclusion

Other boards issuing professional licenses, operating under the Department of Insurance, Financial Institutions, and Professional Registration, reimburse the state for related expenses from license fees. In addition, Supreme Court Rules 6.10(c) and 7.13 state the expenses of the collection of annual Bar enrollment fees shall be paid by the Bar. As noted above, the Bar already pays some of these administrative costs through the stipend to the Clerk. Further, Supreme Court Rule 14.08 states all expenses incurred by the BCCR shall be paid from the Certified Court Reporter Fund.

While there is no similar language in the Supreme Court Rule establishing the MBLE, the MBLE reimburses the Supreme Court for such expenses, except costs related to the Clerk's work. The MBLE should also reimburse the Supreme Court for the costs associated with the Clerk's activities benefiting the MBLE.

Recommendation

The Supreme Court treat the Bar, the BCCR, and the MBLE consistently and require all boards to reimburse the Court for administrative expenses incurred on behalf of these entities. Further, the Supreme Court should ensure the Bar stipend to the Clerk is remitted to the Court and handled through the normal state payroll process.

Auditee's Response

As the audit noted, the Court had adopted a plan consistent with the Auditor's recommendation for certain employees assigned to the Board of Law Examiners. The Court also has reviewed the position assigned to the Board of Certified Court Reporter Examiners with a similar plan being developed. In light of the Auditor's report, all additional positions, regardless of whether mentioned in the audit, will be examined with an expectation that the Auditor's recommendation will be adopted where appropriate.

2. En Banc Meeting Minutes

During the 2 years ended June 30, 2014, the Supreme Court en Banc maintained meeting minutes but did not (1) document motions and votes in the minutes, (2) sign minutes or formally approve the minutes of prior meetings, and (3) document meeting times or attendees, when conducting or recording the public portion of meetings. In the public portion of the Court en Banc meetings, discussions are held to make administrative decisions, and are not court hearings or related to Supreme Court cases.

Minutes are the only record of the discussions held and decisions made by the Court en Banc and should be complete, accurate, and properly approved. In addition, the Sunshine Law, Chapter 610, RSMo, requires minutes to



Supreme Court of Missouri
Management Advisory Report - State Auditor's Finding

include this information and the Supreme Court should consider adopting similar rules.

Recommendation

The Supreme Court ensure minutes of en Banc meetings are complete, accurate and approved by the appropriate parties.

Auditee's Response

The Court appreciates the Auditor's helpful suggestions and will give them careful consideration in formulating a revised method of recording minutes.

Supreme Court of Missouri

Organization and Statistical Information

Establishment of the Supreme Court

The Supreme Court was created by the Missouri Constitution of 1820. Seven judges serve the court for 12-year terms. Judges may be retained at subsequent elections but must retire at the age of 70. The seven judges select the chief justice to preside over the court. The chief justice also handles many of the administrative details for the court.

In addition to its decision-making powers, the court supervises the lower courts in the state and is assisted in this task by the Office of the State Courts Administrator. The Supreme Court also licenses lawyers practicing in Missouri and disciplines those found guilty of violating the legal code of professional ethics.

The Clerk of the Supreme Court supervises the internal administrative functions of the court and reports directly to the chief justice. The clerk is the treasurer of the State Board of Law Examiners and ex officio treasurer of the Missouri Bar, and provides administrative and staff assistance to the Judicial Conference of Missouri as well as serving as secretary to the executive council and the conference.

Judges and Court Personnel

Judges	Term Expires
Honorable Mary R. Russell, Chief Justice (1)	December 31, 2018
Honorable Patricia Breckenridge (1)	December 31, 2020
Honorable Zel M. Fischer	December 31, 2022
Honorable Laura Denvir Stith	December 31, 2026
Honorable George W. Draper III	December 31, 2024
Honorable Paul C. Wilson	December 31, 2026
Honorable Richard B. Teitelman	December 31, 2016

(1) Mary R. Russell served as Chief Justice until June 30, 2015. Patricia Breckenridge became Chief Justice on July 1, 2015.

Bill Thompson has served as the Clerk of the Supreme Court since October 2012. In addition to the judges and Clerk, the court employed 50 full-time employees and 10 part-time employees as of June 30, 2014.

Selected Boards of the Supreme Court

The Supreme Court is responsible for approximately 40 different boards, commissions, or other groups. We performed limited procedures on the following 4 boards during our audit. These procedures included reviewing board minutes when available, reviewing activities of Supreme Court employees performing duties for the boards, and reviewing payments or reimbursements made by the boards for those duties.

Board of Trustees of the Missouri Bar The Board of Trustees was established by Supreme Court Rule 7.10 to act for and in the name of The Missouri Bar or Chief Disciplinary Counsel with respect to all matters incident to the ownership, management and control of the headquarters



Supreme Court of Missouri Organization and Statistical Information

building of The Missouri Bar or the headquarters building of the Chief Disciplinary Counsel located in Jefferson City. The Board of Trustees has 7 members as specified in Rule 7.10 who serve terms of 3 years.

Board of Governors of the Missouri Bar The Board of Governors was established by Supreme Court Rule 7.03 to be the representative body of The Missouri Bar. The Board discusses and makes policy on subjects such as Bar finances, attorney member fees, and the allocation of those fees. The Board may also set requirements for fees imposed on attorneys visiting from out of state to practice in Missouri. The Board of Governors is composed of 43 members as specified in Rule 7.03 who serve terms of 2 years.

Board of Law Examiners The MBLE was established by Supreme Court Rule 8 to determine eligibility for admission to the Bar, to provide for and conduct the Bar examinations, to determine the character and fitness of applicants for admission to the Bar, and to promulgate, amend and revise regulations relevant to the above duties. The MBLE is composed of 6 members appointed by the Court who serve terms of 9 years.

Board of Certified Court Reporter Examiners The BCCR was established by Supreme Court Rule 14 to determine the content of examinations to be given to applicants for certification as "Certified Court Reporters," to determine the applicant's ability to make a verbatim record of court proceedings by a recognized system designated by the board, to issue certificates to those found qualified as certified court reporters, to administer a continuing education program for certified court reporters, and to promulgate, amend and revise regulations relevant to the above duties. The BCCR is composed of 9 members appointed by the Court who serve terms of 3 years.

Financial Activity

A summary of the Supreme Court's operating financial activity and collections is presented in the following appendixes. In addition, we present in the following appendixes the operating financial activity for the Missouri Bar, the Board of Law Examiners, and the Board of Certified Court Reporter Examiners, as reported in each board's financial statements. We did not audit the information presented for these boards.

Appendix A

Supreme Court of Missouri

Combined Statement of Receipts, Disbursements, and Changes in Cash Balance

	Year Ended June 30,					
	2014			2013		
	Supreme Court Publications Revolving Fund	Clerk's Fee Fund*	Total (Memorandum Only)	Supreme Court Publications Revolving Fund	Clerk's Fee Fund*	Total (Memorandum Only)
RECEIPTS						
Refunds/rebates	\$ 33,994	0	33,994	40,984	0	40,984
Sales and use tax	259	0	259	443	0	443
Product sales	53,085	0	53,085	82,305	0	82,305
Clerk fee deposits	0	57,043	57,043	0	56,024	56,024
Total Receipts	87,338	57,043	144,381	123,732	56,024	179,756
DISBURSEMENTS**						
Expense and equipment	55,639	0	55,639	57,081	0	57,081
Building maintenance and repair	2,147	0	2,147	3,851	0	3,851
Clerk fee disbursements	0	57,848	57,848	0	56,434	56,434
Transfers out	90,883	0	90,883	0	0	0
Total Disbursements	148,669	57,848	206,517	60,932	56,434	117,366
RECEIPTS OVER (UNDER) DISBURSEMENTS	(61,331)	(805)	(62,136)	62,800	(410)	62,390
CASH BALANCE, JULY 1	140,883	5,583	146,466	78,083	5,993	84,076
CASH BALANCE, JUNE 30	\$ 79,552	4,778	84,330	140,883	5,583	146,466

* Fund is maintained outside the state treasury

** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to appropriated transfers out for personal service benefits costs

Appendix B

Supreme Court of Missouri Comparative Statement of Receipts

		Year Ended June 30,	
		2014	2013
GENERAL REVENUE FUND			
Court fees	\$	36,660	44,884
Vendor refunds - local/other		119	1,169
Rebates		675	790
Total General Revenue		<u>37,454</u>	<u>46,843</u>
JUDICIARY-FEDERAL FUND			
Cost reimbursement - local/other		<u>180,092</u>	<u>185,689</u>
Total Judiciary - Federal		<u>180,092</u>	<u>185,689</u>
BASIC CIVIL LEGAL SERVICES FUND			
Court fees		17,264	8,828
U.S. Department of Health and Human Services		<u>542,376</u>	<u>599,903</u>
Total Basic Civil Legal Services	\$	<u>559,640</u>	<u>608,731</u>

Appendix C

Supreme Court of Missouri
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Judicial proceedings and review personal service	\$ 2,707,386	2,684,075	23,311	2,632,665	2,609,368	23,297
Judicial proceedings and review expense and equipment	1,035,409	1,031,405	4,004	1,091,409	1,091,299	110
Supreme Court judicial salaries	1,039,763	1,039,760	3	1,039,763	979,651	60,112
Total General Revenue Fund	4,782,558	4,755,240	27,318	4,763,837	4,680,318	83,519
JUDICIARY-FEDERAL FUND						
Judicial proceedings and review personal service	493,231	120,853	372,378	490,973	131,480	359,493
Total Judiciary - Federal Fund	493,231	120,853	372,378	490,973	131,480	359,493
SUPREME COURT PUBLICATIONS REVOLVING FUND						
Judicial proceedings and review expense and equipment	150,000	57,786	92,214	150,000	60,932	89,068
Total Supreme Court Publications Revolving Fund	150,000	57,786	92,214	150,000	60,932	89,068
BASIC CIVIL LEGAL SERVICES FUND						
Basic civil legal services personal service	52,932	52,843	89	52,653	52,338	315
Basic civil legal services expense and equipment	10,266	0	10,266	10,266	4,562	5,704
Basic civil legal services	5,000,000	4,305,500	694,500	5,000,000	3,587,349	1,412,651
Total Basic Civil Legal Services Fund	5,063,198	4,358,343	704,855	5,062,919	3,644,249	1,418,670
Total All Funds	\$ 10,488,987	9,292,222	1,196,765	10,467,729	8,516,979	1,950,750

Appendix D

Supreme Court of Missouri Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	\$ 3,897,531	3,772,837	3,620,861	3,782,790	3,893,411
Travel, in-state	37,857	53,827	46,901	40,454	90,046
Travel, out-of-state	21,097	11,419	6,632	5,427	9,579
Fuel and utilities	0	0	0	0	365
Supplies	559,567	528,988	515,614	559,183	564,853
Professional development	20,506	23,442	19,387	66,897	180,075
Communication services and supplies	178,204	189,507	180,643	160,472	171,247
Services:					
Professional	77,968	86,112	105,512	84,860	59,034
Housekeeping and janitorial	7,536	5,242	3,055	7,028	6,706
Maintenance and repair	41,078	36,632	28,299	32,894	37,648
Equipment:					
Computer	32,595	10,878	149,726	32,863	81,432
Motorized	9,512	23,105	30,819	28,948	17,942
Office	36,982	43,536	50,669	24,347	16,681
Other	9,988	50,426	17,231	2,829	21,514
Property and improvements	0	38,588	16,787	1,933	6,312
Building lease payments	39,825	38,264	39,382	35,500	52,566
Equipment rental and leases	3,546	5,072	5,252	2,534	3,745
Miscellaneous expenses	12,931	11,755	14,325	12,288	12,265
Refunds	600	0	0	0	0
Program distributions	4,304,899	3,587,349	3,628,943	3,713,766	5,500,319
Total Expenditures	\$ <u>9,292,222</u>	<u>8,516,979</u>	<u>8,480,038</u>	<u>8,595,013</u>	<u>10,725,740</u>

Appendix E

Supreme Court of Missouri

Missouri Bar ¹

Combined Statement of Revenues, Expenses, and Changes in Net Assets

	Year Ended December 31,	
	2013	2012
Unrestricted Net Assets		
Unrestricted Revenues		
Total unrestricted revenues	\$ 9,396,354	9,468,445
Net Assets Released from Restrictions		
Satisfaction of grant and award restrictions	105,168	160,316
Total Unrestricted Revenues and Other Support	9,501,522	9,628,761
Expenses		
Total Expenses	9,491,337	10,277,026
Change in Unrestricted Net Assets	10,185	(648,265)
Temporarily Restricted Net Assets		
Grant revenues	28,326	232,802
Net assets released from restrictions	(105,168)	(160,316)
Change in Temporarily Restricted Net Assets	(76,842)	72,486
Change in Net Assets	(66,657)	(575,779)
Net Assets, Beginning of Year	3,556,748	4,132,527
Net Assets, End of Year	\$ 3,490,091	3,556,748

¹ The Missouri Bar funds are held in bank accounts outside the state treasury. Information provided is from external audits of the Bar. Audited information for 2014 was not available.

Appendix F

Supreme Court of Missouri

Board of Law Examiners and Board of Certified Court Reporter Examiners¹

Combined Statement of Income, Expenses, and Net Asset Balances

	Board of Law Examiners		Board of Certified Court Reporter Examiners	
	Year Ended September 30,		Year Ended September 30,	
	2014	2013	2014	2013
Income				
Fee income	\$ 1,340,274	1,398,598	62,275	68,315
Interest income	14,617	11,239	10,914	4,638
Total Income	1,354,891	1,409,837	73,189	72,953
Expenses				
Examination expense	224,642	232,939	15,743	17,525
Hearing expense	16,129	10,488	0	0
Conferences, meetings and travel	10,984	8,125	308	144
Investigation expense	9,794	14,450	0	0
Professional services	73,016	82,423	0	0
Office expense	12,916	18,267	9,046	14,581
Office equipment repair and maintenance	1,095	4,728	0	0
Vehicle expense	371	226	0	0
General office expenses	26,655	22,720	0	0
Physical plant expenses	47,811	23,222	0	0
Other expenses	8,501	4,512	787	810
Payroll expense	707,160	674,160	0	0
Insurance	8,270	7,869	0	0
Board and officers	96,103	91,633	0	0
Refunds	13,565	23,871	0	0
Ceremony and licensing	1,217	1,330	0	0
Total Expenses	1,258,229	1,220,963	25,884	33,060
Net Income	\$ 96,662	188,874	47,305	39,893
Net Asset Balance, September 30, ²	\$ 714,822	593,731	665,454	614,072

¹The funds for these boards are held in bank accounts outside the state treasury. Income and expenses reflect bank account activity as reported in the boards' financial statements. Net Asset Balances are reported from the boards' balance sheets.

²The change in Net Asset Balance from one year to the next does not match the net income reported by the boards. The boards were unable to explain the difference.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Seventeenth Judicial Circuit Cass County



August 2015

Report No. 2015-065

<http://auditor.mo.gov>

Seventeenth Judicial Circuit, Cass County

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Corrective Action.....	3
2.1	Accounting Controls and Procedures - Segregation of duties and supervisory review	4
2.2	Accounting Controls and Procedures - Receipt processing procedures	4
2.3	Accounting Controls and Procedures - Bank reconciliations	5
2.4	Accounting Controls and Procedures - Non-monetary, voided, and adjusting transactions	6
2.5	Accounting Controls and Procedures - Accrued case costs.....	6
2.6	Accounting Controls and Procedures - Liabilities	7
2.9	Accounting Controls and Procedures - Voided checks.....	7
3.	Case Disposition	8
4.1	Law Library - Segregation of duties and supervisory review	8

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Seventeenth Judicial Circuit
Cass County, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-123, *Seventeenth Judicial Circuit, Cass County*, (rated as Poor), issued in December 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the court about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the court, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by the Circuit Clerk and met with relevant court officials and personnel. Documentation provided by the court included bank statements, Judicial Information System reports, and various other financial and court records. This report is a summary of the results of this follow-up work, which was substantially completed during June 2015.

Nicole R. Galloway, CPA
State Auditor

Seventeenth Judicial Circuit, Cass County

Follow-Up Report on Audit Findings

Status of Findings

1. Corrective Action The court had not taken sufficient steps to correct accounting control deficiencies identified by the Office of the State Court Administrator (OSCA) in January 2013.

After a theft of monies was discovered in October 2012, the OSCA performed a financial review of the court. The former Circuit Clerk did not respond to the OSCA recommendations and took little corrective action to implement the recommendations. In August 2013, the former Circuit Clerk was suspended for failure to perform office duties and later resigned. Many of the unimplemented recommendations made by the OSCA were also weaknesses discussed in our report.

Recommendation

The Circuit Clerk implement recommendations in a timely manner.

Status

In Progress

The Circuit Clerk has implemented, or is in the process of implementing, all of the recommendations made by the OSCA in January 2013.

- The Circuit Clerk indicated all supervisors have been removed from the monetary receipt process and supervisors are performing supervisory duties including voiding/retaking receipts and correcting errors on assessed costs.
- The Circuit Clerk indicated monies are receipted in the Judicial Information System (JIS) the day of receipt.
- A supervisor has been assigned to perform monthly bank reconciliations that are reviewed by the Circuit Clerk and the Presiding Judge. We reviewed the May 2015 bank reconciliation, and noted some concerns as indicated at Section 2.3. The Circuit Clerk indicated she no longer takes deposits to the bank.
- A supervisor has been assigned to perform end of month procedures. The Circuit Clerk creates and prints end of month checks.
- The Circuit Clerk hired a Chief Deputy Clerk in May 2015 and an Accounting Supervisor in June 2015. The Circuit Clerk indicated once these employees have been fully trained, monthly supervisory reviews of liabilities, outstanding checks, fee adjustments, and non-monetary payments will be performed.
- In March 2015, the Circuit Clerk attended training presented by the OSCA covering JIS management reports. The Circuit Clerk stated she is in the process of reviewing these reports and developing new procedures to make the reports more useful.



Seventeenth Judicial Circuit, Cass County
Follow-up Report on Audit Findings
Status of Findings

- The Circuit Clerk has updated written procedures and is in the process of monitoring accrued costs and writing off amounts deemed uncollectible.

2.1 Accounting Controls
and Procedures -
Segregation of duties
and supervisory review

The Circuit Clerk's office had not adequately segregated accounting duties or limited user access rights in the JIS, and adequate supervisory reviews of accounting records were not performed. The former Circuit Clerk had not established restrictions on system access and thus, the Acting Circuit Clerk and 19 court employees had the ability to assess fees, receipt monies, post non-monetary transactions, enter voids, and adjust costs in the JIS, including the clerk primarily responsible for preparing deposits and reviewing daily cashier sessions. Neither the Acting Circuit Clerk nor other personnel independent of the cash custody and record-keeping functions provided adequate supervision or review of the work performed by court employees to ensure transactions were appropriate.

Recommendation

The Circuit Clerk segregate accounting duties to the extent possible, limit user access rights within the JIS to only those necessary for the user to perform job duties, and implement appropriate reviews and monitoring procedures.

Status

In Progress

The Circuit Clerk stated she has limited user access rights in the JIS to the extent possible. She indicated some rights could not be removed because the change would prevent the employees from performing some of their required duties. Written segregation of duties procedures, a chart of incompatible duties, and a schedule of duties assigned to each employee were provided for our review. The written procedures provide for the segregation of the duties of assessing fees, receipting monies, and depositing receipts. However, the supervisor who prepares deposits and weekly disbursements and performs bank reconciliations continues to void receipts and adjust fees.

The Circuit Clerk indicated that full segregation of duties and supervisory oversight will be implemented once the new Accounting Supervisor and Chief Deputy Clerk have been trained to perform daily and monthly reviews. Some monitoring procedures have been implemented, which are further discussed in the status for other findings.

2.2 Accounting Controls
and Procedures -
Receipt processing
procedures

The court did not record monies received in the mail on a mail log and checks were not restrictively endorsed immediately upon receipt. In addition, monies received by the Probate Division were not receipted and deposited timely.



Seventeenth Judicial Circuit, Cass County
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Circuit Clerk record and process receipts timely and restrictively endorse checks immediately upon receipt.

Status

In Progress

The Circuit Clerk indicated all monies are receipted in her office by two clerks and monies are no longer receipted by the Probate Clerk. The Circuit Clerk indicated the court began scanning checks received in the mail and logging checks taken at the counter in March 2015. Checks are restrictively endorsed immediately upon receipt. However, a reconciliation of receipts to the JIS and deposit records has not been implemented. The Circuit Clerk indicated the new Accounting Supervisor will be trained to perform a daily reconciliation to ensure all checks received in the mail or at the counter were receipted to the JIS and included in the deposit.

**2.3 Accounting Controls
and Procedures -
Bank reconciliations**

We noted the following concerns during our review of the court's bank reconciliations.

- The Circuit Clerk's office did not perform monthly bank reconciliations of the JIS account. Since December 2012, the OSCA had been performing these reconciliations.
- Reconciling items identified on bank reconciliations performed by the OSCA had not been resolved timely.
- The Circuit Clerk's office had not established procedures to follow up on outstanding checks. As of December 31, 2013, JIS records indicated 217 checks, totaling \$37,511, had been outstanding for over a year; some since June 2010.
- Interest earned on two certificates of deposit had not been recorded in the JIS.

Recommendation

The Circuit Clerk perform timely monthly bank reconciliations, resolve reconciling items timely, and establish procedures to routinely follow up on outstanding checks and reissue them if necessary or dispose of these monies in accordance with state law.

Status

In Progress

Monthly bank reconciliations are performed. We reviewed the May 2015 bank reconciliation, noting the Circuit Clerk is working to resolve reconciling items resulting from calendar year 2015 transactions; and had reduced the number of reconciling items from 2014 and prior years from \$9,979 at December 31, 2013, to \$4,681.



Seventeenth Judicial Circuit, Cass County
Follow-up Report on Audit Findings
Status of Findings

Written outstanding check procedures were established in April 2015. In May 2015, the Circuit Clerk stopped payment on all checks issued prior to September 2014 and turned these monies over to the state's unclaimed property section. The new procedures outline steps for following up on checks outstanding for more than 30 days.

**2.4 Accounting Controls
and Procedures - Non-
monetary, voided, and
adjusting transactions**

The Circuit Clerk and all court employees were allowed to enter non-monetary transactions, adjust costs, and void receipts in the JIS without supervisory review or approval. Also, documentation was not adequate for some of these transactions. The JIS can generate various reports to monitor these transactions; however, these reports were not generated and reviewed.

Recommendation

The Circuit Clerk ensure adequate documentation is maintained to support all non-monetary, voided and adjusting transactions, and ensure an independent review and approval of these transactions is performed and documented. In addition, the Circuit Clerk should periodically generate and review reports of these transactions.

Status

In Progress

The Circuit Clerk indicated procedures for voiding receipts and adjusting transactions were implemented in May 2015. Under these new procedures, void and adjustment request forms must be completed by the requesting clerk, approved by a supervisor, and reviewed by the Circuit Clerk. Only supervisors are able to void receipts and adjust fees in the JIS. The Circuit Clerk indicated the password required to perform these functions was only provided to the supervisors. The Circuit Clerk indicated she is developing procedures to ensure proper documentation and supervisory review of non-monetary transactions. She expects the procedures to be finalized in the next few months.

**2.5 Accounting Controls
and Procedures -
Accrued case costs**

The Circuit Clerk's office did not review accrued case costs owed to the court (court costs, incarceration costs, court-ordered restitution, fines, and other), as required by the court's formal plan for debt. Total accrued costs as of January 28, 2014, were approximately \$7.4 million. The court adopted a formal Administrative Plan for Collection of Court Debt, as required by Court Operating Rule 21.11. This plan required the court to review accounts receivable reports (accrued case costs) from the JIS and the debt collection vendor at least quarterly and determine if any accounts should be deemed uncollectible and written off by court order. The court had not reviewed the required reports and had not deemed any accounts to be uncollectible. We noted several cases where costs were not accurately reflected on the JIS list of accrued case costs. In addition, the plan had not been updated since January 2012 and did not contain all of the topics required by Supreme Court Operating Rule 21.11.



Seventeenth Judicial Circuit, Cass County
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Circuit Clerk develop procedures to review a complete and accurate list of accrued costs at least quarterly. In addition, the formal administrative plan for collection of court debt should be updated annually and should include all topics required.

Status

In Progress

The formal Administrative Plan for Collection of Court Debt was updated in January 2015. We reviewed the updated plan, noting all required topics are included. The Circuit Clerk indicated the Chief Deputy Clerk is currently reviewing the list of accrued costs, and she anticipates the review will be completed by the end of 2015. Once the review is completed, she indicated she will obtain an order from the Court en Banc to write off amounts deemed uncollectible. The Circuit Clerk indicated subsequent reviews will be conducted quarterly as required by the plan.

**2.6 Accounting Controls
and Procedures -
Liabilities**

The former Circuit Clerk did not review cases with liabilities to ensure monies were disbursed timely. As of December 31, 2013, the Acting Circuit Clerk had also not completed a review of the liability listing totaling \$1,139,976.

Recommendation

The Circuit Clerk establish procedures to review the status of liabilities monthly to determine the appropriate disposition of funds.

Status

In Progress

The Circuit Clerk indicated the Chief Deputy Clerk or the Accounting Supervisor will perform monthly reviews of liabilities beginning in July 2015. Our review of liabilities at January 31, 2014, and June 30, 2015, noted bond monies held decreased from \$569,742 to \$275,012. The Circuit Clerk expects all liabilities to be reviewed and resolved by the end of 2015.

**2.9 Accounting Controls
and Procedures -
Voided checks**

The Circuit Clerk's office had not developed formal policies and procedures related to voided checks.

Recommendation

The Circuit Clerk establish formal policies and procedures for voided and returned checks.

Status

Implemented

Written outstanding check procedures established in April 2015 include procedures for voided and returned checks. For voided checks, the procedures require completion of a voided check request form by the requesting clerk and a supervisor's approval and entry of the information into the JIS prior to the Circuit Clerk requesting a stop payment order from



Seventeenth Judicial Circuit, Cass County
Follow-up Report on Audit Findings
Status of Findings

the bank. The requesting clerk defaces the voided check and attaches it to the request form. The procedures also provide that returned checks will be voided and monies sent to the state's unclaimed property section if a new address cannot be found.

3. Case Disposition

Court personnel did not always properly record the final disposition of each case in the JIS and did not periodically review the report of open cases. As a result, some disposed cases still appeared on the JIS as open cases. We identified 1,220 cases from 2013 that were suspended and no longer appeared on the court docket, and therefore could not be properly disposed.

Recommendation

The Circuit Clerk ensure the disposition of cases is properly recorded in the JIS and the report of open cases is periodically reviewed.

Status

In Progress

In March 2015, the Circuit Clerk attended training presented by the OSCA that covered management reports, including a report of open cases. The Circuit Clerk indicated by September 2015 she will develop written procedures for reviewing these reports and provide training to the personnel who will perform these duties.

4.1 Law Library -
Segregation of duties
and supervisory review

The court had not adequately segregated the accounting duties or performed independent reviews of the law library bank account and financial activities. The Acting Circuit Clerk performed all accounting duties including depositing monies, recording receipts, writing and signing checks, and reconciling the account.

Recommendation

The Court en Banc and the Circuit Clerk ensure accounting duties are adequately segregated or independent reviews are performed periodically.

Status

Implemented

The court segregated accounting duties to the extent possible and established independent reviews. In January 2015, the Associate Circuit Judge, Division 5, began reviewing the monthly law library account bank reconciliations; and in April 2015, a supervisor began performing the bank reconciliations. Also in April 2015, the judge began reviewing and approving invoices supporting all payments from the account. The Circuit Clerk continues to make deposits and sign checks.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ozark County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ozark County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2015
Report No. 2015-066

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014 AND 2013

**THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
TABLE OF CONTENTS**

FINANCIAL SECTION **PAGE**

Independent Auditor's Report.....	1-3
-----------------------------------	-----

FINANCIAL STATEMENTS

Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2014.....	4
Year Ended December 31, 2013.....	5
Comparative Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2014 and 2013.....	6-16

Fiduciary Funds:

Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2014.....	17
As of December 31, 2013.....	18
Notes to the Financial Statements.....	19-30

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

Schedule of State Findings.....	31
---------------------------------	----

FEDERAL COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	32-33
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133.....	34-36
Schedule of Expenditures of Federal Awards.....	37
Notes to the Schedule of Expenditures of Federal Awards.....	38
Schedule of Findings and Questioned Costs Years Ended December 31, 2014 and 2013.....	39-43
Summary Schedule of Prior Year Findings and Questioned Costs.....	44

FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Ozark, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Ozark ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2014, and 2013, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2014, and 2013, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2014, and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Ozark’s basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of the County of Ozark's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Ozark's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

FINANCIAL STATEMENTS

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

FUND	CASH JANUARY 1, 2014	RECEIPTS 2014	DISBURSEMENTS 2014	CASH DECEMBER 31, 2014
General Revenue Fund	\$ 51,838.56	\$ 1,285,916.36	\$ 1,210,544.31	\$ 127,210.61
Assessment Fund	8,950.87	140,593.62	146,402.48	3,142.01
Law Enforcement Training Fund	1,128.91	1,532.00	1,695.75	965.16
Law Enforcement Restitution Fund	2,022.37	5,798.56	3,236.69	4,584.24
Prosecuting Attorney Training Fund	417.04	385.43	457.20	345.27
10% PA Delinquent Fund	847.93	450.00	40.46	1,257.47
Law Library Fund	4,587.57	2,530.00	4,786.69	2,330.88
Recorder User Fee Fund	15,885.63	7,587.56	3,691.70	19,781.49
Law Enforcement Sales Tax Fund	3.20	701,230.87	699,009.63	2,224.44
Election Services Fund	11,729.19	5,924.20	5,468.15	12,185.24
LEPC Fund	10,845.41	-	2,886.88	7,958.53
Road and Bridge West Fund	90,963.89	936,820.30	988,934.70	38,849.49
Road and Bridge East Fund	154,492.52	694,234.66	691,112.03	157,615.15
Tax Maintenance Fund	19,892.46	10,739.47	22,952.37	7,679.56
Sheriff Revolving Fund	21,631.02	8,282.10	9,676.15	20,236.97
Civil Fee Fund	5,143.80	8,890.15	12,643.00	1,390.95
CDV Fund	605.00	205.00	600.00	210.00
Bad Check Fund	3,193.09	4,084.64	578.00	6,699.73
Help America Vote Act Fund	12,600.00	1,200.00	-	13,800.00
Title III/ 9-1-1 Fund	3,336.22	13,787.43	14,162.24	2,961.41
Inmate Security Fund	596.15	3,142.24	-	3,738.39
Total	<u>\$ 420,710.83</u>	<u>\$ 3,833,334.59</u>	<u>\$ 3,818,878.43</u>	<u>\$ 435,166.99</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	CASH DECEMBER 31, 2013
General Revenue Fund	\$ 132,098.27	\$ 1,090,592.76	\$ 1,170,852.47	\$ 51,838.56
Assessment Fund	15.61	136,489.51	127,554.25	8,950.87
Law Enforcement Training Fund	986.07	1,506.00	1,363.16	1,128.91
Law Enforcement Restitution Fund	-	2,022.37	-	2,022.37
Prosecuting Attorney Training Fund	152.22	379.82	115.00	417.04
10% PA Delinquent Fund	2,075.83	337.50	1,565.40	847.93
Law Library Fund	5,430.29	2,260.00	3,102.72	4,587.57
Recorder User Fee Fund	22,141.28	7,945.55	14,201.20	15,885.63
Law Enforcement Sales Tax Fund	1,025.94	709,108.75	710,131.49	3.20
Election Services Fund	9,817.47	3,070.18	1,158.46	11,729.19
LEPC Fund	8,230.88	3,867.67	1,253.14	10,845.41
Road and Bridge West Fund	72,514.58	558,777.11	540,327.80	90,963.89
Road and Bridge East Fund	2,313.20	650,908.14	498,728.82	154,492.52
Tax Maintenance Fund	18,644.93	12,396.06	11,148.53	19,892.46
Sheriff Revolving Fund	14,198.79	10,367.43	2,935.20	21,631.02
Civil Fee Fund	8,974.84	7,392.97	11,224.01	5,143.80
CDV Fund	685.00	270.00	350.00	605.00
Bad Check Fund	4,953.11	2,776.27	4,536.29	3,193.09
Help America Vote Act Fund	5,201.20	7,400.00	1.20	12,600.00
Title III/ 9-1-1 Fund	3,171.70	20,449.37	20,284.85	3,336.22
Inmate Security Fund	-	596.15	-	596.15
Total	<u>\$ 312,631.21</u>	<u>\$ 3,228,913.61</u>	<u>\$ 3,120,833.99</u>	<u>\$ 420,710.83</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	GENERAL REVENUE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 196,825.00	\$ 189,682.47	\$ 156,800.00	\$ 172,531.32
Sales Taxes	575,000.00	615,302.83	560,000.00	559,311.58
Intergovernmental	183,604.60	165,122.78	149,027.60	131,932.54
Charges for Services	172,838.19	153,531.96	161,021.89	168,061.07
Interest	550.00	503.14	650.00	539.97
Other	120,936.00	109,763.16	62,422.00	43,362.90
Transfers In	48,118.00	52,010.02	19,890.00	14,853.38
TOTAL RECEIPTS	1,297,871.79	1,285,916.36	1,109,811.49	1,090,592.76
DISBURSEMENTS				
County Commission	82,606.00	82,604.35	83,590.00	82,940.19
County Clerk	58,363.92	56,718.89	60,000.00	59,546.36
Elections	81,396.00	70,889.78	38,000.00	32,590.89
Buildings and Grounds	61,028.00	60,946.47	58,665.00	59,851.86
Employee Fringe Benefits	117,160.76	117,466.93	101,812.58	104,497.53
County Treasurer	42,199.92	41,985.56	42,147.59	40,604.45
Collector	79,869.92	76,812.43	80,086.50	73,652.56
Recorder of Deeds	20,993.25	21,205.63	18,242.00	16,463.62
Circuit Clerk	11,100.40	11,350.04	11,130.00	10,685.91
Court Administration	9,581.11	8,721.63	10,942.02	10,674.09
Public Administrator	45,628.00	45,468.38	45,928.00	48,309.93
Prosecuting Attorney	174,500.40	180,219.91	159,706.00	163,695.01
Juvenile Officer	28,136.32	21,391.96	31,321.61	21,901.65
Coroner	15,650.00	15,171.59	15,500.00	18,421.24
General County Government	100,055.00	104,964.02	58,200.00	74,155.15
Recycling	55,179.20	49,001.48	48,987.00	47,633.65
IV-D Child Support	39,949.64	30,766.82	33,011.00	30,026.33
Public Defender	5,960.00	5,965.05	5,865.00	5,551.62
Health and Welfare	1,000.00	900.00	10,000.00	3,394.86
Debt Service	5,320.00	5,320.00	5,320.00	5,320.00
Transfers Out	262,702.62	202,673.39	282,210.33	260,935.57
Emergency Fund	38,936.15	-	33,294.34	-
TOTAL DISBURSEMENTS	1,337,316.61	1,210,544.31	1,233,958.97	1,170,852.47
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(39,444.82)	75,372.05	(124,147.48)	(80,259.71)
CASH BALANCES, JANUARY 1	51,838.56	51,838.56	132,098.27	132,098.27
CASH BALANCES, DECEMBER 31	\$ 12,393.74	\$ 127,210.61	\$ 7,950.79	\$ 51,838.56

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ASSESSMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 104,520.00	\$ 94,635.70	\$ 107,689.48	\$ 99,486.83	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	1,500.00	1,532.00	2,386.00	1,506.00
Interest	50.00	19.31	50.00	19.13	-	-	-	-
Other	2,200.00	3,054.59	2,100.00	2,572.24	-	-	-	-
Transfers In	33,770.93	42,884.02	32,210.33	34,411.31	-	-	-	-
TOTAL RECEIPTS	140,540.93	140,593.62	142,049.81	136,489.51	1,500.00	1,532.00	2,386.00	1,506.00
DISBURSEMENTS								
Salaries	109,722.80	103,922.62	95,370.29	94,133.99	-	-	-	-
Fringe Benefits	7,600.00	7,095.51	7,225.00	6,208.72	-	-	-	-
Office Expenses	29,994.00	25,554.13	34,654.52	26,387.17	-	-	-	-
Mileage & Training	2,000.00	717.13	4,800.00	824.37	-	-	-	-
Public Safety Sheriff Training	-	-	-	-	2,628.00	1,695.75	2,386.00	1,363.16
Transfers Out	-	9,113.09	-	-	-	-	-	-
TOTAL DISBURSEMENTS	149,316.80	146,402.48	142,049.81	127,554.25	2,628.00	1,695.75	2,386.00	1,363.16
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(8,775.87)	(5,808.86)	-	8,935.26	(1,128.00)	(163.75)	-	142.84
CASH BALANCES, JANUARY 1	8,950.87	8,950.87	15.61	15.61	1,128.91	1,128.91	986.07	986.07
CASH BALANCES, DECEMBER 31	\$ 175.00	\$ 3,142.01	\$ 15.61	\$ 8,950.87	\$ 0.91	\$ 965.16	\$ 986.07	\$ 1,128.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 400.00	\$ 385.43	\$ 350.00	\$ 379.82
Interest	-	5.06	-	0.37	-	-	-	-
Other	4,000.00	5,793.50	2,550.00	2,022.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,000.00	5,798.56	2,550.00	2,022.37	400.00	385.43	350.00	379.82
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Other	4,000.00	3,236.69	-	-	800.00	457.20	500.00	115.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,000.00	3,236.69	-	-	800.00	457.20	500.00	115.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	2,561.87	2,550.00	2,022.37	(400.00)	(71.77)	(150.00)	264.82
CASH BALANCES, JANUARY 1	2,022.37	2,022.37	-	-	417.04	417.04	152.22	152.22
CASH BALANCES, DECEMBER 31	\$ 2,022.37	\$ 4,584.24	\$ 2,550.00	\$ 2,022.37	\$ 17.04	\$ 345.27	\$ 2.22	\$ 417.04

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	10% PA DELINQUENT FUND				LAW LIBRARY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Other	\$ 300.00	\$ 450.00	\$ 1,500.00	\$ 337.50	\$ 2,000.00	\$ 2,530.00	\$ 2,000.00	\$ 2,260.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	300.00	450.00	1,500.00	337.50	2,000.00	2,530.00	2,000.00	2,260.00
DISBURSEMENTS								
Office	1,100.00	40.46	3,500.00	1,259.94	500.00	4,786.69	4,500.00	3,102.72
Equipment	-	-	-	-	5,350.00	-	-	-
Training	-	-	-	305.46	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,100.00	40.46	3,500.00	1,565.40	5,850.00	4,786.69	4,500.00	3,102.72
RECEIPTS OVER (UNDER) DISBURSEMENTS	(800.00)	409.54	(2,000.00)	(1,227.90)	(3,850.00)	(2,256.69)	(2,500.00)	(842.72)
CASH BALANCES, JANUARY 1	847.93	847.93	2,075.83	2,075.83	4,587.57	4,587.57	5,430.29	5,430.29
CASH BALANCES, DECEMBER 31	<u>\$ 47.93</u>	<u>\$ 1,257.47</u>	<u>\$ 75.83</u>	<u>\$ 847.93</u>	<u>\$ 737.57</u>	<u>\$ 2,330.88</u>	<u>\$ 2,930.29</u>	<u>\$ 4,587.57</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	RECORDER USER FEE FUND				LAW ENFORCEMENT SALES TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 267,500.00	\$ 285,097.00	\$ 265,000.00	\$ 260,465.57
Intergovernmental	-	-	-	-	147,998.91	180,314.07	127,692.89	144,224.78
Charges for Services	-	-	-	-	6,000.00	5,216.53	5,500.00	6,196.57
Interest	15.00	20.06	6.00	26.80	30.00	44.79	72.00	30.41
Other	7,500.00	7,567.50	7,500.00	7,918.75	60,348.84	58,126.11	79,600.00	69,587.36
Transfers In	-	-	-	-	245,028.69	172,432.37	250,000.00	228,604.06
TOTAL RECEIPTS	7,515.00	7,587.56	7,506.00	7,945.55	726,906.44	701,230.87	727,864.89	709,108.75
DISBURSEMENTS								
Office Expenses	7,900.00	3,691.70	5,710.00	4,311.20	-	-	-	-
Employee Fringe Benefits	-	-	-	-	76,529.33	68,937.53	74,425.00	65,050.93
JAIL Salaries & Bldg. Expenses	-	-	-	-	160,694.30	170,928.65	155,079.80	160,304.75
JAIL - Prisoner- Related Expenses	-	-	-	-	38,000.00	29,210.46	47,750.00	31,304.18
Sheriff- Department Salaries	-	-	-	-	325,180.64	323,304.72	326,972.40	328,252.88
Sheriff- Employee Related exp.	-	-	-	-	2,100.00	1,197.27	1,900.00	4,563.55
Sheriff- Office Expenses	-	-	-	-	46,402.16	32,867.07	44,300.39	59,807.47
Patrol Car Expenses	-	-	-	-	73,200.00	68,073.85	72,300.00	55,642.32
Deputy Expenses	-	-	-	-	4,800.00	4,490.08	4,620.00	5,205.41
Transfers Out	-	-	9,890.00	9,890.00	-	-	-	-
TOTAL DISBURSEMENTS	7,900.00	3,691.70	15,600.00	14,201.20	726,906.43	699,009.63	727,347.59	710,131.49
RECEIPTS OVER (UNDER) DISBURSEMENTS	(385.00)	3,895.86	(8,094.00)	(6,255.65)	0.01	2,221.24	517.30	(1,022.74)
CASH BALANCES, JANUARY 1	15,885.63	15,885.63	22,141.28	22,141.28	3.20	3.20	1,025.94	1,025.94
CASH BALANCES, DECEMBER 31	<u>\$ 15,500.63</u>	<u>\$ 19,781.49</u>	<u>\$ 14,047.28</u>	<u>\$ 15,885.63</u>	<u>\$ 3.21</u>	<u>\$ 2,224.44</u>	<u>\$ 1,543.24</u>	<u>\$ 3.20</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ELECTION SERVICES FUND				LEPC FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	\$ -	\$ -	\$ 3,867.67
Interest	20.00	17.54	3.00	16.85	-	-	-	-
Other	4,000.00	5,906.66	1,500.00	3,053.33	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,020.00	5,924.20	1,503.00	3,070.18	3,000.00	-	-	3,867.67
DISBURSEMENTS								
Office Expense	8,500.00	468.15	8,250.00	1,158.46	9,750.00	2,886.88	8,200.00	1,253.14
Transfers Out	-	5,000.00	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,500.00	5,468.15	8,250.00	1,158.46	9,750.00	2,886.88	8,200.00	1,253.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,480.00)	456.05	(6,747.00)	1,911.72	(6,750.00)	(2,886.88)	(8,200.00)	2,614.53
CASH BALANCES, JANUARY 1	11,729.19	11,729.19	9,817.47	9,817.47	10,845.41	10,845.41	8,230.88	8,230.88
CASH BALANCES, DECEMBER 31	\$ 7,249.19	\$ 12,185.24	\$ 3,070.47	\$ 11,729.19	\$ 4,095.41	\$ 7,958.53	\$ 30.88	\$ 10,845.41

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ROAD AND BRIDGE WEST FUND				ROAD AND BRIDGE EAST FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 128,400.00	\$ 123,529.03	\$ 131,000.00	\$ 127,855.24	\$ 128,400.00	\$ 123,529.07	\$ 131,000.00	\$ 127,855.30
Sales Taxes	161,000.00	162,669.36	-	12,610.12	149,000.00	162,669.43	-	12,610.14
Intergovernmental	48,057.00	45,978.08	53,140.00	47,354.94	54,500.00	57,097.36	162,000.00	170,169.35
Charges for Services	614.00	4,566.28	1,000.00	2,878.43	1,000.00	8,764.00	-	1,895.61
Interest	250.00	288.52	300.00	213.46	300.00	288.58	300.00	213.53
Other	649,963.00	599,789.03	610,300.00	367,864.92	335,600.00	341,886.22	318,100.00	338,164.21
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	988,284.00	936,820.30	795,740.00	558,777.11	668,800.00	694,234.66	611,400.00	650,908.14
DISBURSEMENTS								
Road & Bridge Payroll Expenses	277,817.00	270,461.94	254,722.22	239,743.13	276,610.50	248,558.05	253,056.56	224,315.55
Building Maintenance & Upkeep	17,590.00	17,132.82	8,800.00	7,981.69	15,959.37	16,425.00	8,800.00	7,898.56
Supplies	90,000.00	83,216.91	89,500.00	76,229.51	102,000.00	95,334.38	99,500.00	97,311.45
Road & Bridge Construction	72,000.00	63,858.70	17,000.00	13,944.53	92,000.00	69,229.26	43,500.00	17,224.55
Road & Bridge Materials	122,280.00	122,018.88	55,000.00	37,519.76	117,000.00	95,602.33	62,000.00	37,534.94
Equipment Repairs	70,100.00	63,085.98	92,500.00	86,541.85	77,500.00	82,722.76	78,000.00	73,208.40
Equipment Purchases	98,502.09	97,334.30	28,896.03	32,431.84	9,800.00	60,017.83	28,850.00	30,877.20
Expenses	300,000.00	247,297.54	300,000.00	35,201.11	64,550.00	-	-	4,423.05
Other	28,004.00	6,527.63	8,350.00	10,734.38	19,164.00	5,222.42	8,000.00	5,935.12
Transfers Out	-	18,000.00	-	-	-	18,000.00	-	-
TOTAL DISBURSEMENTS	1,076,293.09	988,934.70	854,768.25	540,327.80	774,583.87	691,112.03	581,706.56	498,728.82
RECEIPTS OVER (UNDER) DISBURSEMENTS	(88,009.09)	(52,114.40)	(59,028.25)	18,449.31	(105,783.87)	3,122.63	29,693.44	152,179.32
CASH BALANCES, JANUARY 1	90,963.89	90,963.89	72,514.58	72,514.58	154,492.52	154,492.52	2,313.20	2,313.20
CASH BALANCES, DECEMBER 31	<u>\$ 2,954.80</u>	<u>\$ 38,849.49</u>	<u>\$ 13,486.33</u>	<u>\$ 90,963.89</u>	<u>\$ 48,708.65</u>	<u>\$ 157,615.15</u>	<u>\$ 32,006.64</u>	<u>\$ 154,492.52</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	TAX MAINTENANCE FUND				SHERIFF REVOLVING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 25.00	\$ 20.73	\$ 6.00	\$ 26.40	\$ 20.00	\$ 24.10	\$ -	\$ 21.43
Other	12,300.00	10,718.74	10,500.00	12,369.66	7,000.00	8,258.00	6,000.00	10,346.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	12,325.00	10,739.47	10,506.00	12,396.06	7,020.00	8,282.10	6,000.00	10,367.43
DISBURSEMENTS								
Office Expenses	8,050.00	20,827.55	14,400.00	6,185.15	-	956.65	18,000.00	954.54
Equipment	16,000.00	69.49	100.00	-	28,637.02	8,719.50	-	1,680.66
Training	700.00	158.40	500.00	-	-	-	-	300.00
Transfers Out	-	1,896.93	-	4,963.38	-	-	-	-
TOTAL DISBURSEMENTS	24,750.00	22,952.37	15,000.00	11,148.53	28,637.02	9,676.15	18,000.00	2,935.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,425.00)	(12,212.90)	(4,494.00)	1,247.53	(21,617.02)	(1,394.05)	(12,000.00)	7,432.23
CASH BALANCES, JANUARY 1	19,892.46	19,892.46	18,644.93	18,644.93	21,631.02	21,631.02	14,198.79	14,198.79
CASH BALANCES, DECEMBER 31	<u>\$ 7,467.46</u>	<u>\$ 7,679.56</u>	<u>\$ 14,150.93</u>	<u>\$ 19,892.46</u>	<u>\$ 14.00</u>	<u>\$ 20,236.97</u>	<u>\$ 2,198.79</u>	<u>\$ 21,631.02</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	CIVIL FEE FUND				CDV FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Other	\$ 7,500.00	\$ 8,890.15	\$ 9,000.00	\$ 7,392.97	\$ 200.00	\$ 205.00	\$ 350.00	\$ 270.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,500.00	8,890.15	9,000.00	7,392.97	200.00	205.00	350.00	270.00
DISBURSEMENTS								
Patrol Car Expense	-	-	10,000.00	10,680.33	-	-	-	-
Equipment	546.00	-	7,000.00	543.68	-	-	-	-
Expenses	-	-	-	-	600.00	600.00	350.00	350.00
Transfer Out	12,097.00	12,643.00	-	-	-	-	-	-
TOTAL DISBURSEMENTS	12,643.00	12,643.00	17,000.00	11,224.01	600.00	600.00	350.00	350.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,143.00)	(3,752.85)	(8,000.00)	(3,831.04)	(400.00)	(395.00)	-	(80.00)
CASH BALANCES, JANUARY 1	5,143.80	5,143.80	8,974.84	8,974.84	605.00	605.00	685.00	685.00
CASH BALANCES, DECEMBER 31	\$ 0.80	\$ 1,390.95	\$ 974.84	\$ 5,143.80	\$ 205.00	\$ 210.00	\$ 685.00	\$ 605.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	BAD CHECK FUND				HELP AMERICA VOTE ACT FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ 4,079.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,000.00	-	3,500.00	2,770.79	3,500.00	1,200.00	5,000.00	7,400.00
Interest	-	5.64	2.00	5.48	-	-	2.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,000.00	4,084.64	3,502.00	2,776.27	3,500.00	1,200.00	5,002.00	7,400.00
DISBURSEMENTS								
Office Expenses	6,100.00	578.00	-	460.00	-	-	-	-
Equipment	-	-	8,400.00	4,076.29	16,000.00	-	10,000.00	1.20
Transfers Out	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,100.00	578.00	8,400.00	4,536.29	16,000.00	-	10,000.00	1.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,100.00)	3,506.64	(4,898.00)	(1,760.02)	(12,500.00)	1,200.00	(4,998.00)	7,398.80
CASH BALANCES, JANUARY 1	3,193.09	3,193.09	4,953.11	4,953.11	12,600.00	12,600.00	5,201.20	5,201.20
CASH BALANCES, DECEMBER 31	\$ 93.09	\$ 6,699.73	\$ 55.11	\$ 3,193.09	\$ 100.00	\$ 13,800.00	\$ 203.20	\$ 12,600.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	TITLE III/9-1-1 FUND				INMATE SECURITY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 11,400.00	\$ 11,632.43	\$ 20,199.37	\$ 20,449.37	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	2,155.00	-	-	-	-	-	-
Interest	-	-	-	-	0.20	2.24	-	0.15
Other	-	-	-	-	800.00	3,140.00	600.00	596.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	11,400.00	13,787.43	20,199.37	20,449.37	800.20	3,142.24	600.00	596.15
DISBURSEMENTS								
Salaries	-	-	14,000.00	13,041.90	-	-	-	-
Expenses	14,200.00	14,162.24	7,900.00	2,793.88	-	-	-	-
Other Expenses	-	-	1,300.00	2,369.27	-	-	-	-
Transfers Out	-	-	-	2,079.80	-	-	-	-
TOTAL DISBURSEMENTS	14,200.00	14,162.24	23,200.00	20,284.85	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,800.00)	(374.81)	(3,000.63)	164.52	800.20	3,142.24	600.00	596.15
CASH BALANCES, JANUARY 1	3,336.22	3,336.22	3,171.70	3,171.70	596.15	596.15	-	-
CASH BALANCES, DECEMBER 31	\$ 536.22	\$ 2,961.41	\$ 171.07	\$ 3,336.22	\$ 1,396.35	\$ 3,738.39	\$ 600.00	\$ 596.15

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014

	Oversurplus	Fines & Forfeitures	FIT	Unclaimed Fees	CERF	County Clerk
ASSETS						
Cash and Cash Equivalents	\$ 29,571.74	\$ 26,751.86	\$ -	\$ 886.31	\$ 6,249.70	\$ 290.00
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>29,571.74</u>	<u>26,751.86</u>	<u>-</u>	<u>886.31</u>	<u>6,249.70</u>	<u>290.00</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>29,571.74</u>	<u>26,751.86</u>	<u>-</u>	<u>886.31</u>	<u>6,249.70</u>	<u>290.00</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,571.74</u>	<u>\$ 26,751.86</u>	<u>\$ -</u>	<u>\$ 886.31</u>	<u>\$ 6,249.70</u>	<u>\$ 290.00</u>
	Collector	Sheriff	Total Agency Funds			
ASSETS						
Cash and Cash Equivalents	\$ 2,937,557.46	\$ 2,858.35	\$ 3,004,165.42			
Investments	-	-	-			
TOTAL ASSETS	<u>2,937,557.46</u>	<u>2,858.35</u>	<u>3,004,165.42</u>			
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>2,937,557.46</u>	<u>2,858.35</u>	<u>3,004,165.42</u>			
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,937,557.46</u>	<u>\$ 2,858.35</u>	<u>\$ 3,004,165.42</u>			

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013

	Oversurplus	Fines & Forfeitures	FIT	Unclaimed Fees	CERF	County Clerk
ASSETS						
Cash and Cash Equivalents	\$ 34,397.60	\$ 27,556.38	\$ 2,394.24	\$ 886.31	\$ 5,445.86	\$ 255.00
Investments	-	-	-	-	-	-
TOTAL ASSETS	<u>34,397.60</u>	<u>27,556.38</u>	<u>2,394.24</u>	<u>886.31</u>	<u>5,445.86</u>	<u>255.00</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>34,397.60</u>	<u>27,556.38</u>	<u>2,394.24</u>	<u>886.31</u>	<u>5,445.86</u>	<u>255.00</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,397.60</u>	<u>\$ 27,556.38</u>	<u>\$ 2,394.24</u>	<u>\$ 886.31</u>	<u>\$ 5,445.86</u>	<u>\$ 255.00</u>
	Collector	Sheriff	Total Agency Funds			
ASSETS						
Cash and Cash Equivalents	\$ 2,781,303.58	\$ 2,403.83	\$ 2,854,642.80			
Investments	-	-	-			
TOTAL ASSETS	<u>2,781,303.58</u>	<u>2,403.83</u>	<u>2,854,642.80</u>			
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>2,781,303.58</u>	<u>2,403.83</u>	<u>2,854,642.80</u>			
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,781,303.58</u>	<u>\$ 2,403.83</u>	<u>\$ 2,854,642.80</u>			

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ozark, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1841 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 10 elected Constitutional Officers: Assessor, Circuit Clerk, Collector of Revenue, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only Ozark County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation, was:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 76,552,260	\$ 75,672,030
Personal Property	23,008,332	22,771,746
Railroad and Utilities	<u>5,526,969</u>	<u>5,631,028</u>
	<u>\$ 105,087,561</u>	<u>\$ 104,074,804</u>

During 2014 and 2013, the County Commission approved a \$0.4187 and \$0.4173, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2014</u>	<u>2013</u>
General Revenue Fund	\$ 0.1800	\$ 0.1788
Road and Bridge West and East Funds	<u>0.2387</u>	<u>0.2385</u>
	<u>\$ 0.4187</u>	<u>\$ 0.4173</u>

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. CASH AND INVESTMENTS

The County maintains a cash investment pool that is available for all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014, and 2013, the carrying amount of the County's deposits were \$435,166.99 and \$420,710.83, and the bank balances were \$3,054,711.44 and \$2,930,305.20, respectively. The total bank balances as of December 31, 2014, and 2013 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2014, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 435,166.99
Total Governmental Funds	435,166.99
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	3,004,165.42
Total Agency Funds	3,004,165.42
Total Deposits as of December 31, 2014	\$ 3,439,332.41

The carrying values of deposits shown above are included in the financial statements at December 31, 2013, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 420,710.83
Total Governmental Funds	420,710.83
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	2,854,642.80
Total Agency Funds	2,854,642.80
Total Deposits as of December 31, 2013	\$ 3,275,353.63

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014, and 2013.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2014, and 2013.

III. LONG-TERM DEBT

DNR Energy Loan

On December 16, 2004, the County entered into a loan agreement with the DNR under the Energy Efficiency Leveraged Loan Program in the amount not to exceed \$63,630 to be used to implement energy conservation measures. The loan is at 3.75% interest with a 1% origination fee.

	Balance <u>12/31/12</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/13</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/14</u>
DNR Energy Loan	\$37,692.79	-	3,943.14	33,749.65	-	4,092.39	\$29,657.26

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (continued)

The future payments for the DNR Energy loan as of December 31, 2014, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,247.31	\$ 1,072.69	\$ 5,320.00
2016	4,408.07	911.93	5,320.00
2017	4,574.92	745.08	5,320.00
2018	4,748.08	571.92	5,320.00
2019	4,927.81	392.19	5,320.00
2020-2021	<u>6,751.07</u>	<u>236.35</u>	<u>6,987.42</u>
	\$ <u>29,657.26</u>	\$ <u>3,930.16</u>	\$ <u>33,587.42</u>

The future payments for the DNR Energy loan as of December 31, 2013, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 4,092.39	\$ 1,227.61	\$ 5,320.00
2015	4,247.31	1,072.69	5,320.00
2016	4,408.07	911.93	5,320.00
2017	4,574.92	745.08	5,320.00
2018	4,748.08	571.92	5,320.00
2019-2021	<u>11,678.88</u>	<u>628.54</u>	<u>12,307.42</u>
	\$ <u>33,749.65</u>	\$ <u>5,157.77</u>	\$ <u>38,907.42</u>

CAPITAL LEASES

On July 31, 2013, the County entered into a lease purchase agreement to finance the purchase of a 2013 Dodge Ram 1500 ST Truck. The agreement requires annual lease payments of \$6,982.33, including interest at 6.065%.

On May 27, 2014, the County entered into a lease purchase agreement to finance the purchase of a 2014 Ford F-150 4X4. The agreement requires annual lease payments of \$7,272.15, including interest at 6.450%.

On November 18, 2014, the County entered into a lease purchase agreement to finance the purchase of three 2013 John Deere 770G Road Graders. The agreement requires annual lease payments of \$105,570.72, including interest at 2.670%.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (concluded)

CAPITAL LEASES (concluded)

As of December 31, 2014, the payments for the capital leases of the County are as follows:

	Balance at December 31, 2013	Amount Borrowed	Amount Repaid	Balance at December 31, 2014	Interest Paid During Year
2013 Dodge Ram	\$ 18,582.67	\$ -	\$ 5,823.52	\$ 12,759.15	\$ 1,158.81
2014 Ford F-150	-	26,550.00	7,272.15	19,277.85	-
2013 John Deere 770G Road Graders	-	395,220.61	-	395,220.61	-
Totals	\$ 18,582.67	\$ 421,770.61	\$ 13,095.67	\$ 427,257.61	\$ 1,158.81

The future payments for the capital lease as of December 31, 2014, are as follows:

December 31,	Principal	Interest	Total
2015	\$ 107,103.65	\$ 13,084.70	\$ 120,188.35
2016	110,443.06	9,767.95	120,211.01
2017	106,918.58	5,924.29	112,842.87
2018	102,792.32	2,778.40	105,570.72
	<u>\$ 427,257.61</u>	<u>\$ 31,555.34</u>	<u>\$ 458,812.95</u>

As of December 31, 2013, the payment for the capital lease of the County is as follows:

	Balance at December 31, 2012	Amount Borrowed	Amount Repaid	Balance at December 31, 2013	Interest Paid During Year
2013 Dodge Ram	\$ -	\$ 25,565.00	\$ 6,982.33	\$ 18,582.67	\$ -
Totals	\$ -	\$ 25,565.00	\$ 6,982.33	\$ 18,582.67	\$ -

The future payments for the capital lease as of December 31, 2013, are as follows:

December 31,	Principal	Interest	Total
2014	\$ 5,823.52	\$ 1,158.81	\$ 6,982.33
2015	6,186.67	795.66	6,982.33
2016	6,572.48	409.85	6,982.33
	<u>\$ 18,582.67</u>	<u>\$ 2,364.32</u>	<u>\$ 20,946.99</u>

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IV. INTERFUND TRANSFERS

The following transfers were made during the years ended December 31, 2014, and 2013.

Fund	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 52,010.02	\$ 202,673.39	\$ 14,853.38	\$ 260,935.57
Assessment Fund	42,884.02	9,113.09	34,411.31	-
Recorder User Fee Fund	-	-	-	9,890.00
Law Enforcement Sales Tax Fund	172,432.37	-	228,604.06	-
Election Services Fund	-	5,000.00	-	-
Road and Bridge West Fund	-	18,000.00	-	-
Road and Bridge East Fund	-	18,000.00	-	-
Tax Maintenance Fund	-	1,896.93	-	4,963.38
Civil Fee Fund	-	12,643.00	-	-
Title III/9-1-1 Fund	-	-	-	2,079.80
	<u>\$ 267,326.41</u>	<u>\$ 267,326.41</u>	<u>\$ 277,868.75</u>	<u>\$ 277,868.75</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county, which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2014, and 2013 were \$67,425 and \$62,437, respectively.

VI. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had one COBRA participant at December 31, 2014, paying a premium of \$9,997. The County had one COBRA participant at December 31, 2013, paying a premium of \$2,133.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$8,398 and \$7,752, respectively, for the years ended December 31, 2014, and 2013.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides regular full-time employees with vacation time after they have completed their introductory period. Vacation time accrues at the rate of four hours per completed month of employment annually, for the first three years. After three years, vacation time will accrue at eight hours per completed month of employment annually with a maximum of 40 hours vacation time that can be carried forward to the following year. Regular full-time employees shall earn four hours of sick leave for each complete calendar month of employment and be allowed to accumulate up to 240 hours. Upon termination of employment, accumulated sick leave is not reimbursable.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

X. SUBSEQUENT EVENTS

There were no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended December 31, 2014 and 2013.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Ozark, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Ozark ("County") as of and for the years ended December 31, 2014, and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [FS 2014-001, FS 2014-002]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Ozark, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Ozark's ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2014, and 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014, and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 2014-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

FEDERAL GRANT/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NAME	GRANT OR IDENTIFYING NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2014	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2013
U.S. DEPARTMENT OF AGRICULTURE					
PASSED THROUGH THE STATE					
SCHOOLS AND ROADS - GRANTS TO STATES (PILT)	10.665	MISSOURI OFFICE OF ADMINISTRATION		\$ 1,293.23	\$ 1,293.23
SCHOOLS AND ROADS - GRANTS TO STATES (NATIONAL FOREST)	10.665	MISSOURI OFFICE OF ADMINISTRATION		139,658.57	187,032.65
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>140,951.80</u>	<u>188,325.88</u>
U.S. DEPARTMENT OF DEFENSE					
PASSED THROUGH STATE:					
PAYMENTS TO STATES IN LIEU OF REAL ESTATE TAXES	12.112	MISSOURI OFFICE OF ADMINISTRATION		47,900.63	36,000.72
TOTAL U.S. DEPARTMENT OF DEFENSE				<u>47,900.63</u>	<u>36,000.72</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASSED THROUGH STATE:					
COMMUNITY DEVELOPMENT BLOCK GRANTS	14.228	MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT	2013-PF-01	212,410.39	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>212,410.39</u>	<u>-</u>
U.S. DEPARTMENT OF THE INTERIOR					
DIRECT PROGRAM:					
PAYMENT IN LIEU OF TAXES - PILT	15.226			93,361.00	75,891.00
TOTAL U.S. DEPARTMENT OF THE INTERIOR				<u>93,361.00</u>	<u>75,891.00</u>
U.S. DEPARTMENT OF JUSTICE					
PASSED THROUGH STATE:					
2012 LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG) PROGRAM	16.738	MISSOURI DEPARTMENT OF PUBLIC SAFETY	2012-LLEBG-065	-	4,297.40
2014 LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG) PROGRAM	16.738	MISSOURI DEPARTMENT OF PUBLIC SAFETY	2013-LLEBG-072	4,025.10	-
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>4,025.10</u>	<u>4,297.40</u>
U.S. DEPARTMENT OF TRANSPORTATION					
PASSED THROUGH STATE:					
HIGHWAY PLANNING AND CONSTRUCTION	20.205	MISSOURI HIGHWAY AND TRANSPORTATION COMMISSION	BRO-B077(009)	245,621.36	35,162.11
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>245,621.36</u>	<u>35,162.11</u>
ELECTION ASSISTANCE COMMISSION:					
PASSED THROUGH STATE:					
HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	90.401	MISSOURI OFFICE OF SECRETARY OF STATE		1,139.76	1,011.14
TOTAL ELECTION ASSISTANCE COMMISSION				<u>1,139.76</u>	<u>1,011.14</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASSED THROUGH STATE:					
TITLE IV-D ADMINISTRATION (CHILD SUPPORT ENFORCEMENT)	93.563	MISSOURI DEPARTMENT OF SOCIAL SERVICES		40,981.10	39,990.05
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>40,981.10</u>	<u>39,990.05</u>
U.S. DEPARTMENT OF HOMELAND SECURITY					
PASSED THROUGH STATE:					
DISASTER GRANTS - PUBLIC ASSISTANCE GRANTS (PRESIDENTIALLY DECLARED DISASTERS)	97.036	MISSOURI DEPARTMENT OF PUBLIC SAFETY	FEMA 4144-DR-MO	70,930.01	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>70,930.01</u>	<u>-</u>
	Total			<u>\$ 857,321.15</u>	<u>\$ 380,678.30</u>

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Ozark County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and, if applicable, noncash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County had the following sub-recipients:

Sub-Recipients	CFDA Number	2014	2013
Dora R-3 School District	10.665	\$ 346.21	\$ 346.21
Gainesville R-5 School District	10.665	733.98	733.98
Thornfield R-1 School District	12.112	2,653.15	1,994.03
Bakersfield R-4 School District	12.112	2,439.79	1,833.67
Gainesville R-5 School District	12.112	11,679.82	8,778.21
Lutie R-6 School District	12.112	19,152.71	14,394.63
Thornfield R-1 School District	10.665	41,174.91	51,639.07
Dora R-3 School District	10.665	27,467.58	34,448.16
Bakersfield R-4 School District	10.665	7,697.63	9,653.90
Gainesville R-5 School District	10.665	11,667.52	14,632.68
Lutie R-6 School District	10.665	1,013.60	1,271.20
Ava R-1 School District	10.665	4,325.30	5,424.53
Bradleyville R-1 School District	10.665	3,901.72	4,893.30
Howell Co R-11 School District	10.665	2,521.35	3,162.12
Total		\$ 136,775.27	\$ 153,205.69

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2014 ☒ Yes ☐ None Reported
2013 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2014 ☒ Yes ☐ None Reported
2013 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2014 - Unmodified
2013 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*? 2014 ☒ Yes ☐ No
2013 ☒ Yes ☐ No

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2014/2013	10.665	Schools and Roads - Grants to States
2014	14.228	Community Development Block Grants
2014/2013	20.205	Highway Planning and Construction

5. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

6. Auditee qualified as low-risk auditee? 2014 ☐ Yes ☒ No

2013 ☐ Yes ☒ No

II. FINANCIAL STATEMENT FINDINGS

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: Each office holder will be contacted by a letter signed by the County Commissioners stating the following: In light of recent audit recommendations the County Commission requests each office holder to implement internal control documentation as outlined in the COSO framework. We also asked each office holder to prepare risk assessment process to prevent instances of fraud or mismanagement. By following these guidelines we can better serve the people of Ozark County. The Presiding Commissioner is John Turner (417)679-4096.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Commission is in the process of adopting periodic reviews of our policies and procedures. We will be doing ongoing evaluations to ensure control documentation meets the needs of the County Government. Our bill paying practices and payroll review approval process will be evaluated with an eye towards fraud prevention and an upgraded system of accountability. The Presiding Commission is John Turner (417)679-4096.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

The following findings, recommendations, and questioned costs are the results of the single audit of Ozark County, Missouri, for the years ended December 31, 2014, and 2013. Each finding is referenced with a four-digit number representing the years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (concluded)

C. Federal Award Findings and Questioned Costs

SA 2014-001

Schedule of Expenditures of Federal Awards

Federal Grantor:	All except U.S. Department of Transportation and U.S. Department of Housing and Urban Development
Pass-Through Grantor:	All except Highway and Transportation Commission and Department of Economic Development
Federal CFDA Number:	All except 20.205 and 14.228
Program Title:	All except Highway Planning and Construction and Community Development Block Grants
Award Year:	2014 and 2013
Type of Finding:	Other Information – Significant Deficiency

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered the client prepared the Schedule of Expenditures of Federal Awards (SEFA) for 2014 and 2013 with incorrect information.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Views of responsible officials and planned corrective actions: The County Clerk's office will work diligently to correct, and improve the SEFA pages and would be very interested to see how Daniel Jones & Associates corrected the SEFA pages for 2013 and 2014. The County Clerk is Brian Wise and his office phone number is (417)679-3516.

THE COUNTY OF OZARK
GAINESVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no prior audit completed for the year ended December 31, 2012.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There was no prior audit completed for the year ended December 31, 2012.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2015

To the Board of Commissioners
County of Ozark

In planning and performing our audit of the regulatory based financial statements of the County of Ozark (the "County") as of and for the years ended December 31, 2014, and December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: Each office holder will be contacted by a letter signed by the County Commissioners stating the following: In light of recent audit recommendations the County Commission requests each office holder to implement internal control documentation as outlined in the COSO framework. We also asked each office holder to prepare risk assessment process to prevent instances of fraud or mismanagement. By following these guidelines we can better serve the people of Ozark County. The Presiding Commissioner is John Turner (417)679-4096.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

FS 2014-002 Views of responsible officials and planned corrective actions: The County Commission is in the process of adopting periodic reviews of our policies and procedures. We will be doing ongoing evaluations to ensure control documentation meets the needs of the County Government. Our bill paying practices and payroll review approval process will be evaluated with an eye towards fraud prevention and an upgraded system of accountability. The Presiding Commission is John Turner (417)679-4096.

SA 2014-001 Schedule of Expenditures of Federal Awards

Federal Grantor: All except U.S. Department of Transportation and U.S. Department of Housing and Urban Development

Pass-Through Grantor: All except Highway and Transportation Commission and Department of Economic Development

Federal CFDA Number: All except 20.205 and 14.228

Program Title: All except Highway Planning and Construction and Community Development Block Grants

Award Year: 2014 and 2013

Type of Finding: Other Information – Significant Deficiency

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered the client prepared the Schedule of Expenditures of Federal Awards (SEFA) for 2014 and 2013 with incorrect information.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Views of responsible officials and planned corrective actions: The County Clerk's office will work diligently to correct, and improve the SEFA pages and would be very interested to see how Daniel Jones & Associates corrected the SEFA pages for 2013 and 2014. The County Clerk is Brian Wise and his office phone number is (417)679-3516.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 4, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2014-2013 fiscal years. We noted no transactions entered into by the county during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants (Concluded)

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Warren County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Warren County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2015
Report No. 2015-067

THE COUNTY OF WARREN
WARRENTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014 AND 2013

THE COUNTY OF WARREN
WARRENTON, MISSOURI
TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-2
<u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2014	3
Year Ended December 31, 2013	4
Comparative Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2014 and 2013	5-18
<i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2014	19
As of December 31, 2013	20
Notes to the Financial Statements	21-31
<u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
<u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings	32
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	33-34
Schedule of Findings and Responses	
Years Ended December 31, 2014 and 2013	35-36
Summary Schedule of Prior Year Findings and Responses	
Years Ended December 31, 2014 and 2013	37-38

FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Warren, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Warren, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2014, and 2013, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2014, and 2013, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2014, and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of the County of Warren’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Warren’s internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

FINANCIAL STATEMENTS

THE COUNTY OF WARREN
WARRENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

FUND	CASH AND INVESTMENTS JANUARY 1, 2014	RECEIPTS 2014	DISBURSEMENTS 2014	CASH AND INVESTMENTS DECEMBER 31, 2014
General Revenue Fund	\$ 967,261.64	\$ 3,541,856.43	\$ 3,563,129.75	\$ 945,988.32
Special Road and Bridge Fund	1,219,909.62	2,836,003.63	2,574,153.33	1,481,759.92
Assessment Fund	280,633.18	587,636.56	528,305.62	339,964.12
Law Enforcement Fund	333,513.52	3,076,214.25	3,072,401.91	337,325.86
Officers Training Fund	3,432.07	8,175.02	9,226.53	2,380.56
Prosecuting Attorney Training Fund	42,690.17	1,658.09	4,335.37	40,012.89
Capital Improvement Fund	94,864.63	435,683.40	449,479.26	81,068.77
Delinquent Tax Fund	16,474.19	3,973.48	-	20,447.67
Bad Check Fund	50,946.02	8,583.81	10,150.97	49,378.86
Recorder User Fee Fund	160,438.02	38,526.62	24,457.46	174,507.18
Health Reimbursement Fund	85,905.70	36,031.22	65,577.85	56,359.07
Sheriff's Civil Fee Fund	11,279.00	24,957.01	25,158.87	11,077.14
Road and Bridge Capital Fund	569,977.73	104,225.56	-	674,203.29
Prosecuting Attorney Forfeiture Fund	4,477.12	28.78	-	4,505.90
Election Services Fund	21,854.34	5,211.09	5,152.84	21,912.59
Recorder Tech Fund	43,125.73	7,566.84	5,407.83	45,284.74
Sheriff's Forfeiture Fund	1,985.40	7,552.94	1,987.47	7,550.87
Tax Maintenance Fund	179,574.87	56,110.42	78,131.49	157,553.80
Sheriff's Revolving Fund	54,165.29	44,111.85	62,924.91	35,352.23
County Clerk HAVA Fund	-	4,158.65	4,158.65	-
Federal Grant Fund	18,261.66	23,751.76	42,013.42	-
L.E.P.C. Fund	14,602.38	3,696.10	4,643.59	13,654.89
D.A.R.E. Fund	2,723.30	13.14	2,000.00	736.44
Inmate Security Fund	1,906.09	15,597.37	11,937.34	5,566.12
Senate Bill 40 Board Fund	548,423.04	1,277,893.75	1,177,431.35	648,885.44
TOTAL	<u>\$ 4,728,424.71</u>	<u>\$ 12,149,217.77</u>	<u>\$ 11,722,165.81</u>	<u>\$ 5,155,476.67</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH AND INVESTMENTS JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	CASH AND INVESTMENTS DECEMBER 31, 2013
General Revenue Fund	\$ 1,092,441.43	\$ 3,605,205.19	\$ 3,730,384.98	\$ 967,261.64
Special Road and Bridge Fund	1,430,611.83	2,891,496.53	3,102,198.74	1,219,909.62
Assessment Fund	241,484.91	559,966.76	520,818.49	280,633.18
Law Enforcement Fund	18,452.30	3,282,586.63	2,967,525.41	333,513.52
Officers Training Fund	316.61	8,142.03	5,026.57	3,432.07
Prosecuting Attorney Training Fund	41,155.69	1,534.48	-	42,690.17
Capital Improvement Fund	58,630.16	406,298.97	370,064.50	94,864.63
Delinquent Tax Fund	14,188.80	11,417.90	9,132.51	16,474.19
Bad Check Fund	48,718.67	11,601.04	9,373.69	50,946.02
Recorder User Fee Fund	143,975.00	38,777.14	22,314.12	160,438.02
Health Reimbursement Fund	126,308.46	30,038.54	70,441.30	85,905.70
Sheriff's Civil Fee Fund	13,361.36	31,716.98	33,799.34	11,279.00
Road and Bridge Capital Fund	467,042.47	102,935.26	-	569,977.73
Prosecuting Attorney Forfeiture Fund	4,447.89	29.23	-	4,477.12
Election Services Fund	18,728.63	6,593.75	3,468.04	21,854.34
Recorder Tech Fund	36,507.43	10,101.22	3,482.92	43,125.73
Sheriff's Forfeiture Fund	3.68	1,981.72	-	1,985.40
Tax Maintenance Fund	177,064.76	65,946.13	63,436.02	179,574.87
Sheriff's Revolving Fund	32,501.66	58,344.77	36,681.14	54,165.29
County Clerk HAVA Fund	-	4,283.20	4,283.20	-
Federal Grant Fund	43,778.44	16,732.10	42,248.88	18,261.66
L.E.P.C. Fund	14,407.16	3,725.41	3,530.19	14,602.38
D.A.R.E. Fund	4,699.40	23.90	2,000.00	2,723.30
Inmate Security Fund	5,562.11	14,723.55	18,379.57	1,906.09
Senate Bill 40 Board Fund	456,474.15	1,152,870.82	1,060,921.93	548,423.04
TOTAL	\$ 4,490,863.00	\$ 12,317,073.25	\$ 12,079,511.54	\$ 4,728,424.71

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	GENERAL REVENUE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 688,000.00	\$ 738,687.94	\$ 705,000.00	\$ 682,888.44
Sales Taxes	1,311,000.00	1,366,140.93	1,275,000.00	1,278,676.44
Intergovernmental	258,138.00	294,622.38	397,292.00	369,628.68
Charges for Services	878,478.00	873,875.00	887,407.00	926,788.95
Interest	10,000.00	11,663.77	9,000.00	9,530.97
Other	218,875.00	193,766.41	272,388.00	242,591.71
Transfers In	63,100.00	63,100.00	115,100.00	95,100.00
TOTAL RECEIPTS	3,427,591.00	3,541,856.43	3,661,187.00	3,605,205.19
DISBURSEMENTS				
County Commission	133,356.00	129,922.47	132,525.00	128,253.21
County Clerk	192,512.00	187,425.63	201,298.00	182,236.38
Buildings and Grounds	456,000.00	342,866.44	461,000.00	313,657.12
Planning and Zoning	60,178.00	46,362.87	58,748.00	47,711.17
County Treasurer	62,585.00	61,923.28	62,034.00	61,407.32
Collector	325,753.00	277,856.51	311,695.00	273,647.77
Recorder of Deeds	129,674.00	128,209.34	127,678.00	125,444.82
Circuit Clerk	71,380.00	45,757.19	75,271.00	64,371.82
Surveyor	9,398.00	6,540.55	8,847.00	7,418.52
Sanitation Office	39,890.00	37,283.33	60,012.00	55,355.02
Emergency Manager	68,907.00	65,752.60	66,748.00	60,302.48
Prosecuting Attorney	572,448.00	477,841.80	526,780.00	486,401.48
Associate Division II	12,000.00	11,999.32	8,580.00	8,202.45
Coroner	31,836.00	29,574.92	31,081.00	30,671.50
Juvenile Office	111,895.00	105,305.69	111,895.00	108,483.32
Public Administrator	31,203.00	30,174.18	30,360.00	30,001.27
Court Reporter	3,000.00	3,000.00	3,000.00	968.00
Public Health	434,383.00	398,710.89	456,109.00	416,171.48
Circuit Judge	29,600.00	18,881.59	30,600.00	30,332.31
Elections	151,902.00	133,526.54	64,100.00	41,780.50
Administration	572,096.00	461,355.17	623,436.00	432,002.79
Child Support Enforcement	43,534.00	40,996.17	42,642.00	42,493.26
Victim Advocate	42,987.00	38,629.36	42,133.00	38,677.01
Drug Court	10,000.00	8,242.52	10,000.00	7,921.15
Information Technologies	65,641.00	57,491.39	59,648.00	55,089.83
Transfers Out	417,500.00	417,500.00	681,383.00	681,383.00
Emergency Fund	200,000.00	-	200,000.00	-
TOTAL DISBURSEMENTS	4,279,658.00	3,563,129.75	4,487,603.00	3,730,384.98
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(852,067.00)	(21,273.32)	(826,416.00)	(125,179.79)
CASH AND INVESTMENT				
BALANCES, JANUARY 1	967,261.64	967,261.64	1,092,441.43	1,092,441.43
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 115,194.64	\$ 945,988.32	\$ 266,025.43	\$ 967,261.64

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SPECIAL ROAD AND BRIDGE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 984,000.00	\$ 1,018,675.60	\$ 929,000.00	\$ 1,000,130.80
Sales Taxes	917,700.00	956,298.44	892,500.00	893,675.75
Intergovernmental	707,040.00	802,389.30	1,046,160.00	957,532.59
Charges for Services	-	-	-	-
Interest	14,000.00	12,398.27	14,000.00	13,384.43
Other	190,500.00	46,242.02	30,000.00	26,772.96
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,813,240.00	2,836,003.63	2,911,660.00	2,891,496.53
DISBURSEMENTS				
Salaries	373,300.00	324,380.83	370,335.00	298,754.52
Benefits	99,509.00	74,956.99	93,034.00	69,052.46
Road & Bridge Materials	2,081,900.00	1,311,104.25	2,189,500.00	1,753,316.83
Other Expenditures	955,000.00	720,611.26	1,034,400.00	835,974.93
Debt Service	-	-	-	-
Transfers Out	143,100.00	143,100.00	45,100.00	145,100.00
TOTAL DISBURSEMENTS	3,652,809.00	2,574,153.33	3,732,369.00	3,102,198.74
RECEIPTS OVER (UNDER) DISBURSEMENTS	(839,569.00)	261,850.30	(820,709.00)	(210,702.21)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,219,909.62	1,219,909.62	1,430,611.83	1,430,611.83
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 380,340.62	\$ 1,481,759.92	\$ 609,902.83	\$ 1,219,909.62

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ASSESSMENT FUND				LAW ENFORCEMENT FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$1,311,000.00	\$1,366,123.52	\$1,275,000.00	\$1,278,520.34
Intergovernmental	520,591.00	549,050.02	502,491.00	535,923.49	468,535.00	513,939.10	480,000.00	546,520.14
Charges for Services	-	-	-	-	567,500.00	664,564.06	500,000.00	645,553.92
Interest	2,500.00	3,341.53	2,500.00	2,811.22	1,300.00	2,753.50	1,080.00	1,337.40
Other	17,000.00	35,245.01	16,500.00	21,232.05	123,000.00	128,834.07	121,500.00	140,771.83
Transfers In	-	-	-	-	400,000.00	400,000.00	669,883.00	669,883.00
TOTAL RECEIPTS	540,091.00	587,636.56	521,491.00	559,966.76	2,871,335.00	3,076,214.25	3,047,463.00	3,282,586.63
DISBURSEMENTS								
Salaries	230,103.00	217,836.75	255,816.00	227,890.68	1,883,088.00	1,830,796.06	1,773,272.00	1,779,606.24
Benefits	62,907.00	59,149.09	66,763.00	56,324.05	537,359.00	470,986.42	469,218.00	454,127.26
Assessor Other	266,450.00	249,319.78	252,950.00	234,603.76	-	-	-	-
Law Enforcement Other	-	-	-	-	416,050.00	409,696.47	448,900.00	389,219.75
Jail Other	-	-	-	-	364,879.00	360,922.96	374,525.00	344,572.16
Transfers Out	-	2,000.00	2,000.00	2,000.00	-	-	-	-
TOTAL DISBURSEMENTS	559,460.00	528,305.62	577,529.00	520,818.49	3,201,376.00	3,072,401.91	3,065,915.00	2,967,525.41
RECEIPTS OVER (UNDER) DISBURSEMENTS	(19,369.00)	59,330.94	(56,038.00)	39,148.27	(330,041.00)	3,812.34	(18,452.00)	315,061.22
CASH AND INVESTMENT BALANCES, JANUARY 1	280,633.18	280,633.18	241,484.91	241,484.91	333,513.52	333,513.52	18,452.30	18,452.30
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 261,264.18	\$ 339,964.12	\$ 185,446.91	\$ 280,633.18	\$ 3,472.52	\$ 337,325.86	\$ 0.30	\$ 333,513.52

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	OFFICERS TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 7,500.00	\$ 7,500.50	\$ 8,600.00	\$ 7,502.97	\$ 1,500.00	\$ 1,109.92	\$ 1,600.00	\$ 1,259.61
Interest	12.00	23.20	15.00	11.66	250.00	265.17	240.00	274.87
Other	4,001.00	651.32	669.00	627.40	100.00	283.00	100.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	11,513.00	8,175.02	9,284.00	8,142.03	1,850.00	1,658.09	1,940.00	1,534.48
DISBURSEMENTS								
Training/Mileage	14,945.00	9,226.53	9,600.00	5,026.57	12,500.00	4,335.37	12,500.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	14,945.00	9,226.53	9,600.00	5,026.57	12,500.00	4,335.37	12,500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,432.00)	(1,051.51)	(316.00)	3,115.46	(10,650.00)	(2,677.28)	(10,560.00)	1,534.48
CASH AND INVESTMENT BALANCES, JANUARY 1	3,432.07	3,432.07	316.61	316.61	42,690.17	42,690.17	41,155.69	41,155.69
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 0.07	\$ 2,380.56	\$ 0.61	\$ 3,432.07	\$ 32,040.17	\$ 40,012.89	\$ 30,595.69	\$ 42,690.17

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	CAPITAL IMPROVEMENT FUND				DELINQUENT TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 393,300.00	\$ 409,842.17	\$ 382,500.00	\$ 384,986.39	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	10,000.00	3,852.09	9,000.00	11,308.17
Interest	200.00	892.27	1,000.00	521.78	120.00	121.39	85.00	109.73
Other	30,000.00	24,948.96	30,000.00	20,790.80	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	423,500.00	435,683.40	413,500.00	406,298.97	10,120.00	3,973.48	9,085.00	11,417.90
DISBURSEMENTS								
Capital Improvements	478,811.00	449,479.26	472,130.00	370,064.50	-	-	-	-
Other	-	-	-	-	15,000.00	-	10,000.00	9,132.51
TOTAL DISBURSEMENTS	478,811.00	449,479.26	472,130.00	370,064.50	15,000.00	-	10,000.00	9,132.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	(55,311.00)	(13,795.86)	(58,630.00)	36,234.47	(4,880.00)	3,973.48	(915.00)	2,285.39
CASH AND INVESTMENT BALANCES, JANUARY 1	94,864.63	94,864.63	58,630.16	58,630.16	16,474.19	16,474.19	14,188.80	14,188.80
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 39,553.63	\$ 81,068.77	\$ 0.16	\$ 94,864.63	\$ 11,594.19	\$ 20,447.67	\$ 13,273.80	\$16,474.19

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	BAD CHECK FUND				RECORDER USER FEE FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 13,000.00	\$ 8,264.12	\$ 11,000.00	\$ 11,276.60	\$ 36,940.00	\$ 37,418.39	\$ 35,540.00	\$ 37,744.73
Interest	350.00	319.69	300.00	324.44	1,100.00	1,108.23	800.00	1,032.41
Other	-	-	100.00	-	-	-	-	-
TOTAL RECEIPTS	13,350.00	8,583.81	11,400.00	11,601.04	38,040.00	38,526.62	36,340.00	38,777.14
DISBURSEMENTS								
Salaries	10,000.00	3,153.89	10,000.00	1,049.75	-	-	-	-
Benefits	970.00	245.99	970.00	88.47	-	-	-	-
Other	30,000.00	6,751.09	30,000.00	8,235.47	102,500.00	24,457.46	102,500.00	22,314.12
TOTAL DISBURSEMENTS	40,970.00	10,150.97	40,970.00	9,373.69	102,500.00	24,457.46	102,500.00	22,314.12
RECEIPTS OVER (UNDER) DISBURSEMENTS	(27,620.00)	(1,567.16)	(29,570.00)	2,227.35	(64,460.00)	14,069.16	(66,160.00)	16,463.02
CASH AND INVESTMENT BALANCES, JANUARY 1	50,946.02	50,946.02	48,718.67	48,718.67	160,438.02	160,438.02	143,975.00	143,975.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 23,326.02</u>	<u>\$ 49,378.86</u>	<u>\$ 19,148.67</u>	<u>\$ 50,946.02</u>	<u>\$ 95,978.02</u>	<u>\$ 174,507.18</u>	<u>\$ 77,815.00</u>	<u>\$ 160,438.02</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	HEALTH REIMBURSEMENT FUND				SHERIFF'S CIVIL FEE FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	32,000.00	24,851.08	43,300.00	31,552.50
Interest	50.00	31.22	350.00	38.54	165.00	105.93	139.00	164.48
Other	16,500.00	16,500.00	16,500.00	16,500.00	-	-	-	-
Transfers In	19,500.00	19,500.00	13,500.00	13,500.00	-	-	-	-
TOTAL RECEIPTS	36,050.00	36,031.22	30,350.00	30,038.54	32,165.00	24,957.01	43,439.00	31,716.98
DISBURSEMENTS								
Reimbursements	121,950.00	65,577.85	156,658.00	70,441.30	-	-	-	-
Equipment	-	-	-	-	43,444.00	25,158.87	56,800.00	33,799.34
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	121,950.00	65,577.85	156,658.00	70,441.30	43,444.00	25,158.87	56,800.00	33,799.34
RECEIPTS OVER (UNDER) DISBURSEMENTS	(85,900.00)	(29,546.63)	(126,308.00)	(40,402.76)	(11,279.00)	(201.86)	(13,361.00)	(2,082.36)
CASH AND INVESTMENT BALANCES, JANUARY 1	85,905.70	85,905.70	126,308.46	126,308.46	11,279.00	11,279.00	13,361.36	13,361.36
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 5.70	\$ 56,359.07	\$ 0.46	\$ 85,905.70	\$ -	\$ 11,077.14	\$ 0.36	\$ 11,279.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ROAD AND BRIDGE CAPITAL FUND				PROSECUTING ATTORNEY FORFEITURE FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	3,200.00	4,225.56	3,100.00	2,935.26	30.00	28.78	25.00	29.23
Transfers In	100,000.00	100,000.00	100,000.00	100,000.00	-	-	-	-
TOTAL RECEIPTS	103,200.00	104,225.56	103,100.00	102,935.26	30.00	28.78	25.00	29.23
DISBURSEMENTS								
Road and Bridge Construction	455,000.00	-	360,000.00	-	-	-	-	-
Equipment and Training	205,000.00	-	200,000.00	-	-	-	-	-
Other	-	-	-	-	2,500.00	-	2,500.00	-
TOTAL DISBURSEMENTS	660,000.00	-	560,000.00	-	2,500.00	-	2,500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(556,800.00)	104,225.56	(456,900.00)	102,935.26	(2,470.00)	28.78	(2,475.00)	29.23
CASH AND INVESTMENT BALANCES, JANUARY 1	569,977.73	569,977.73	467,042.47	467,042.47	4,477.12	4,477.12	4,447.89	4,447.89
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 13,177.73</u>	<u>\$ 674,203.29</u>	<u>\$ 10,142.47</u>	<u>\$ 569,977.73</u>	<u>\$ 2,007.12</u>	<u>\$ 4,505.90</u>	<u>\$ 1,972.89</u>	<u>\$ 4,477.12</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ELECTION SERVICES FUND				RECORDER TECH FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,905.00	3,245.19	2,806.00	2,447.55	9,750.00	7,283.75	10,000.00	9,835.00
Interest	125.00	139.65	110.00	136.00	300.00	283.09	200.00	266.22
Other	8,605.00	1,826.25	6,698.00	4,010.20	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	11,635.00	5,211.09	9,614.00	6,593.75	10,050.00	7,566.84	10,200.00	10,101.22
DISBURSEMENTS								
Office/Operating Expenses	20,000.00	772.03	27,000.00	726.81	7,500.00	5,407.83	7,000.00	1,725.83
Debt Service/Equipment	13,000.00	4,380.81	-	2,741.23	29,450.00	-	28,000.00	1,757.09
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	33,000.00	5,152.84	27,000.00	3,468.04	36,950.00	5,407.83	35,000.00	3,482.92
RECEIPTS OVER (UNDER) DISBURSEMENTS	(21,365.00)	58.25	(17,386.00)	3,125.71	(26,900.00)	2,159.01	(24,800.00)	6,618.30
CASH AND INVESTMENT BALANCES, JANUARY 1	21,854.34	21,854.34	18,728.63	18,728.63	43,125.73	43,125.73	36,507.43	36,507.43
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 489.34	\$ 21,912.59	\$ 1,342.63	\$ 21,854.34	\$ 16,225.73	\$ 45,284.74	\$ 11,707.43	\$ 43,125.73

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SHERIFF'S FORFEITURE FUND				TAX MAINTENANCE FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 9,985.00	\$ 7,533.87	\$ -	\$ 1,976.31	\$ 58,000.00	\$ 54,924.21	\$ 58,000.00	\$ 64,858.77
Interest	22.00	19.07	1.00	5.41	1,000.00	1,186.21	1,500.00	1,087.36
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,007.00	7,552.94	1.00	1,981.72	59,000.00	56,110.42	59,500.00	65,946.13
DISBURSEMENTS								
Equipment and Supplies	11,992.00	1,987.47	4.00	-	170,000.00	58,131.49	135,000.00	13,436.02
Transfers Out	-	-	-	-	20,000.00	20,000.00	70,000.00	50,000.00
TOTAL DISBURSEMENTS	11,992.00	1,987.47	4.00	-	190,000.00	78,131.49	205,000.00	63,436.02
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,985.00)	5,565.47	(3.00)	1,981.72	(131,000.00)	(22,021.07)	(145,500.00)	2,510.11
CASH AND INVESTMENT BALANCES, JANUARY 1	1,985.40	1,985.40	3.68	3.68	179,574.87	179,574.87	177,064.76	177,064.76
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 0.40	\$ 7,550.87	\$ 0.68	\$ 1,985.40	\$ 48,574.87	\$ 157,553.80	\$ 31,564.76	\$ 179,574.87

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SHERIFFS REVOLVING FUND				COUNTY CLERK HAVA FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 5,605.00	\$ 4,158.65	\$ 9,468.00	\$ 3,319.95
Charges for Services	50,000.00	43,818.00	45,000.00	58,035.00	-	-	-	-
Interest	301.00	293.85	149.00	309.77	-	-	-	-
Other	-	-	-	-	3,998.00	-	964.00	963.25
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	50,301.00	44,111.85	45,149.00	58,344.77	9,603.00	4,158.65	10,432.00	4,283.20
DISBURSEMENTS								
Equipment	60,000.00	52,463.82	40,000.00	20,657.86	8,603.00	552.42	9,468.00	2,442.00
Other	44,466.00	10,461.09	37,650.00	16,023.28	1,000.00	3,606.23	964.00	1,841.20
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	104,466.00	62,924.91	77,650.00	36,681.14	9,603.00	4,158.65	10,432.00	4,283.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(54,165.00)	(18,813.06)	(32,501.00)	21,663.63	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	54,165.29	54,165.29	32,501.66	32,501.66	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 0.29	\$ 35,352.23	\$ 0.66	\$ 54,165.29	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	FEDERAL GRANT FUND				L.E.P.C. FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 23,752.00	\$ 23,751.76	\$ 40,485.00	\$ 16,732.10	\$ 3,400.00	\$ 3,599.38	\$ 3,000.00	\$ 3,523.76
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	70.00	86.72	-	84.89
Other	-	-	-	-	-	10.00	-	116.76
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	23,752.00	23,751.76	40,485.00	16,732.10	3,470.00	3,696.10	3,000.00	3,725.41
DISBURSEMENTS								
Capital Improvements	42,013.00	42,013.42	84,263.00	42,248.88	-	-	-	-
Equipment and Supplies	-	-	-	-	12,893.00	4,643.59	12,385.00	3,530.19
TOTAL DISBURSEMENTS	42,013.00	42,013.42	84,263.00	42,248.88	12,893.00	4,643.59	12,385.00	3,530.19
RECEIPTS OVER (UNDER) DISBURSEMENTS	(18,261.00)	(18,261.66)	(43,778.00)	(25,516.78)	(9,423.00)	(947.49)	(9,385.00)	195.22
CASH AND INVESTMENT BALANCES, JANUARY 1	18,261.66	18,261.66	43,778.44	43,778.44	14,602.38	14,602.38	14,407.16	14,407.16
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 0.66	\$ -	\$ 0.44	\$ 18,261.66	\$ 5,179.38	\$ 13,654.89	\$ 5,022.16	\$ 14,602.38

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	D.A.R.E. FUND				INMATE SECURITY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	14,500.00	15,549.44	14,513.00	14,657.50
Interest	20.00	13.14	25.00	23.90	66.00	47.93	75.00	66.05
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20.00	13.14	25.00	23.90	14,566.00	15,597.37	14,588.00	14,723.55
DISBURSEMENTS								
Equipment	-	-	-	-	16,472.00	9,423.78	18,650.00	11,178.86
Other Expenses	2,000.00	2,000.00	2,000.00	2,000.00	-	2,513.56	1,500.00	7,200.71
TOTAL DISBURSEMENTS	2,000.00	2,000.00	2,000.00	2,000.00	16,472.00	11,937.34	20,150.00	18,379.57
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,980.00)	(1,986.86)	(1,975.00)	(1,976.10)	(1,906.00)	3,660.03	(5,562.00)	(3,656.02)
CASH AND INVESTMENT BALANCES, JANUARY 1	2,723.30	2,723.30	4,699.40	4,699.40	1,906.09	1,906.09	5,562.11	5,562.11
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 743.30	\$ 736.44	\$ 2,724.40	\$ 2,723.30	\$ 0.09	\$ 5,566.12	\$ 0.11	\$ 1,906.09

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SENATE BILL 40 BOARD FUND				
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 848,079.00	\$ 862,173.58	\$ 844,059.00	\$ 865,064.06
Targeted Case Management	385,000.00	413,529.85	350,000.00	282,298.19
Interest	1,200.00	1,404.83	2,000.00	1,047.89
Other	5,600.00	785.49	5,040.00	4,460.68
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,239,879.00	1,277,893.75	1,201,099.00	1,152,870.82
DISBURSEMENTS				
Equipment and Supplies	64,010.00	65,190.30	45,661.00	37,860.03
Salaries	250,667.00	218,649.16	154,250.00	155,069.65
Benefits	44,750.00	72,216.79	44,750.00	50,675.38
Handicapped Services	880,452.00	821,375.10	909,877.00	817,316.87
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,239,879.00	1,177,431.35	1,154,538.00	1,060,921.93
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	-	100,462.40	46,561.00	91,948.89
CASH AND INVESTMENT				
BALANCES, JANUARY 1	548,423.04	548,423.04	456,474.15	456,474.15
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 548,423.04	\$ 648,885.44	\$ 503,035.15	\$ 548,423.04

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014

	2014					
	Collector	Recorder	Sheriff Account	Prosecuting Attorney	Library	Junior College
ASSETS						
Cash and Investments	\$ 27,756,203.09	\$ 24,891.50	\$ 21,057.60	\$ -	\$ -	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	27,756,203.09	24,891.50	21,057.60	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	27,756,203.09	24,891.50	21,057.60	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,756,203.09	\$ 24,891.50	\$ 21,057.60	\$ -	\$ -	\$ -
ASSETS	Fire	Ambulance	CERF	Cities	Prosecuting Attorney Retirement	Unclaimed Fees
Cash and Investments	\$ 0.01	\$ -	\$ 58.28	\$ -	\$ -	\$ 142,121.86
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	0.01	-	58.28	-	-	142,121.86
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	0.01	-	58.28	-	-	142,121.86
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 0.01	\$ -	\$ 58.28	\$ -	\$ -	\$ 142,121.86
ASSETS	Cemetery	Surplus Land Fund	Domestic Violence	Trustee Lots	Dputy Sheriff Salary Supplement	Herman Hospital
Cash and Investments	\$ 4,329.96	\$ 2,107.38	\$ 8,148.89	\$ -	\$ -	\$ -
Investments						
Other Investments	17,128.67	-	-	-	-	-
Total Investments	17,128.67	-	-	-	-	-
Total Assets	21,458.63	2,107.38	8,148.89	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	21,458.63	2,107.38	8,148.89	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,458.63	\$ 2,107.38	\$ 8,148.89	\$ -	\$ -	\$ -
ASSETS	Septic Escrow	Bad Check M.O.P.S.	School Building Revolving	School Fund	School Fines & Interest	Paid Under Protest
Cash and Investments	\$ -	\$ -	\$ 14,641.64	\$ 24.16	\$ 56,220.39	\$ 473,652.20
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	14,641.64	24.16	56,220.39	473,652.20
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	14,641.64	24.16	56,220.39	473,652.20
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 14,641.64	\$ 24.16	\$ 56,220.39	\$ 473,652.20
	Total Agency Funds					
ASSETS						
Cash and Investments	\$ 28,503,456.96					
Investments						
Other Investments	17,128.67					
Total Investments	17,128.67					
Total Assets	28,520,585.63					
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	28,520,585.63					
UNRESERVED FUND BALANCES	-					
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,520,585.63					

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013

2013						
	Collector	Recorder	Sheriff Account	Prosecuting Attorney	Library	Junior College
ASSETS						
Cash and Investments	\$ 26,885,685.01	\$ 23,268.50	\$ 15,897.80	\$ -	\$ -	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	26,885,685.01	23,268.50	15,897.80	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	26,885,685.01	23,268.50	15,897.80	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,885,685.01</u>	<u>\$ 23,268.50</u>	<u>\$ 15,897.80</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Fire	Ambulance	CERF	Cities	Prosecuting Attorney Retirement	Unclaimed Fees
ASSETS						
Cash and Investments	\$ 0.01	\$ -	\$ 77.11	\$ 114.22	\$ 646.00	\$ 134,245.35
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	0.01	-	77.11	114.22	646.00	134,245.35
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	0.01	-	77.11	114.22	646.00	134,245.35
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 77.11</u>	<u>\$ 114.22</u>	<u>\$ 646.00</u>	<u>\$ 134,245.35</u>
	Cemetery	Surplus Land Fund	Domestic Violence	Trustee Lots	Dputy Sheriff Salary Supplement	Herman Hospital
ASSETS						
Cash and Investments	\$ 3,967.49	\$ 2,299.88	\$ 8,656.84	\$ -	\$ -	\$ -
Investments						
Other Investments	17,128.67	-	-	-	-	-
Total Investments	17,128.67	-	-	-	-	-
Total Assets	21,096.16	2,299.88	8,656.84	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	21,096.16	2,299.88	8,656.84	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 21,096.16</u>	<u>\$ 2,299.88</u>	<u>\$ 8,656.84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Septic Escrow	Bad Check M.O.P.S.	School Building Revolving	School Fund	School Fines & Interest	Paid Under Protest
ASSETS						
Cash and Investments	\$ -	\$ -	\$ 13,791.64	\$ 14,727.55	\$ 56,090.80	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	13,791.64	14,727.55	56,090.80	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	13,791.64	14,727.55	56,090.80	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,791.64</u>	<u>\$ 14,727.55</u>	<u>\$ 56,090.80</u>	<u>\$ -</u>
	Total Agency Funds					
ASSETS						
Cash and Investments	<u>\$ 27,159,468.20</u>					
Investments						
Other Investments	17,128.67					
Total Investments	17,128.67					
Total Assets	27,176,596.87					
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>27,176,596.87</u>					
UNRESERVED FUND BALANCES	-					
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,176,596.87</u>					

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Warren, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1833 by an Act of the Missouri Territory. In addition to the three commissioners, there are eleven elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Treasurer, Coroner, Circuit Clerk, Recorder of Deeds, Prosecuting Attorney, Public Administrator, Surveyor, and Sheriff.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Warren County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is determined upon changes in financial position rather than upon net income.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the generally accepted basis of accounting, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations that were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation was:

	2014	2013
Real Estate	\$ 415,269,015	\$ 411,150,008
Personal Property	91,268,543	84,363,375
Railroad and Utilities	36,896,173	35,219,064
	<u>\$ 543,433,731</u>	<u>\$ 530,732,447</u>

During 2014 and 2013, the County Commission approved a \$0.2993 and \$0.3008 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2014	2013
General Revenue Fund	\$ 0.1233	\$ 0.1248
Special Road & Bridge Fund	0.1760	0.1760
Senate Bill 40 Board Fund	0.1603	0.1600
	<u>\$ 0.4596</u>	<u>\$ 0.4608</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes depositing funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur among individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available to all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014, and 2013, the carrying amounts of the County's deposits were \$5,155,476.67 and \$4,728,424.71, and the bank balances were \$28,378,339.40 and \$24,876,897.50, respectively. The total bank balance as of December 31, 2014, and December 31, 2013, were insured through the Federal Deposit Insurance Corporation and the securities set by the County's and the Senate Bill 40 Board's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2014, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 5,155,476.67
Total Governmental Funds	5,155,476.67
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	28,503,456.96
Investments	17,128.67
Total Agency Funds	28,520,585.63
Total Deposits and Investments as of December 31, 2014	\$ 33,676,062.30

The carrying values of deposits and investments at December 31, 2013, are as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 4,728,424.71
Total Governmental Funds	4,728,424.71
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	27,159,468.20
Investments	17,128.67
Total Agency Funds	27,176,596.87
Total Deposits and Investments as of December 31, 2014	\$ 31,905,021.58

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014, and 2013.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014, and 2013.

III. CAPITAL LEASES

On April 1, 2010, Warren County entered into a lease purchase agreement with Missouri Bank to build the Warren County Recycle Center. The terms included a principal amount of \$200,000 with an interest rate of 3.95%. The County makes the payment for the building but it is reimbursed by the Recycle Center each month.

As of December 31, 2014, the unpaid principal balances for the capital lease was \$116,407.48. The payments for the lease purchase agreement of the County are as follows.

Description	Balance 12/31/2013	Additions	Payments	Balance 12/31/2014	Interest Paid
Recycle Center Building	\$ 135,637.27	\$ -	\$ (19,229.79)	\$ 116,407.48	\$ 5,012.01
TOTAL	<u>\$ 135,637.27</u>	<u>\$ -</u>	<u>\$ (19,229.79)</u>	<u>\$ 116,407.48</u>	<u>\$ 5,012.01</u>

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. CAPITAL LEASES (concluded)

As of December 31, 2014, the schedule of the County's future payments for the capital lease are as follows:

Year Ending December 31,	Interest	Principal	Total
2015	\$ 4,238.54	\$ 20,003.26	\$ 24,241.80
2016	3,433.95	20,807.85	24,241.80
2017	2,597.00	21,644.80	24,241.80
2018	1,726.37	22,515.43	24,241.80
2019	820.73	23,421.07	24,241.80
2020	65.53	8,015.07	8,080.60
	<u>\$ 12,882.12</u>	<u>\$ 116,407.48</u>	<u>\$ 129,289.60</u>

As of December 31, 2013, the unpaid principal balances for the capital lease was \$135,637.27. The future payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2012	Additions	Payments	Balance 12/31/2013	Interest Paid
Recycle Center Building	\$ 154,123.49	\$ -	\$ (18,486.22)	\$ 135,637.27	\$ 5,755.58
TOTAL	<u>\$ 154,123.49</u>	<u>\$ -</u>	<u>\$ (18,486.22)</u>	<u>\$ 135,637.27</u>	<u>\$ 5,755.58</u>

As of December 31, 2013, the schedule of the County's future payments for the capital lease are as follows:

Year Ended December 31,	Interest	Principal	Total
2014	\$ 5,012.01	\$ 19,229.79	\$ 24,241.80
2015	4,238.54	20,003.26	24,241.80
2016	3,433.95	20,807.85	24,241.80
2017	2,597.00	21,644.80	24,241.80
2018	1,726.37	22,515.43	24,241.80
2019-2020	886.26	31,436.14	32,322.40
	<u>\$ 17,894.13</u>	<u>\$ 135,637.27</u>	<u>\$ 153,531.40</u>

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IV. OPERATING LEASES

On September 23, 2009, the Sheriff's office entered into a 62-month lease with IKON Office Solutions for a copier with a monthly payment of \$173.97.

On September 23, 2009, the Sheriff's office entered into a 62-month lease with IKON Office Solutions for a copier with a monthly payment of \$146.47.

On November 2, 2009, the Assessor's office entered into a 60-month lease with IKON Office Solutions for a copier with a monthly payment of \$186.00.

On December 29, 2009, the County Commissioner's office entered into a 60-month lease with Wells Fargo Financial for a copier with a monthly payment of \$94.10.

All of the operating leases were paid in full as of December 31, 2014.

The future payments for the County's operating leases as of December 31, 2013, are as follows:

Year Ending December 31	Copiers
2014	\$ 6,605.94
	<u>\$ 6,605.94</u>

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2014, and 2013 are as follows:

	2014		2013	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	\$ 63,100.00	\$ 417,500.00	\$ 95,100.00	\$ 681,383.00
Special Road and Bridge Fund	-	143,100.00	-	145,100.00
Assessment Fund	-	2,000.00	-	2,000.00
Law Enforcement Fund	400,000.00	-	669,883.00	-
Health Reimbursement Fund	19,500.00	-	13,500.00	-
Road and Bridge Capital Fund	100,000.00	-	100,000.00	-
Tax Maintenance Fund	-	20,000.00	-	50,000.00
TOTAL	<u>\$ 582,600.00</u>	<u>\$ 582,600.00</u>	<u>\$878,483.00</u>	<u>\$ 878,483.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of approximately \$268,616.86 and \$253,998.31, respectively, for the years then ended.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,752.00 and \$7,752.00, respectively, for the years ended December 31, 2014, and 2013.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were six participants at December 31, 2014, and four participants at December 31, 2013.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in a potential legal claim at December 31, 2014. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. County officials believe that such litigation and claims will ultimately be resolved without material financial liability, if any, to the County.

B. Compensated Absences (Vacation and Sick Time)

Warren County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation leave earned must be used within one year of earning the leave. Upon termination from county employment, an employee is not reimbursed for unused vacation if the required notice time is not met. If required notice time is met, then the unused vacation time will be reimbursed. Sick time is offered to full time employees after the first 90 days of employment. A maximum of 240 hours can be accrued but these hours cannot be accrued while the employee is absent from work. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF WARREN
WARRENTON, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2014, actual expenses exceeded budgeted expenses in the Federal Grant Fund by 42 cents.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Warren, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Warren ("County") as of and for the years ended December 31, 2014, and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [FS 2014-001 and FS 2014-002]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

THE COUNTY OF WARREN
WARRENTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS

FS 2014-001 Criteria: Formal bank reconciliations must be prepared on a monthly basis with all discrepancies resolved in order to have proper financial reporting within an entity.

Condition: We noted that bank accounts were reconciled to a negative balance at times and that there were various unreconciled items from the bank statement to the general ledger by the former Treasurer.

Context: This deficiency became apparent through our testing of the former Treasurer's cash accounts and reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions. Negative balances did occur since outstanding items were not documented correctly.

Cause: Prior management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Treasurer prepare monthly accurate bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: The current Treasurer's (Jeffery Hoelscher) office, agrees with the finding and will ensure that all items will be properly reconciled on a timely basis to correct this finding. The phone number for the Treasurer's office is 636-456-3389.

FS 2014-002 Criteria: Proper issuing of receipts with unique numbers on each receipt ensures that items cannot be altered and helps provide an entity effective internal controls over cash receipts.

Condition: Receipt slips issued by the County Treasurer through a computer-generated system do not provide effective internal controls over cash receipts. The computer system software allows the Treasurer to make changes to or void previously issued receipt slips. This capability effectively negates the control benefits of the pre-numbered receipt system. This condition was noted in the prior audit.

Context: During walkthroughs, the County informed us that previously issued receipt slips could be altered.

Effect: Lack of effective internal controls over receipts could result in error or potential fraud.

Cause: Management has not contacted the software company to alter the cash receipt module so that it does not allow previously issued receipt slips to be changed or modified.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

II. FINANCIAL STATEMENT FINDINGS (Concluded)

Recommendation: We recommend that the County Treasurer ensure that the pre-numbered receipts system is modified to prohibit changes to any previously issued receipt slip. The first step should be to contact the software manufacturer and request appropriate modifications to the system.

Views of Responsible Officials and Planned Corrective Actions: The Treasurer's (Jeffery Hoelscher) office, does understand the Auditors' concerns over the previous Treasurer's system and is looking into options to correct the system and implement the Auditors' recommendations. The phone number for the Treasurer's office is 636-456-3389.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 12/11-01 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk, Barbara Daly, will speak to the Missouri State Auditor's office to find out if they will be requiring implementation of SAS 122 as part of mandatory practice for Warren County. The County Clerk's office phone number is 636-456-3331.

Status: Management has resolved the audit finding in the current year.

FS 12/11-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS (Concluded)

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring, by performing assessments to identify, analyze, and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk, Barbara Daly would entertain the idea of a formal fraud risk assessment in place providing an example could be obtained from Daniel Jones Auditing Company for the County's review. The County Clerk's office phone number is 636-456-3331.

Status: Management has resolved the audit finding in the current year.

FS 12/11-03 Criteria: Receipt slips issued by the County Treasurer through a computer-generated system do not provide effective internal controls over cash receipts. The computer system software allows the Treasurer to make changes to or void previously issued receipt slips. This capability effectively negates the control benefits of the pre-numbered receipt system. This condition was noted in the prior audit.

Condition: During our audit, we noted that the computer system allows the Treasurer to alter previously issued receipt slips.

Context: During walkthroughs, the County informed us that previously issued receipt slips could be altered.

Effect: Lack of effective internal controls over receipts could result in error or potential fraud.

Cause: Management has not contacted the software company to alter it to not allow previously issued receipt slips.

Recommendation: We recommend that the County Treasurer ensure that the pre-numbered receipts system is modified to prohibit changes to any previously issued receipt slip. The first step should be to contact the software manufacturer and request appropriate modifications to the system.

County's Response: In regards to your recommendation on pre-numbered receipts issued by the Treasurer, your concern is that the solid software system allows the Treasurer to change or void a receipt, and my response is now, and always has been and will remain, that the Treasurer should never change or void a receipt. The only person who has access to the solid software system is the Treasurer; consequently the integrity of the receipts is guaranteed not by the system, but by the Treasurer. To encumber the County with costly system alterations that would not affect the security or the integrity of the receipt system will not be considered by me at this time.

Views of Responsible Officials and Planned Corrective Actions: The Treasurer's (Gene Cornell) office, does not agree with the finding and will not be correcting it. The phone number for the Treasurer's office is 636-456-3389.

Status: Management has not implemented an appropriate corrective action. See finding 2014-002.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2015

To the Board of Commissioners
County of Warren

In planning and performing our audit of the regulatory based financial statements of the County of Warren (the "County") as of and for the years ended December 31, 2014, and December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2014-001 Criteria: Formal bank reconciliations must be prepared on a monthly basis with all discrepancies resolved in order to have proper financial reporting within an entity.

Condition: We noted that bank accounts were reconciled to a negative balance at times and that there were various unreconciled items from the bank statement to the general ledger by the former Treasurer.

Context: This deficiency became apparent through our testing of the former Treasurer's cash accounts and reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions. Negative balances did occur since outstanding items were not documented correctly.

Cause: Prior management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Treasurer prepare monthly accurate bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: The current Treasurer's (Jeffery Hoelscher) office, agrees with the finding and will ensure that all items will be properly reconciled on a timely basis to correct this finding. The phone number for the Treasurer's office is 636-456-3389.

FS 2014-002 Criteria: Proper issuing of receipts with unique numbers on each receipt ensures that items cannot be altered and helps provide an entity effective internal controls over cash receipts.

Condition: Receipt slips issued by the County Treasurer through a computer-generated system do not provide effective internal controls over cash receipts. The computer system software allows the Treasurer to make changes to or void previously issued receipt slips. This capability effectively negates the control benefits of the pre-numbered receipt system. This condition was noted in the prior audit.

Context: During walkthroughs, the County informed us that previously issued receipt slips could be altered.

Effect: Lack of effective internal controls over receipts could result in error or potential fraud.

Cause: Management has not contacted the software company to alter the cash receipt module so that it does not allow previously issued receipt slips to be changed or modified.

Recommendation: We recommend that the County Treasurer ensure that the pre-numbered receipts system is modified to prohibit changes to any previously issued receipt slip. The first step should be to contact the software manufacturer and request appropriate modifications to the system.

Views of Responsible Officials and Planned Corrective Actions: The Treasurer's (Jeffery Hoelscher) office, does understand the Auditors' concerns over the previous Treasurer's system and is looking into options to correct the system and implement the Auditors' recommendations. The phone number for the Treasurer's office is 636-456-3389.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2014-2013 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants (Concluded)

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



Nicole R. Galloway, CPA
Missouri State Auditor

DeKalb County



September 2015
Report No. 2015-068

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of DeKalb County

Property Tax System	Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector-Treasurer. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and the County Commission do not verify the accuracy and completeness of the County Collector-Treasurer's annual settlements. The County Clerk does not prepare or verify the accuracy of the delinquent tax books prepared by the County Collector-Treasurer.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties, does not review accounting records, and does not document his review of bank reconciliations. The Sheriff has not established adequate controls over seized property and a master listing of all seized property is not maintained. A physical inventory of seized property has not been performed since at least 2012 and documentation of this inventory was not retained. Additionally, several property items have been held for years with some items dating back to 2004 and one item dating back to 2002.
Recorder of Deeds' Receipts and Deposits	Office personnel only issues generic manual receipt slips for copy and subscription monies received when requested by the payor. In addition, receipts of copy and subscription monies are posted to a copy ledger, but the method of payment is not recorded on this ledger. The daily fee report used to prepare the deposit for recorded documents also does not include method of payment information. As a result, the composition of receipts cannot be reconciled to the composition of deposits.
Prosecuting Attorney's Receipts and Deposits	Deposits of checks and money orders were not made timely. In addition, these checks and money orders were not restrictively endorsed at the time of the cash count.
Additional Compensation	The Presiding Commissioner was paid \$8,000 in additional compensation during 2014 to serve as the county's Emergency Management Director. Payments to the Presiding Commissioner for serving in this position is not in accordance with state law and should be discontinued.
Computer Controls	The County Clerk, County Collector-Treasurer, Prosecuting Attorney, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to office computers and data. Security controls are not in place to lock any county computers after a specified number of incorrect logon attempts or after a certain period of inactivity.

Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

DeKalb County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Property Tax System4 2. Sheriff's Controls and Procedures5 3. Recorder of Deeds' Receipts and Deposits6 4. Prosecuting Attorney's Receipts and Deposits7 5. Additional Compensation8 6. Computer Controls8
-------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	10
---------------------------------------------	----



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of DeKalb County

We have audited certain operations of DeKalb County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, LLC, Certified Public Accountants, has been engaged to audit the financial statements of DeKalb County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

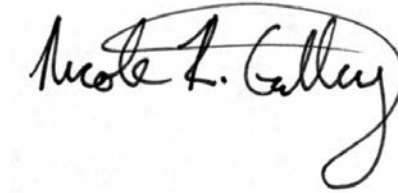
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of DeKalb County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M. Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Julie A. Moulden, MBA, CPA
Audit Staff:	Amanda Messick
	Ruben Lara

DeKalb County Management Advisory Report State Auditor's Findings

1. Property Tax System

Property tax system controls and procedures need improvement. The County Collector-Treasurer collected approximately \$8.9 million in property taxes and other monies during the year ended February 28, 2015.

1.1 Review of activity

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector-Treasurer. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and the County Commission do not perform procedures to verify the accuracy and completeness of the County Collector-Treasurer's annual settlements.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records that summarize all taxes charged to the County Collector-Treasurer, monthly collections, delinquent credits, additions and abatement, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector-Treasurer are accounted for properly and could also be used by the County Clerk and County Commission to verify the County Collector-Treasurer's annual settlements. These procedures are intended to establish checks and balances related to the collection of property taxes.

1.2 Tax books

The County Clerk does not prepare or verify the accuracy of the delinquent tax books prepared by the County Collector-Treasurer. A review of tax books should include verification of individual entries and recalculating tax book totals and charges. Failure to perform adequate reviews of the tax books by an independent person may result in errors or irregularities going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector-Treasurer with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector-Treasurer should be documented.

Similar conditions previously reported Recommendations

Similar conditions were noted in our prior audit report.

The County Clerk:

- 1.1 Maintain a complete and accurate account book with the County Collector-Treasurer. In addition, the County Clerk and the County Commission should use the account book to review the accuracy



DeKalb County
Management Advisory Report - State Auditor's Findings

and completeness of the County Collector-Treasurer's annual settlements.

- 1.2 Prepare the delinquent tax books, or at a minimum, verify the accuracy of the delinquent tax books prior to charging the County Collector-Treasurer with the property tax amounts to be collected. Procedures performed should be documented.

Auditee's Response

- 1.1 *I have established an account book with the County Collector-Treasurer. This account book will be used to verify the accuracy and completeness of the County Collector-Treasurer's annual settlements.*

- 1.2 *I will verify the accuracy of the delinquent tax books in the future; documentation of this review will be retained.*

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. Sheriff's office records indicate the office processed receipts of approximately \$1 million, including approximately \$800,000 from proceeds of a Sheriff's sale, during the year ended December 31, 2014.

2.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties, does not review accounting records, and does not document his review of bank reconciliations. The Office Manager is responsible for receipting, recording, depositing, and disbursing monies, and reconciling the Sheriff's bank account.

To reduce the risk of loss, theft, or misuse of funds, proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review of accounting and bank records.

2.2 Seized property

The Sheriff has not established adequate controls over seized property. A master listing of all seized property is not maintained. Also, a physical inventory of seized property has not been performed since at least 2012 and documentation of this inventory was not retained. In addition, property evidence sheets completed at the time of a seizure indicated several items have been held for years with some items dating back to 2004 and one item dating back to 2002.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory records should be maintained, and periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is



DeKalb County
Management Advisory Report - State Auditor's Findings

accounted for properly. Section 542.301, RSMo, provides guidance for the disposition of unclaimed seized property.

Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties or ensure independent or supervisory reviews of accounting records are performed and documented.
- 2.2 Ensure a complete and accurate seized property inventory record is maintained, and a periodic inventory is conducted and reconciled to the records, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property.

Auditee's Response

- 2.1 *I currently review some accounting records, but in the future, at a minimum, I will review monthly bank reconciliations and periodically agree receipts to deposits. I will initial these records to document my review.*
- 2.2 *I am researching a records management system through the Missouri Sheriff's Association and plan to implement the new system by the end of 2016; the new system will ensure a complete and accurate seized property inventory record is maintained. I will ensure an annual inventory is performed in the future. I have identified numerous old seized property items, some of which have been in the evidence room since the tenure of past sheriffs. I have previously submitted requests to dispose of these items to the Prosecuting Attorney, and I am currently awaiting his decision so the items can be presented to the Judge for final approval and court order for their destruction.*

3. Recorder of Deeds' Receipts and Deposits

The Recorder of Deeds' receipting and depositing procedures are not adequate. The Recorder of Deeds' office collects various fees for recording documents such as deeds and marriage licenses, copies, and subscriptions. Receipts for recording documents totaled approximately \$40,000 and were deposited into the fee account for the year ended December 31, 2014. Receipts for copies and subscriptions totaled approximately \$14,000 and were deposited into the copy account for the year ended December 31, 2014.

Office personnel only issues generic manual receipt slips for copy and subscription monies received when requested by the payor. In addition, receipts of copy and subscription monies are posted to a copy ledger, but the method of payment is not recorded on this ledger. The daily fee report used to prepare the deposit for recorded documents also does not include method



DeKalb County
Management Advisory Report - State Auditor's Findings

of payment information. As a result, the composition of receipts cannot be reconciled to the composition of deposits.

Without complete receipt records, and a detail reconciliation of these records to deposits, there is no assurance all monies have been deposited. To reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are properly receipted and deposited.

Recommendation

The Recorder of Deeds ensure (1) official prenumbered receipt slips are issued for all copy and subscription monies received and the method of payment is indicated on these receipt slips and the copy ledger, (2) the daily fee reports include the method of payment for recorded documents, and (3) the composition of receipts is reconciled to the composition of deposits.

Auditee's Response

Official prenumbered receipt slips have been issued for copy and subscription monies since February 2015 and the method of payment is indicated on these receipt slips and the copy ledger. In addition, a software update was installed in April 2015 and the daily fee report now includes the method of payment for recorded documents. Finally, the composition of receipts is now reconciled to the composition of deposits.

4. Prosecuting Attorney's Receipts and Deposits

The Prosecuting Attorney's receipting and depositing procedures are not adequate. The Prosecuting Attorney's office collected approximately \$93,000 in bad check restitution and fees and court-ordered restitution and fees during the year ended December 31, 2014.

Deposits of checks and money orders were not made timely. Checks and money orders are generally only deposited once a month. During our cash count performed on January 27, 2015, we noted 6 checks and money orders totaling \$1,086 receipted between January 2 and January 26 were not deposited until February 2, 2015. In addition, these checks and money orders were not restrictively endorsed at the time of our cash count.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies received should be deposited timely and checks and money orders should be restrictively endorsed immediately upon receipt.

Recommendation

The Prosecuting Attorney ensure receipts are deposited timely and checks and money orders are restrictively endorsed immediately upon receipt.

Auditee's Response

An endorsement stamp was obtained in July 2015 and all checks and money orders have been restrictively endorsed at the time of receipt since the stamp was obtained. We will attempt to deposit receipts timely in the future.



DeKalb County
Management Advisory Report - State Auditor's Findings

5. Additional Compensation

The Presiding Commissioner was paid \$8,000 in additional compensation during 2014 to serve as the county's Emergency Management Director. Payments to the Presiding Commissioner for serving in this position is not in accordance with state law and should be discontinued.

Section 105.458.1, RSMo, prohibits a member of a governing body from performing any service for that political subdivision for any consideration other than the compensation provided for the performance of his official duties.

Recommendation

The County Commission comply with state law relating to the compensation of the Presiding Commissioner.

Auditee's Response

The Presiding Commissioner was the only individual who agreed to fill the position and was qualified to do so. We plan to search for an individual to perform these duties in the near future.

6. Computer Controls

Controls over county computers are not sufficient to prevent unauthorized access. As a result, county records are not adequately protected and are susceptible to unauthorized access.

6.1 Passwords

The County Clerk, County Collector-Treasurer, Prosecuting Attorney, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to office computers and data. Passwords are required to authenticate access to computer systems; however, employees in these offices are not required to change passwords periodically to help ensure passwords remain known only to the assigned user and to reduce the risk of a compromised password. In addition, each computer in the Prosecuting Attorney and Recorder of Deeds' offices has its own user ID and password that are known and used by the officials and all employees when accessing each computer in the respective offices.

The security of a computer password is dependent upon keeping passwords confidential. However, since passwords in these offices do not have to be periodically changed and are shared by employees in some cases, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

6.2 Security controls

Security controls are not in place to lock any county computers after a specified number of incorrect logon attempts or after a certain period of inactivity. Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting



DeKalb County
Management Advisory Report - State Auditor's Findings

to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission:

- 6.1 Work with county officials to require unique passwords for each employee that are confidential and periodically changed to prevent unauthorized access to computers and data.
- 6.2 Work with county officials to require each county computer to have security controls in place to lock a computer after a specified number of incorrect logon attempts and after a certain period of inactivity.

Auditee's Response

We will work with the county's computer technology professional to establish adequate password and security controls.

DeKalb County

Organization and Statistical Information

DeKalb County is a township-organized, third-class county. The county seat is Maysville.

DeKalb County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 36 full-time employees and 2 part-time employees on December 31, 2014. The townships maintain county roads.

In addition, county operations include the Daviess-DeKalb Regional Jail District Commission, Senate Bill 40 Board, and Senior Citizens' Services Board. The jail commission includes the presiding county commissioners of DeKalb and Daviess Counties as well as the sheriff of each county. The county is a member of the ACCD 911 system which includes the counties of Andrew, Caldwell, Clinton, and DeKalb and the City of Cameron. The DeKalb County Collector-Treasurer, County Clerk, and Deputy County Clerk maintain the financial records for the ACCD 911 system.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Harold O. Allison, Presiding Commissioner (1)	\$	37,246
Joe Kagay, Associate Commissioner		27,086
Garry McFee, Associate Commissioner		27,086
JoAnn Marshall, Recorder of Deeds		41,040
Melissa (Missy) Meek, County Clerk (2)		44,065
Erik C. Tate, Prosecuting Attorney		64,890
Wes Raines, Sheriff		45,360
Heath Turner, County Coroner		11,888
Connie Bray, Public Administrator		20,000
Joan (Jody) Pearl, County Collector-Treasurer (2)(3), year ended March 31,	49,475	
Ruth A. Ross, County Assessor, year ended August 31,		41,040

(1) Includes \$8,000 salary for serving as Emergency Management Director.

(2) Includes \$3,025 salary paid by the ACCD 911 System.

(3) Includes \$5,410 of commissions earned for collecting city property taxes.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Kimmswick



September 2015
Report No. 2015-069

<http://auditor.mo.gov>

City of Kimmswick

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	City Festivals	3
2.	Accounting Controls and Procedures	6
3.1	City Policies and Procedures - Board approval	8
4.	Anheuser Estate	8
7.	Computer Controls.....	10

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Kimmswick, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-139, *City of Kimmswick* (rated as Fair), issued in December 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we held discussions with city officials, observed city procedures for the 2015 Strawberry Festival on June 6, 2015, and reviewed documentation provided to us. Those documents include meeting minutes, bank statements, bids, contracts, cash logs, receipt records, and reconciliations. This report is a summary of the results of this follow-up work, which was substantially completed during June and July 2015.

Nicole R. Galloway, CPA
State Auditor

City of Kimmswick

Follow-Up Report on Audit Findings

Status of Findings

1. City Festivals	We identified significant weaknesses with controls and procedures over city festivals.
1.1 Receipting and depositing procedures	The city's controls and procedures over receipting and depositing festival monies needed significant improvement.
Festival receipts	<p>The city did not maintain adequate records of festival monies received, and as a result, the city could not ensure all monies collected were accounted for and properly deposited.</p> <p>The city did not issue pre-numbered receipt slips for booth rentals or sponsor fees received, a record of vendors and fees paid was not maintained, and the City Clerk did not reconcile registration forms to fees deposited. In addition, the city did not keep a record of sales made from city booths and did not try to reconcile products sold with monies received to ensure all monies collected were accounted for and deposited.</p>
Deposits	The city did not deposit festival monies received intact or timely and the city did not restrictively endorse checks upon receipt. The city allowed vendors to post-date checks for future festivals in order to secure their booth location. Approximately 35 percent of checks received for both booth rental and sponsor fees were post-dated and held up to 10 months before deposit. None of these checks were restrictively endorsed.
Security of receipts	The city did not maintain festival monies received in a secure location until deposit. In addition, the city did not ensure all monies collected from city booths during the festival were accounted for prior to deposit.
Recommendation	The Board of Aldermen (the Board) ensure proper receipt records are maintained and reconciled to the composition of the deposits. In addition, the Board should develop procedures to track and reconcile city booth sales to monies collected, ensure deposits are made timely and intact, checks/money orders are restrictively endorsed upon receipt, and monies are properly secured. Further, the Board should discontinue the practice of accepting post-dated checks. Any fees received in advance of upcoming festivals should be promptly deposited and vendor payments and booth assignments should be adequately tracked.
Status	In Progress <p>Festival receipts: The City Clerk maintains a spreadsheet that tracks all information for booth rentals. We observed this spreadsheet and noted it included the booth number assigned, business name, amount paid, date paid, date deposited, and any balance owed. According to the City Clerk, copies of paid applications are now retained with the deposit records to provide clearer documentation of what each deposit includes. Further, as of the June 2015 Strawberry Festival, the city began writing receipt slips for any cash</p>



City of Kimmswick
Follow-up Report on Audit Findings
Status of Findings

sales for strawberry jam and the city started reconciling monies received for jam sales to inventory sold. We observed copies of receipt slips for jam sales from the 2015 Strawberry Festival and the reconciliation performed by the city comparing jam sales to inventory sold. The City Clerk also indicated city officials plan to implement a documented reconciliation of beer sales per booth to inventory sold during the 2015 Apple Butter Festival.

Deposits: The city will no longer accept post-dated checks starting with the 2016 festivals. In lieu of paying in full, the city now allows a deposit from vendors of \$50 or \$100 to secure booth rentals in advance for the Strawberry and Apple Butter festivals; however, full payment must be received by a specified date or vendors will forfeit their booth and deposit. We observed notices of this policy change posted in multiple locations around the 2015 Strawberry Festival and at city hall. As payments are received, the City Clerk deposits the money and no longer holds checks. We reviewed the June 2015 bank statement and noted deposits occurred at least weekly.

Security of receipts: The City Clerk picks up money from city booth sales multiple times throughout the festival to reduce the amount of cash on hand. At the time of pickup, the City Clerk and a booth worker count the money removed from the booth, document the amount removed on a cash log, and each person initials the log as correct. The money is then placed in a sealed envelope and stored in bank bags locked in a file cabinet at city hall. At the end of the day, the bank bags are placed in the overnight drop at the bank. We observed the pickup process and documentation of the cash log during the 2015 Strawberry Festival. We also observed monies were secured in a locked file cabinet at city hall during the festival.

1.2 Festival staff

The city did not designate which festival staff services would be compensated. Various members of the community worked at city festivals; however, only some workers were paid for their services.

In addition, the city did not maintain documentation to support compensation paid to festival workers and it was not clear whether the amounts compensated were approved by the Board. Further, the city paid a security officer a \$50 cash advance on the first day of the 2013 Apple Butter Festival, before services were provided.

Recommendation

The Board of Aldermen establish a policy to address compensating festival workers and ensure disbursements are adequately supported, reviewed, and approved. Board approvals should be documented in meeting minutes.



City of Kimmswick
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

The Board discussed and approved payment of festival workers prior to the 2015 Strawberry Festival during open Board meetings. The city paid applicable workers by check, and issued 1099-MISC forms. We reviewed the March 9, 2015, meeting minutes in which 2015 Strawberry Festival disbursements, including worker payments, were approved by the Board. The minutes included a listing of workers and amounts approved. The city has not established a policy outlining which festival positions will be paid and which ones will be unpaid. The City Clerk indicated city officials will look into creating a policy and will continue to review and approve festival disbursements during open meeting minutes.

1.3 Festival disbursements

Controls and procedures over festival disbursements needed improvement.

Bidding

The city did not always comply with its purchasing policy for festival disbursements, resulting in bids not being solicited for all services required. The Festival Committee was responsible for obtaining bids for festival goods or services and making recommendations to the Board; however, the Board did not review bid documentation prior to approving the recommended vendors. In addition, all bid documentation relating to festival activity was maintained offsite by the committee chairperson.

Contracts

The city did not enter into a contract with the band solicitor/promoter or the beer vendor for the 2013 festivals.

Recommendation

The Board of Aldermen ensure the city solicits and approves bids in accordance with city policy, and maintains documentation at city hall. In addition, the Board should establish written contracts for festival services when needed to properly define services to be received and amounts to be compensated.

Status

Implemented

The city now posts bid notices and the Board votes on all bids prior to the festival. Once a bid is approved, a contract is signed and maintained at city hall. We viewed the notice to bid for portable toilet services for the 2015 Strawberry Festival and noted the bid was approved during the March 9, 2015, Board meeting, prior to the festival. We also reviewed the contract for these services and noted the contract amount agreed with the amount the Board approved.

1.4 Board approval

The Board did not approve a large portion of the 2013 festival disbursements prior to payments being made, and Board meeting minutes did not document the Board's approval for festival disbursements. The Board did not hold meetings during May through July 2013. During this



City of Kimmswick
Follow-up Report on Audit Findings
Status of Findings

period, the city disbursed \$29,185 relating to the 2013 Strawberry Festival, which accounted for approximately 41 percent of total festival disbursements made in 2013.

Recommendation

The Board of Aldermen review and approve all festival disbursements prior to payment and ensure approval of festival disbursements is properly documented in meeting minutes.

Status

Implemented

The Board now approves festival disbursements prior to payment and approvals are documented in the meeting minutes. We reviewed the March 9, 2015, Board meeting minutes and noted festival disbursements had been approved and the minutes included a listing of the approved disbursements. We observed the approved festival disbursements occurred in June 2015 following the 2015 Strawberry Festival.

1.5 Festival Committee

The Festival Committee did not comply with the Sunshine Law. The committee did not hold open meetings and meeting minutes were not prepared. Further, recommendations made by the committee to the Board were not approved. As a result, decisions and recommendations made by the Festival Committee were not open to the public.

Recommendation

The Board of Aldermen ensure public meetings are held and meeting minutes prepared, approved, and maintained for the Festival Committee in accordance with the Sunshine Law. Meeting minutes should document all decisions made and be filed with the city.

Status

Implemented

The Festival Committee now posts notices of meetings and maintains meeting minutes. We observed the meeting minutes for two festival committee meetings held during 2015. In addition, the Board meeting minutes included discussion of Festival Committee issues and documented Board approval of committee recommendations.

2. Accounting Controls and Procedures

We identified several weaknesses with the city's accounting controls and procedures.

2.1 Segregation of duties and supervisory reviews

The Board had not segregated duties or performed adequate reviews of the work performed by the City Clerk. The City Clerk was responsible for receipting and depositing monies, preparing checks, reconciling bank accounts, preparing monthly financial reports, and maintaining accounting records. In addition, the City Clerk managed events held at the Anheuser Estate and prepared billings for merchant licenses. The Board hired the former City Treasurer to prepare the city's annual financial statements. On a



City of Kimmswick
Follow-up Report on Audit Findings
Status of Findings

monthly basis, as part of this service, this individual performed an independent review of the monthly bank reconciliations, disbursements, and financial statements; however, the former City Treasurer's review was not documented and did not include reconciling receipts to deposits or reviewing detailed transactions. A detailed review of accounting records was also not performed by the Board.

Recommendation

The Board of Aldermen segregate the duties of the City Clerk. At a minimum, there should be a documented review of city records and reconciliations.

Status

Implemented

City officials indicated the city is not able to hire an additional staff person to properly segregate accounting duties. However, the former City Treasurer has increased her review to include detailed receipt, deposit, and disbursement records. The former City Treasurer now initials all of the records she reviews. In addition, the City Clerk is no longer involved with handling monies for the Anheuser Estate rentals. Detailed accounting records are now provided to Board members prior to each meeting providing them an opportunity to review the detailed records.

2.2 Receipting and depositing procedures

The city's controls and procedures over receipting and depositing monies needed improvement. We noted the following issues:

- The city did not issue pre-numbered receipt slips nor maintain an immediate record of receipts.
- The city did not deposit monies intact or timely, and checks and money orders were not restrictively endorsed upon receipt.
- The city did not deposit all monies received relating to events held at the Anheuser Estate. In addition, the city allowed individuals to submit post-dated checks as the deposit for renting the estate.
- The City Clerk did not maintain receipts for estate events in a secure location.

Recommendation

The Board of Aldermen ensure proper receipt records are maintained and reconciled to the composition of the deposits. In addition, the Board should ensure deposits are made timely and intact, and monies are properly secured. Further, the Board should discontinue the practice of accepting post-dated checks. Any fees received in advance of upcoming events should be promptly deposited.



City of Kimmswick
Follow-up Report on Audit Findings
Status of Findings

Status	Implemented The City Clerk issues written receipt slips, restrictively endorses checks when received, and deposits monies promptly. The city no longer accepts post-dated checks and the City Clerk is no longer involved with the monetary aspects of the Anheuser Estate rentals.
2.3 Voided checks	The City Clerk did not mutilate and retain voided checks. The City Clerk stated she shredded voided checks each month after the bank statements were balanced.
Recommendation	The Board of Aldermen mutilate and retain all voided checks.
Status	Implemented We observed the City Clerk now marks "Void" multiple times across voided checks. In addition, the City Clerk indicated voided checks are now attached to the related month's bank statement and maintained in the monthly financial folder.
3.1 City Policies and Procedures - Board approval	The city made several disbursements prior to obtaining Board approval, and meeting minutes did not include documentation of disbursements approved by the Board. It is unclear if the Board approved all disbursements. The Board did not hold meetings during May through July 2013; during this period, the city disbursed approximately \$23,000 from the General Revenue, Road, and Event Funds, which accounted for approximately 18 percent of disbursements from those funds during 2013.
Recommendation	The Board of Aldermen review and approve all disbursements prior to payment and ensure approval is properly documented.
Status	Implemented The Board approves city disbursements during Board meetings prior to payment and approvals are documented in the meeting minutes. We reviewed the March 9, 2015, meeting minutes and noted disbursements had been approved by the Board. The minutes included a listing of the approved disbursements.
4. Anheuser Estate	City policies and procedures over disbursements, capital assets, and event profits involving the Anheuser Estate needed improvement.
4.1 Disbursements	The city did not retain documentation to support approval of disbursements made from the trust fund supporting the Anheuser Estate. Meeting minutes did not specify what disbursements were approved and documentation to support what was approved at each meeting was not maintained.



City of Kimmswick
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Board of Aldermen ensure the city maintains documentation of trust fund disbursements approved by the Board. Additionally, meeting minutes should clearly document the Board's approval.

Status

Implemented

The Board approves Anheuser Estate disbursements at each board meeting. The meeting minutes now document the Board's approval and include a listing of disbursements approved. We reviewed the March 9, 2015, meeting minutes and observed Anheuser Estate disbursements were discussed and approved. A copy of the Anheuser Estate financial reports, including approved disbursements, were included with the meeting minutes at city hall.

4.2 Capital assets

The city had not conducted an inventory of the Anheuser Estate and had not updated the related capital asset records since 2010.

Recommendation

The Board of Aldermen ensure an annual inventory of the capital assets is performed and records updated as necessary for the Anheuser Estate.

Status

In Progress

The city and the Anheuser Trust Board have agreed to hire an outside firm to conduct the inventory of the Anheuser Estate. Due to the uniqueness of the estate property, members of the Trust Board will monitor the inventory process. As of July 31, 2015, the city is still soliciting bids for this work. The city estimates the inventory will be completed by the end of September 2015. Discussion regarding who will pay for the inventory count is ongoing.

4.3 Event profits

The city did not have a formal agreement with the Anheuser Trust Board outlining how income derived from events held at the Anheuser Estate would be divided between the city and the Anheuser Trust Board. Beginning in 2013, the city began renting the estate to the public for special events. Any related costs for events at the estate were covered by the city. According to city personnel, an informal agreement was made between the city and the Anheuser Trust Board to equally divide the profits from these events. However, the city's meeting minutes did not document this agreement and a written agreement with the Anheuser Trust Board was not created.

Recommendation

The Board of Aldermen establish a formal agreement with the Anheuser Trust Board documenting the disposition of future income earned.



City of Kimmswick
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

Legal counsel for the city and the Anheuser Trust Board are currently negotiating an agreement for dividing the profits from renting the Anheuser Estate property. According to the City Clerk, the agreement has been drafted and approved by the Board. As of August 12, 2015, the agreement is pending approval by the Anheuser Trust Board.

7. Computer Controls

Controls over the city's computer were not sufficient to prevent unauthorized access. In addition, backup data was not stored in a secure, off-site location.

7.1 Passwords

The city had not established adequate password controls to reduce the risk of unauthorized access to the city's computer and data. Separate user identifications and passwords were not required to log onto the computer, and the City Clerk had shared her identification and password with other city officials. In addition, the password was not required to be changed periodically.

Recommendation

The Board of Aldermen require a unique password for each employee that is confidential and periodically changed to prevent unauthorized access to the city's computer and data.

Status

Implemented

The City Clerk now changes her password on a monthly basis and her password is kept confidential.

7.2 Backup data

Backup data for the city's financial system may not have been available for restoring information following a disaster or computer failure. Backups were performed daily; however, the backups were not stored at a secure off-site location but were stored at the same location as the original data and periodic testing of the data for adequacy was not performed.

Recommendation

The Board of Aldermen ensure backup data is stored in a secure off-site location and tested on a regular, predefined basis.

Status

Implemented

The City Clerk makes a flash drive backup of city records on a monthly basis and a copy is maintained in an off-site secure location. In addition, backup data is tested monthly to ensure it is working properly.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dunklin County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dunklin County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-070

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014 AND 2013

**THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report.....	1-3
 <u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2014.....	4
Year Ended December 31, 2013.....	5
Comparative Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2014 and 2013.....	6-23
 <i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2014.....	24
As of December 31, 2013.....	25
Notes to the Financial Statements.....	26-41
 <u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
 <u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings.....	42
 <u>FEDERAL COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	43-44
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133.....	45-47
Schedule of Expenditures of Federal Awards.....	48
Notes to the Schedule of Expenditures of Federal Awards.....	49
Schedule of Findings and Questioned Costs Years Ended December 31, 2014 and 2013.....	50-55
Summary Schedule of Prior Year Findings and Questioned Costs.....	56-61

FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Dunklin, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Dunklin ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2014, and 2013, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2014, and 2013, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2014, and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Dunklin’s basic financial statements. The schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of the County of Dunklin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Dunklin's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

FINANCIAL STATEMENTS

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

FUND	CASH JANUARY 1, 2014	RECEIPTS 2014	DISBURSEMENTS 2014	ADJUSTMENTS 2014	CASH DECEMBER 31, 2014
General Revenue Fund	\$ 1,757,736.45	\$ 4,609,633.85	\$ 4,724,352.45	\$ (8,352.01)	\$ 1,634,665.84
Special Road and Bridge Fund	579,269.82	825,725.34	802,720.26	-	602,274.90
Assessment Fund	139,713.25	351,325.83	316,522.38	-	174,516.70
Law Enforcement Sales Tax Fund	875,187.07	1,531,464.06	1,517,093.24	256,171.30	1,145,729.19
Johnson Grass Fund	133,690.23	7,188.90	11,466.22	-	129,412.91
Recorders User Fund	33,768.29	14,206.53	20,345.61	-	27,629.21
Prosecuting Attorney Training Fund	1,893.68	551.02	861.08	-	1,583.62
Law Enforcement Training Fund	70.87	2,114.63	405.00	-	1,780.50
DC Sheriff Revolving Fund	122.96	-	-	-	122.96
Emergency 911 Fund	176,834.09	147,866.06	111,206.27	-	213,493.88
Victims of Domestic Violence Fund	5,779.76	1,780.67	-	-	7,560.43
Domestic Violence Shelters Fund	7,492.38	2,187.49	-	-	9,679.87
Prosecuting Attorney Bad Check Fund	16,806.73	35,966.39	51,970.86	-	802.26
Dunklin County Law Enforcement Restitution Fund	84,228.23	55,906.29	85,206.36	-	54,928.16
County Clerk Discretionary Fund	4,793.23	3,816.63	7,257.51	-	1,352.35
Prosecuting Attorney Delinquent Tax Fund	66,962.76	1,886.19	15,727.49	-	53,121.46
Sheriff Civil Fees Fund	50,370.64	32,492.05	30,868.69	-	51,994.00
Sheriff Concealed Weapons Fund	82,549.91	42,817.00	21,552.04	-	103,814.87
Principal County Schools Fund	70,653.59	632,163.09	649,343.54	-	53,473.14
Schools Fund	3,917.93	1,709.78	4,622.57	-	1,005.14
Drainage District #12 Fund	11,000.94	88.37	-	-	11,089.31
Drainage District #23 Fund	119.16	0.96	-	-	120.12
Drainage District #25 Fund	372.07	2.98	-	-	375.05
Drainage District #48 Fund	23,550.06	29,219.26	16,659.80	-	36,109.52
Levee #4 Fund	79,684.45	23,499.98	-	-	103,184.43
Levee #7 Fund	48,211.00	23,867.49	15,425.00	-	56,653.49
DC Inmate Security Fund	13,794.37	4,461.15	-	-	18,255.52
Dunklin County Fire Dispatch Fund	-	-	-	-	-
Financial Institution Tax Fund	62,986.45	44,893.97	62,986.45	-	44,893.97
Surplus Certificate Bids Fund	3,725.07	420.50	-	-	4,145.57
Tax Maintenance Fund	37,140.25	61,595.92	82,077.65	-	16,658.52
Health Department Fund	60.00	-	60.00	-	-
Senate Bill 40 Fund	476,354.13	323,727.02	357,584.78	-	442,496.37
TOTAL	\$ 4,848,839.82	\$ 8,812,579.40	\$ 8,906,315.25	\$ 247,819.29	\$ 5,002,923.26

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	ADJUSTMENTS 2013	CASH DECEMBER 31, 2013
General Revenue Fund	\$ 1,619,455.10	\$ 4,540,879.10	\$ 4,403,372.87	\$ 775.12	\$ 1,757,736.45
Special Road and Bridge Fund	635,778.65	796,049.75	852,558.58	-	579,269.82
Assessment Fund	128,764.59	343,227.71	332,279.05	-	139,713.25
Law Enforcement Sales Tax Fund	1,423,243.49	1,413,140.36	1,714,472.90	(246,723.88)	875,187.07
Johnson Grass Fund	141,420.06	7,341.87	15,071.70	-	133,690.23
Recorders User Fund	47,946.08	15,531.67	29,709.46	-	33,768.29
Prosecuting Attorney Training Fund	1,226.67	667.01	-	-	1,893.68
Law Enforcement Training Fund	77.81	2,594.07	2,601.01	-	70.87
DC Sheriff Revolving Fund	122.96	-	-	-	122.96
Emergency 911 Fund	166,940.25	144,995.28	135,101.44	-	176,834.09
Victims of Domestic Violence Fund	3,856.88	1,922.88	-	-	5,779.76
Domestic Violence Shelters Fund	4,851.31	2,641.07	-	-	7,492.38
Prosecuting Attorney Bad Check Fund	52,342.50	29,863.50	65,399.27	-	16,806.73
Dunklin County Law Enforcement Restitution Fund	122,425.66	71,399.59	109,597.02	-	84,228.23
County Clerk Discretionary Fund	5,067.10	5,477.88	5,751.75	-	4,793.23
Prosecuting Attorney Delinquent Tax Fund	61,059.77	5,902.99	-	-	66,962.76
Sheriff Civil Fees Fund	70,633.66	25,111.02	45,374.04	-	50,370.64
Sheriff Concealed Weapons Fund	63,474.38	48,631.00	29,555.47	-	82,549.91
Principal County Schools Fund	70,023.92	656,671.18	656,041.51	-	70,653.59
Schools Fund	9,513.36	3,933.66	9,529.09	-	3,917.93
Drainage District #12 Fund	10,898.66	102.28	-	-	11,000.94
Drainage District #23 Fund	118.05	1.11	-	-	119.16
Drainage District #25 Fund	368.61	3.46	-	-	372.07
Drainage District #48 Fund	31,184.79	22,713.41	30,348.14	-	23,550.06
Levee #4 Fund	66,562.36	19,349.39	6,227.30	-	79,684.45
Levee #7 Fund	44,060.16	19,208.34	15,057.50	-	48,211.00
DC Inmate Security Fund	10,623.03	3,171.34	-	-	13,794.37
Dunklin County Fire Dispatch Fund	1,330.43	6,640.00	7,970.43	-	-
Financial Institution Tax Fund	93,655.41	62,993.49	93,662.45	-	62,986.45
Surplus Certificate Bids Fund	3,725.07	-	-	-	3,725.07
Tax Maintenance Fund	19,856.00	46,496.71	27,869.35	(1,343.11)	37,140.25
Health Department Fund	3,340.00	2,901.00	6,181.00	-	60.00
Senate Bill 40 Fund	453,878.20	287,135.93	264,660.00	-	476,354.13
TOTAL	\$ 5,367,824.97	\$ 8,586,698.05	\$ 8,858,391.33	\$ (247,291.87)	\$ 4,848,839.82

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	GENERAL REVENUE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 11,097.76	\$ 11,097.76	\$ 91,626.36	\$ 17,323.68
Sales Taxes	1,719,459.07	1,719,459.07	1,692,924.05	1,692,924.05
Intergovernmental	1,178,418.10	1,178,437.66	1,066,545.07	1,027,023.59
Charges for Services	677,933.02	677,933.02	537,171.61	638,313.66
Interest	12,649.14	12,649.14	14,514.57	14,514.57
Other	479,997.20	479,997.20	396,835.78	420,779.55
Transfers In	530,079.56	530,060.00	-	730,000.00
TOTAL RECEIPTS	4,609,633.85	4,609,633.85	3,799,617.44	4,540,879.10
DISBURSEMENTS				
County Commission	269,774.42	269,774.42	232,311.28	232,311.28
County Clerk	151,338.44	151,338.44	152,335.87	152,335.87
Elections	120,322.36	120,322.36	56,034.84	56,034.84
Buildings and Grounds	227,882.60	232,122.60	196,094.82	196,094.82
Employee Fringe Benefits	745,169.99	745,169.99	762,014.97	766,771.42
Treasurer	177,718.88	177,718.88	170,109.37	170,109.37
Collector	-	-	-	-
Recorder of Deeds	97,819.82	97,819.82	92,653.22	92,653.22
Circuit Clerk	79,475.14	79,475.14	77,891.27	77,966.07
Court Administration	8,998.16	8,998.16	13,993.77	13,993.77
Public Administrator	129,080.60	129,080.60	119,629.92	119,629.92
Sheriff	806,117.65	806,117.65	775,768.46	773,127.80
Jail	1,270,560.15	1,270,560.15	1,130,498.44	1,134,276.42
Prosecuting Attorney	286,246.33	286,246.33	274,763.00	274,763.00
Juvenile Office	177,437.22	177,437.22	170,635.38	170,635.38
Coroner	41,705.26	41,705.26	36,802.29	36,802.29
Paternity	109,813.41	109,813.41	103,081.82	103,081.82
Public Health and Welfare Services	18,980.96	19,210.91	21,557.50	21,557.50
Transfers Out	1,441.11	1,441.11	-	11,228.08
Emergency Fund	-	-	135,233.10	-
TOTAL DISBURSEMENTS	4,719,882.50	4,724,352.45	4,521,409.32	4,403,372.87
RECEIPTS OVER (UNDER) DISBURSEMENTS	(110,248.65)	(114,718.60)	(721,791.88)	137,506.23
CASH BALANCES, JANUARY 1	1,757,736.45	1,757,736.45	1,619,937.87	1,619,455.10
ADJUSTMENT (See Note XII)	-	(8,352.01)	-	775.12
CASH BALANCES, DECEMBER 31	\$ 1,647,487.80	\$ 1,634,665.84	\$ 898,145.99	\$ 1,757,736.45

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SPECIAL ROAD AND BRIDGE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ 150,226.44	\$ 150,226.44	\$ 131,295.89	\$ 131,295.89
Intergovernmental	589,945.97	672,643.85	579,543.82	579,543.82
Charges for Services	82,697.88	-	81,934.79	81,934.79
Interest	2,855.05	2,855.05	3,275.25	3,275.25
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	825,725.34	825,725.34	796,049.75	796,049.75
DISBURSEMENTS				
Road & Bridge Construction	772,720.26	772,720.26	822,558.58	822,558.58
Other Expenditures	-	-	-	-
Transfers Out	30,000.00	30,000.00	-	30,000.00
TOTAL DISBURSEMENTS	802,720.26	802,720.26	822,558.58	852,558.58
RECEIPTS OVER (UNDER) DISBURSEMENTS	23,005.08	23,005.08	(26,508.83)	(56,508.83)
CASH BALANCES, JANUARY 1	579,269.82	579,269.82	635,778.65	635,778.65
CASH BALANCES, DECEMBER 31	\$ 602,274.90	\$ 602,274.90	\$ 609,269.82	\$ 579,269.82

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ASSESSMENT FUND				LAW ENFORCEMENT SALES TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$1,493,233.07	\$1,493,233.07	\$1,393,187.22	\$1,393,187.22
Intergovernmental	340,025.45	346,554.49	323,178.28	323,178.28	-	-	-	-
Charges for Services	2,948.00	2,948.00	-	8,183.00	25,952.39	25,952.39	4,150.00	4,150.00
Interest	1,823.34	1,823.34	1,866.43	1,866.43	12,278.60	12,278.60	15,803.14	15,803.14
Other	-	-	8,183.00	-	-	-	-	-
Transfers In	-	-	-	10,000.00	-	-	-	-
TOTAL RECEIPTS	344,796.79	351,325.83	333,227.71	343,227.71	1,531,464.06	1,531,464.06	1,413,140.36	1,413,140.36
DISBURSEMENTS								
Salaries	187,550.94	187,550.94	183,272.34	183,272.34	-	-	-	-
Fringe Benefits	59,948.78	60,243.38	64,401.90	64,401.90	-	-	-	-
Office Supplies	13,265.31	13,265.31	12,566.17	12,566.17	-	-	-	-
Equipment	1,052.66	1,052.66	4,066.25	4,066.25	-	-	-	-
Mileage	1,185.15	1,185.15	4,252.05	4,252.05	-	-	-	-
Tuition & Training	942.41	942.41	2,252.78	2,252.78	-	-	-	-
Part-time Clerical	12,019.82	12,019.82	10,799.50	10,799.50	-	-	-	-
Assessor's Bond	-	-	266.00	266.00	-	-	-	-
Telephone	1,684.99	1,684.99	1,753.49	1,753.49	-	-	-	-
Postage	9,607.72	9,607.72	9,256.78	9,256.78	-	-	-	-
Map Maintenance	9,120.00	9,120.00	9,120.00	9,120.00	-	-	-	-
Appraisal Services	19,100.00	19,100.00	30,195.00	30,195.00	-	-	-	-
Contact Labor	750.00	750.00	-	-	-	-	-	-
Other	-	-	-	76.79	-	-	-	-
Maintenance	-	-	-	-	-	-	5,442.00	5,442.00
KNB/SOMO Bank Draft	-	-	-	-	-	825,696.24	827,520.91	827,520.90
Bank Charges	-	-	-	-	7,682.24	5,835.00	5,550.00	5,550.00
Patrol Cars	-	-	-	-	79,411.00	79,411.00	78,306.00	78,306.00
Car/Building Insurance	-	-	-	-	-	106,151.00	97,654.00	97,654.00
Transfers Out	-	-	-	-	500,000.00	500,000.00	-	700,000.00
TOTAL DISBURSEMENTS	316,227.78	316,522.38	332,202.26	332,279.05	587,093.24	1,517,093.24	1,014,472.91	1,714,472.90
RECEIPTS OVER (UNDER) DISBURSEMENTS	28,569.01	34,803.45	1,025.45	10,948.66	944,370.82	14,370.82	398,667.45	(301,332.54)
CASH BALANCES, JANUARY 1	139,713.25	139,713.25	128,660.41	128,764.59	875,187.07	875,187.07	1,423,243.49	1,423,243.49
ADJUSTMENT (See Note XII)	-	-	-	-	-	256,171.30	-	(246,723.88)
CASH BALANCES, DECEMBER 31	<u>\$ 168,282.26</u>	<u>\$174,516.70</u>	<u>\$ 129,685.86</u>	<u>\$139,713.25</u>	<u>\$1,819,557.89</u>	<u>\$1,145,729.19</u>	<u>\$1,821,910.94</u>	<u>\$ 875,187.07</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	JOHNSON GRASS FUND				RECORDERS USER FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 5,958.32	\$ 5,958.32	\$ 5,796.59	\$ 5,796.59	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	13,949.00	13,949.00	15,109.25	15,109.25
Interest	1,230.58	1,230.58	1,545.28	1,545.28	257.53	257.53	422.42	422.42
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,188.90	7,188.90	7,341.87	7,341.87	14,206.53	14,206.53	15,531.67	15,531.67
DISBURSEMENTS								
Chemicals	1,077.00	1,077.00	960.00	960.00	-	-	-	-
Spraying	10,075.00	10,075.00	13,756.80	13,756.80	-	-	-	-
Office Expense	314.22	314.22	354.90	354.90	-	-	-	-
Recording System	-	-	-	-	12,255.11	12,255.11	5,416.22	5,416.22
Computer System	-	-	-	-	-	-	21,216.80	21,216.80
Clerical Hours	-	-	-	-	6,724.58	6,724.58	-	2,654.36
Fringe Benefits	-	-	-	-	891.72	795.89	-	422.08
Mileage	-	-	-	-	570.03	570.03	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	11,466.22	11,466.22	15,071.70	15,071.70	20,441.44	20,345.61	26,633.02	29,709.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,277.32)	(4,277.32)	(7,729.83)	(7,729.83)	(6,234.91)	(6,139.08)	(11,101.35)	(14,177.79)
CASH BALANCES, JANUARY 1	133,690.23	133,690.23	141,420.06	141,420.06	33,768.29	33,768.29	47,946.08	47,946.08
CASH BALANCES, DECEMBER 31	<u>\$ 129,412.91</u>	<u>\$ 129,412.91</u>	<u>\$ 133,690.23</u>	<u>\$ 133,690.23</u>	<u>\$ 27,533.38</u>	<u>\$ 27,629.21</u>	<u>\$ 36,844.73</u>	<u>\$ 33,768.29</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	PROSECUTING ATTORNEY TRAINING FUND				LAW ENFORCEMENT TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,106.75	\$ -	\$ -	\$ 2,593.00
Charges for Services	536.32	536.32	652.23	652.23	-	2,106.75	2,593.00	-
Interest	14.70	14.70	14.78	14.78	7.88	7.88	1.07	1.07
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	551.02	551.02	667.01	667.01	2,114.63	2,114.63	2,594.07	2,594.07
DISBURSEMENTS								
Prosecuting Attorney Tuition	861.08	861.08	-	-	-	-	-	-
Law Enforcement Tuition & Training	-	-	-	-	405.00	405.00	1,611.01	1,611.01
Ammunition	-	-	-	-	-	-	990.00	990.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	861.08	861.08	-	-	405.00	405.00	2,601.01	2,601.01
RECEIPTS OVER (UNDER) DISBURSEMENTS	(310.06)	(310.06)	667.01	667.01	1,709.63	1,709.63	(6.94)	(6.94)
CASH BALANCES, JANUARY 1	1,893.68	1,893.68	1,226.67	1,226.67	70.87	70.87	77.81	77.81
CASH BALANCES, DECEMBER 31	<u>\$ 1,583.62</u>	<u>\$ 1,583.62</u>	<u>\$ 1,893.68</u>	<u>\$ 1,893.68</u>	<u>\$ 1,780.50</u>	<u>\$ 1,780.50</u>	<u>\$ 70.87</u>	<u>\$ 70.87</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	DC SHERIFF REVOLVING FUND				EMERGENCY 911 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	146,065.07	146,065.07	143,507.27	143,507.27
Interest	-	-	-	-	1,571.04	1,571.04	1,488.01	1,488.01
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	229.95	229.95	-	-
TOTAL RECEIPTS	-	-	-	-	147,866.06	147,866.06	144,995.28	144,995.28
DISBURSEMENTS								
Clerical	-	-	-	-	12,449.96	12,449.96	12,449.96	12,449.96
Office Expenses	-	-	-	-	6,408.75	6,408.75	6,873.96	6,873.96
Telephone	-	-	-	-	57,475.89	57,475.89	49,662.02	49,662.07
Mileage	-	-	-	-	3,308.85	3,308.85	2,854.39	2,854.39
Fringe Benefits	-	-	-	-	1,162.82	1,162.82	1,268.06	1,268.06
County Dispatching	-	-	-	-	30,000.00	30,000.00	30,000.00	30,000.00
Equipment Maintenance and Repair	-	-	-	-	400.00	400.00	-	-
Mapping and Addressing	-	-	-	-	-	-	31,993.00	31,993.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	111,206.27	111,206.27	135,101.39	135,101.44
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	36,659.79	36,659.79	9,893.89	9,893.84
CASH BALANCES, JANUARY 1	122.96	122.96	122.96	122.96	176,834.09	176,834.09	166,940.25	166,940.25
CASH BALANCES, DECEMBER 31	<u>\$ 122.96</u>	<u>\$ 122.96</u>	<u>\$ 122.96</u>	<u>\$ 122.96</u>	<u>\$ 213,493.88</u>	<u>\$ 213,493.88</u>	<u>\$ 176,834.14</u>	<u>\$ 176,834.09</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	VICTIMS OF DOMESTIC VIOLENCE FUND				DOMESTIC VIOLENCE SHELTERS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,727.00	1,727.00	1,878.00	1,878.00	2,118.00	2,118.00	2,582.50	2,582.50
Interest	53.67	53.67	44.88	44.88	69.49	69.49	58.57	58.57
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,780.67	1,780.67	1,922.88	1,922.88	2,187.49	2,187.49	2,641.07	2,641.07
DISBURSEMENTS								
Children's Place	-	-	-	-	-	-	-	-
Delta Children's Home	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,780.67	1,780.67	1,922.88	1,922.88	2,187.49	2,187.49	2,641.07	2,641.07
CASH BALANCES, JANUARY 1	5,779.76	5,779.76	3,856.88	3,856.88	7,492.38	7,492.38	4,851.31	4,851.31
CASH BALANCES, DECEMBER 31	<u>\$ 7,560.43</u>	<u>\$ 7,560.43</u>	<u>\$ 5,779.76</u>	<u>\$ 5,779.76</u>	<u>\$ 9,679.87</u>	<u>\$ 9,679.87</u>	<u>\$ 7,492.38</u>	<u>\$ 7,492.38</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	PROSECUTING ATTORNEY BAD CHECK FUND				DUNKLIN COUNTY LAW ENFORCEMENT RESTITUTION FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	26,738.94	26,738.94	29,550.21	29,550.21	55,261.92	55,261.92	70,360.46	70,360.46
Interest	35.61	35.61	313.29	313.29	644.37	644.37	1,039.13	1,039.13
Other	-	-	-	-	-	-	-	-
Transfers In	9,191.84	9,191.84	-	-	-	-	-	-
TOTAL RECEIPTS	35,966.39	35,966.39	29,863.50	29,863.50	55,906.29	55,906.29	71,399.59	71,399.59
DISBURSEMENTS								
Clerical & Law Clerk	31,817.04	31,223.20	33,776.00	33,776.00	-	-	-	-
P.A. Retirement Reimbursement	7,752.00	7,752.00	7,752.00	7,752.00	-	-	-	-
Fringe Benefits	11,240.36	11,240.36	12,230.74	12,260.01	11,180.07	10,320.14	12,157.88	12,157.88
Office Expenses	672.58	672.58	610.00	610.00	-	-	-	-
Computer Expense	1,082.72	1,082.72	1,512.00	1,512.00	-	-	-	-
Supplemental P.A. Training	-	-	9,489.26	9,489.26	-	-	-	-
Equipment	-	-	-	-	33,773.73	33,773.73	52,803.01	52,307.68
Mileage, Meals and Lodging	-	-	-	-	1,355.85	1,355.85	7,186.17	7,186.17
Tuition	-	-	-	-	1,180.00	1,180.00	-	-
Deputy and Attorney Salary	-	-	-	-	36,196.04	36,196.04	35,446.04	35,446.04
Deputy Overtime	-	-	-	-	2,380.60	2,380.60	2,499.25	2,499.25
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	52,564.70	51,970.86	65,370.00	65,399.27	86,066.29	85,206.36	110,092.35	109,597.02
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,598.31)	(16,004.47)	(35,506.50)	(35,535.77)	(30,160.00)	(29,300.07)	(38,692.76)	(38,197.43)
CASH BALANCES, JANUARY 1	16,806.73	16,806.73	52,342.50	52,342.50	84,228.23	84,228.23	122,425.66	122,425.66
CASH BALANCES, DECEMBER 31	\$ 208.42	\$ 802.26	\$ 16,836.00	\$ 16,806.73	\$ 54,068.23	\$ 54,928.16	\$ 83,732.90	\$ 84,228.23

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	COUNTY CLERK DISCRETIONARY FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,567.86	2,567.86	4,204.19	4,204.19	1,379.04	1,379.04	5,295.71	5,295.71
Charges for Services	-	-	-	-	-	-	-	-
Interest	37.61	37.61	45.61	45.61	507.15	507.15	607.28	607.28
Other	-	-	-	-	-	-	-	-
Transfers In	1,211.16	1,211.16	-	1,228.08	-	-	-	-
TOTAL RECEIPTS	3,816.63	3,816.63	4,249.80	5,477.88	1,886.19	1,886.19	5,902.99	5,902.99
DISBURSEMENTS								
Election Salary	3,294.61	3,294.61	2,121.98	2,121.98	-	-	-	-
Office Expenses	3,605.13	3,605.13	3,409.15	3,409.15	-	-	-	-
Fringe Benefits	357.77	357.77	220.62	220.62	-	-	-	-
P.A. Expense Supplement	-	-	-	-	6,535.65	6,535.65	-	-
Transfers Out	-	-	-	-	9,191.84	9,191.84	-	-
TOTAL DISBURSEMENTS	7,257.51	7,257.51	5,751.75	5,751.75	15,727.49	15,727.49	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,440.88)	(3,440.88)	(1,501.95)	(273.87)	(13,841.30)	(13,841.30)	5,902.99	5,902.99
CASH BALANCES, JANUARY 1	4,793.23	4,793.23	5,067.10	5,067.10	66,962.76	66,962.76	61,059.77	61,059.77
CASH BALANCES, DECEMBER 31	<u>\$ 1,352.35</u>	<u>\$ 1,352.35</u>	<u>\$ 3,565.15</u>	<u>\$ 4,793.23</u>	<u>\$ 53,121.46</u>	<u>\$ 53,121.46</u>	<u>\$ 66,962.76</u>	<u>\$ 66,962.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SHERIFF CIVIL FEES FUND				SHERIFF CONCEALED WEAPONS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 42,817.00	\$ 42,817.00	\$ 48,631.00	\$ 48,631.00
Charges for Services	25,602.94	32,045.98	24,095.00	24,095.00	-	-	-	-
Interest	446.07	446.07	540.02	540.02	-	-	-	-
Other	6,443.04	-	476.00	476.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	32,492.05	32,492.05	25,111.02	25,111.02	42,817.00	42,817.00	48,631.00	48,631.00
DISBURSEMENTS								
Office Expenses	30,868.69	30,868.69	44,877.52	45,374.04	-	-	-	-
Deputy Sheriff State Fees	-	-	-	-	11,130.00	11,130.00	11,960.00	11,960.00
Concealed Weapons	-	-	-	-	10,422.04	10,422.04	17,595.47	17,595.47
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	30,868.69	30,868.69	44,877.52	45,374.04	21,552.04	21,552.04	29,555.47	29,555.47
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,623.36	1,623.36	(19,766.50)	(20,263.02)	21,264.96	21,264.96	19,075.53	19,075.53
CASH BALANCES, JANUARY 1	50,370.64	50,370.64	70,633.66	70,633.66	82,549.91	82,549.91	63,474.38	63,474.38
CASH BALANCES, DECEMBER 31	<u>\$ 51,994.00</u>	<u>\$ 51,994.00</u>	<u>\$ 50,867.16</u>	<u>\$ 50,370.64</u>	<u>\$ 103,814.87</u>	<u>\$ 103,814.87</u>	<u>\$ 82,549.91</u>	<u>\$ 82,549.91</u>

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THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	PRINCIPAL COUNTY SCHOOLS FUND				SCHOOLS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$631,211.17	\$631,211.17	\$654,641.55	\$654,641.55	\$ 1,700.00	\$ 1,700.00	\$ 3,900.00	\$ 3,900.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	951.92	951.92	2,029.63	2,029.63	9.78	9.78	33.66	33.66
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	632,163.09	632,163.09	656,671.18	656,671.18	1,709.78	1,709.78	3,933.66	3,933.66
DISBURSEMENTS								
Principal County Schools Expenses	649,343.54	649,343.54	656,041.51	656,041.51	-	-	-	-
Schools Expenses	-	-	-	-	4,622.57	4,622.57	9,529.09	9,529.09
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	649,343.54	649,343.54	656,041.51	656,041.51	4,622.57	4,622.57	9,529.09	9,529.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	(17,180.45)	(17,180.45)	629.67	629.67	(2,912.79)	(2,912.79)	(5,595.43)	(5,595.43)
CASH BALANCES, JANUARY 1	70,653.59	70,653.59	70,023.92	70,023.92	3,917.93	3,917.93	9,513.36	9,513.36
CASH BALANCES, DECEMBER 31	<u>\$ 53,473.14</u>	<u>\$ 53,473.14</u>	<u>\$ 70,653.59</u>	<u>\$ 70,653.59</u>	<u>\$ 1,005.14</u>	<u>\$ 1,005.14</u>	<u>\$ 3,917.93</u>	<u>\$ 3,917.93</u>

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THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	DRAINAGE DISTRICT #12 FUND				DRAINAGE DISTRICT #23 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	88.37	88.37	102.28	102.28	0.96	0.96	1.11	1.11
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	88.37	88.37	102.28	102.28	0.96	0.96	1.11	1.11
DISBURSEMENTS								
Drainage District Expenses	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	88.37	88.37	102.28	102.28	0.96	0.96	1.11	1.11
CASH BALANCES, JANUARY 1	11,000.94	11,000.94	10,898.66	10,898.66	119.16	119.16	118.05	118.05
CASH BALANCES, DECEMBER 31	<u>\$ 11,089.31</u>	<u>\$ 11,089.31</u>	<u>\$ 11,000.94</u>	<u>\$ 11,000.94</u>	<u>\$ 120.12</u>	<u>\$ 120.12</u>	<u>\$ 119.16</u>	<u>\$ 119.16</u>

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THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	DRAINAGE DISTRICT #25 FUND				DRAINAGE DISTRICT #48 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 28,894.71	\$ 28,894.71	\$ 22,328.14	\$ 22,328.14
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	2.98	2.98	3.46	3.46	324.55	324.55	385.27	385.27
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2.98	2.98	3.46	3.46	29,219.26	29,219.26	22,713.41	22,713.41
DISBURSEMENTS								
Drainage District Expenses	-	-	-	-	16,659.80	16,659.80	30,348.14	30,348.14
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	16,659.80	16,659.80	30,348.14	30,348.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	2.98	2.98	3.46	3.46	12,559.46	12,559.46	(7,634.73)	(7,634.73)
CASH BALANCES, JANUARY 1	372.07	372.07	368.61	368.61	23,550.06	23,550.06	31,184.79	31,184.79
CASH BALANCES, DECEMBER 31	<u>\$ 375.05</u>	<u>\$ 375.05</u>	<u>\$ 372.07</u>	<u>\$ 372.07</u>	<u>\$ 36,109.52</u>	<u>\$ 36,109.52</u>	<u>\$ 23,550.06</u>	<u>\$ 23,550.06</u>

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THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	LEVEE #4 FUND				LEVEE #7 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 22,719.75	\$ 22,719.75	\$ 18,618.14	\$ 18,618.14	\$ 23,370.96	\$ 23,370.96	\$ 18,699.24	\$ 18,699.24
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	780.23	780.23	731.25	731.25	496.53	496.53	509.10	509.10
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	23,499.98	23,499.98	19,349.39	19,349.39	23,867.49	23,867.49	19,208.34	19,208.34
DISBURSEMENTS								
Levee District Expenses	-	-	6,227.30	6,227.30	15,425.00	15,425.00	15,057.50	15,057.50
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	6,227.30	6,227.30	15,425.00	15,425.00	15,057.50	15,057.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	23,499.98	23,499.98	13,122.09	13,122.09	8,442.49	8,442.49	4,150.84	4,150.84
CASH BALANCES, JANUARY 1	79,684.45	79,684.45	66,562.36	66,562.36	48,211.00	48,211.00	44,060.16	44,060.16
CASH BALANCES, DECEMBER 31	<u>\$ 103,184.43</u>	<u>\$ 103,184.43</u>	<u>\$ 79,684.45</u>	<u>\$ 79,684.45</u>	<u>\$ 56,653.49</u>	<u>\$ 56,653.49</u>	<u>\$ 48,211.00</u>	<u>\$ 48,211.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	DC INMATE SECURITY FUND				DUNKLIN COUNTY FIRE DISPATCH FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 4,332.00	\$ 4,332.00	\$ 3,058.00	\$ 3,058.00	\$ -	\$ -	\$ 6,640.00	\$ 6,640.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	129.15	129.15	113.34	113.34	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,461.15	4,461.15	3,171.34	3,171.34	-	-	6,640.00	6,640.00
DISBURSEMENTS								
Fire Dispatch Expenses	-	-	-	-	-	-	7,970.43	7,970.43
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	7,970.43	7,970.43
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,461.15	4,461.15	3,171.34	3,171.34	-	-	(1,330.43)	(1,330.43)
CASH BALANCES, JANUARY 1	13,794.37	13,794.37	10,623.03	10,623.03	-	-	1,330.43	1,330.43
CASH BALANCES, DECEMBER 31	<u>\$ 18,255.52</u>	<u>\$ 18,255.52</u>	<u>\$ 13,794.37</u>	<u>\$ 13,794.37</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	FINANCIAL INSTITUTION TAX FUND				SURPLUS CERTIFICATE BIDS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	44,893.97	44,893.97	62,993.49	62,993.49	420.50	420.50	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	44,893.97	44,893.97	62,993.49	62,993.49	420.50	420.50	-	-
DISBURSEMENTS								
Financial Institution Tax Expenses	62,986.45	62,986.45	93,662.45	93,662.45	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	62,986.45	62,986.45	93,662.45	93,662.45	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(18,092.48)	(18,092.48)	(30,668.96)	(30,668.96)	420.50	420.50	-	-
CASH BALANCES, JANUARY 1	62,986.45	62,986.45	93,655.41	93,655.41	3,725.07	3,725.07	3,725.07	3,725.07
CASH BALANCES, DECEMBER 31	<u>\$ 44,893.97</u>	<u>\$ 44,893.97</u>	<u>\$ 62,986.45</u>	<u>\$ 62,986.45</u>	<u>\$ 4,145.57</u>	<u>\$ 4,145.57</u>	<u>\$ 3,725.07</u>	<u>\$ 3,725.07</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	TAX MAINTENANCE FUND				HEALTH DEPARTMENT FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	61,332.39	61,332.39	46,496.71	46,075.16	-	-	2,901.00	2,901.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	263.53	263.53	-	421.55	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	61,595.92	61,595.92	46,496.71	46,496.71	-	-	2,901.00	2,901.00
DISBURSEMENTS								
Part-Time Employees	77,055.26	77,055.26	27,391.10	27,391.10	-	-	-	-
Office Expenses	5,022.39	5,022.39	233.25	233.25	-	-	-	-
Health Department Reimbursement	-	-	-	-	-	-	6,181.00	6,181.00
Other	-	-	245.00	245.00	-	-	-	-
Transfers Out	-	-	-	-	60.00	60.00	-	-
TOTAL DISBURSEMENTS	82,077.65	82,077.65	27,869.35	27,869.35	60.00	60.00	6,181.00	6,181.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(20,481.73)	(20,481.73)	18,627.36	18,627.36	(60.00)	(60.00)	(3,280.00)	(3,280.00)
CASH BALANCES, JANUARY 1	37,140.25	37,140.25	19,856.00	19,856.00	60.00	60.00	3,340.00	3,340.00
ADJUSTMENT (See Note XII)	-	-	-	(1,343.11)	-	-	-	-
CASH BALANCES, DECEMBER 31	<u>\$ 16,658.52</u>	<u>\$ 16,658.52</u>	<u>\$ 38,483.36</u>	<u>\$ 37,140.25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60.00</u>	<u>\$ 60.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SENATE BILL 40 FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 290,000.00	\$ 321,440.23	\$ 300,000.00	\$ 285,018.69
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	2,000.00	2,286.79	3,000.00	2,117.24
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	292,000.00	323,727.02	303,000.00	287,135.93
DISBURSEMENTS				
Mental Health	51,460.00	135,660.00	51,460.00	135,660.00
Dunklin Day Activity Center	96,500.00	9,500.00	93,700.00	-
Sheltered Workshop	207,624.78	210,424.78	126,500.00	126,500.00
Office	2,000.00	2,000.00	2,500.00	2,500.00
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	357,584.78	357,584.78	274,160.00	264,660.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(65,584.78)	(33,857.76)	28,840.00	22,475.93
CASH BALANCES, JANUARY 1	476,354.13	476,354.13	453,878.20	453,878.20
CASH BALANCES, DECEMBER 31	\$ 410,769.35	\$ 442,496.37	\$ 482,718.20	\$ 476,354.13

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014

	2014				
	Collector	Recorder	Prosecuting Attorney	Sheriff	Total Agency Funds
ASSETS					
Cash	\$ 9,136,132.34	\$ 14,668.50	\$ 45,050.96	\$ 76,781.71	\$ 9,272,633.51
Total Assets	9,136,132.34	14,668.50	45,050.96	76,781.71	9,272,633.51
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	9,136,132.34	14,668.50	45,050.96	76,781.71	9,272,633.51
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,136,132.34</u>	<u>\$ 14,668.50</u>	<u>\$ 45,050.96</u>	<u>\$ 76,781.71</u>	<u>\$ 9,272,633.51</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013

	2013				
	Collector	Recorder	Prosecuting Attorney	Sheriff	Total Agency Funds
ASSETS					
Cash	\$ 9,088,849.93	\$ 14,587.50	\$ 812.17	\$ 108,248.34	\$ 9,212,497.94
Total Assets	9,088,849.93	14,587.50	812.17	108,248.34	9,212,497.94
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	9,088,849.93	14,587.50	812.17	108,248.34	9,212,497.94
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,088,849.93	\$ 14,587.50	\$ 812.17	\$ 108,248.34	\$ 9,212,497.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Dunklin, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, and Sheriff.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only Dunklin County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations that were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation, was:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 204,457,360	\$ 203,935,900
Personal Property	90,508,712	88,683,137
Railroad and Utilities	<u>16,283,877</u>	<u>15,712,857</u>
	<u>\$ 311,249,949</u>	<u>\$ 308,331,894</u>

During 2014 and 2013, the County Commission approved a \$0.1000 and \$0.1000, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2014</u>	<u>2013</u>
Senate Bill 40	\$ <u>0.1000</u>	\$ <u>0.1000</u>
	<u>\$ 0.1000</u>	<u>\$ 0.1000</u>

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. CASH AND INVESTMENTS

The County maintains a cash investment pool that is available for all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014, and 2013, the carrying amount of the County's deposits were \$5,002,923.26 and \$4,848,839.82, and the bank balances were \$14,364,237.94 and \$15,177,819.06, respectively. The total bank balances as of December 31, 2014, and 2013 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2014, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 5,002,923.26
Total Governmental Funds	<u>5,002,923.26</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>9,272,633.51</u>
Total Agency Funds	<u>9,272,633.51</u>
Total Deposits as of December 31, 2014	<u>\$ 14,275,556.77</u>

The carrying values of deposits shown above are included in the financial statements at December 31, 2013, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 4,848,839.82
Total Governmental Funds	<u>4,848,839.82</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>9,212,497.94</u>
Total Agency Funds	<u>9,212,497.94</u>
Total Deposits as of December 31, 2013	<u>\$ 14,061,337.76</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014, and 2013.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2014, and 2013.

III. LONG-TERM DEBT

On August 30, 2012, the County completed an advanced refunding of the Series 2004 Certificates delivered in the original principal amount of \$9,260,000 for expanding, improving, furnishing and equipping the County's Justice Center with the Series 2012A. The Series 2012A Certificates is for \$9,985,000 with an interest rate varying from 2.375% to 3.650% and a maturity date of December 1, 2030.

On September 20, 2012, the County refunded the Series 2006 Certificates delivered in the original principal amount of \$1,207,064.56 with the Series 2012B Series in the amount of \$685,000 with an interest rate varying from 2.75% to 3.00% and a maturity date of December 31, 2014.

As of December 31, 2014, the COPs of the County are as follows:

	Balance 12/31/13	Additions	Retirements	Balance 12/31/14	Interest Paid
SERIES 2012A COPS	\$ 9,985,000.00	\$ -	\$ 245,000.00	\$ 9,740,000.00	\$ 318,048.76
SERIES 2012B COPS	255,000.00	-	255,000.00	-	7,650.00
TOTAL	\$ 10,240,000.00	\$ -	\$ 500,000.00	\$ 9,740,000.00	\$ 325,698.76

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (continued)

The future payments for the COPs as of December 31, 2014, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 515,000.00	\$ 310,698.76	\$ 825,698.76
2016	530,000.00	295,248.76	825,248.76
2017	550,000.00	279,348.76	829,348.76
2018	565,000.00	262,848.76	827,848.76
2019	580,000.00	245,898.76	825,898.76
2020-2024	3,155,000.00	983,993.76	4,138,993.76
2025-2029	3,705,000.00	432,847.50	4,137,847.50
2030	140,000.00	5,110.00	145,110.00
	<u>\$ 9,740,000.00</u>	<u>\$ 2,815,995.06</u>	<u>\$ 12,555,995.06</u>

As of December 31, 2013, the COPs of the County are as follows:

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/13</u>	<u>Interest Paid</u>
SERIES 2012A COPS	\$ 9,985,000.00	\$ -	\$ -	\$ 9,985,000.00	\$ 374,590.75
SERIES 2012B COPS	685,000.00	-	430,000.00	255,000.00	22,937.22
TOTAL	<u>\$ 10,670,000.00</u>	<u>\$ -</u>	<u>\$ 430,000.00</u>	<u>\$ 10,240,000.00</u>	<u>\$ 397,527.97</u>

The future payments for the COPs as of December 31, 2013, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 500,000.00	\$ 325,698.76	\$ 825,698.76
2015	515,000.00	310,698.76	825,698.76
2016	530,000.00	295,248.76	825,248.76
2017	550,000.00	279,348.76	829,348.76
2018	565,000.00	262,848.76	827,848.76
2019-2023	3,065,000.00	1,072,037.52	4,137,037.52
2024-2028	3,580,000.00	556,575.00	4,136,575.00
2029-2030	935,000.00	39,237.50	974,237.50
	<u>\$ 10,240,000.00</u>	<u>\$ 3,141,693.82</u>	<u>\$ 13,381,693.82</u>

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (continued)

Missouri Department of Natural Resources

The County entered into a loan agreement with the Department of Natural Resources (DNR) to implement energy conservation measures in January of 2008. The loan is at 0.00% with payments due in February and October.

The following is a schedule of payments made under the agreement as of December 31, 2014.

<u>Description</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2014</u>	<u>Interest Paid</u>
DNR ENERGY LOAN	\$ 9,811.00	\$ -	\$ 2,120.00	\$ 7,691.00	\$ -
TOTAL	\$ 9,811.00	\$ -	\$ 2,120.00	\$ 7,691.00	\$ -

The future payments for the DNR Energy loan as of December 31, 2014, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,120.00	\$ -	\$ 2,120.00
2016	2,120.00	-	2,120.00
2017	2,120.00	-	2,120.00
2018	1,331.00	-	1,331.00
	<u>\$ 7,691.00</u>	<u>\$ -</u>	<u>\$ 7,691.00</u>

The following is a schedule of payments made under the agreement as of December 31, 2013.

<u>Description</u>	<u>Balance</u> <u>12/31/2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Interest Paid</u>
DNR ENERGY LOAN	\$ 11,931.00	\$ -	\$ 2,120.00	\$ 9,811.00	\$ -
TOTAL	\$ 11,931.00	\$ -	\$ 2,120.00	\$ 9,811.00	\$ -

The future payments for the DNR Energy loan as of December 31, 2013, are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,120.00	\$ -	\$ 2,120.00
2015	2,120.00	-	2,120.00
2016	2,120.00	-	2,120.00
2017	2,120.00	-	2,120.00
2018	1,331.00	-	1,331.00
	<u>\$ 9,811.00</u>	<u>\$ -</u>	<u>\$ 9,811.00</u>

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

III. LONG-TERM DEBT (concluded)

Operating Leases

In 2014, the Prosecuting Attorney entered into an operating lease with Shelton Business Machines for the lease of a copier machine. The lease term is 60 months with a quarterly payment of \$249.36.

The future payments for the operating lease as of December 31, 2014, are as follows:

<u>December 31,</u>	<u>Payment</u>
2015	\$ 997.44
2016	997.44
2017	997.44
2018	997.44
2019	748.08
	<u>\$ 4,737.84</u>

IV. INTERFUND TRANSFERS

The following transfers were made during the years ended December 31, 2014, and 2013.

	<u>2014</u>		<u>2013</u>	
	<u>Transfers</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Transfers</u>
	<u>In</u>	<u>Out</u>	<u>In</u>	<u>Out</u>
General Revenue Fund	\$ 530,060.00	\$ 1,441.11	\$ 730,000.00	\$ 11,228.08
Special Road and Bridge Fund	-	30,000.00	-	30,000.00
Assessment Fund	-	-	10,000.00	-
Law Enforcement Sales Tax Fund	-	500,000.00	-	700,000.00
Emergency 911 Fund	229.95	-	-	-
Prosecuting Attorney Bad Check Fund	9,191.84	-	-	-
County Clerk Discretionary Fund	1,211.16	-	1,228.08	-
Prosecuting Attorney Delinquent Tax Fund	-	9,191.84	-	-
Health Department Fund	-	60.00	-	-
	<u>\$ 540,692.95</u>	<u>\$ 540,692.95</u>	<u>\$ 741,228.08</u>	<u>\$ 741,228.08</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Dunklin County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statute, Section RSMO 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Full-time employees of Dunklin County contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 5.6% (General) and 4.1% (Police) for 2014 and 6.3% (General) and 5.1% (Police) for 2013, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current years 2014 and 2013 were as follows:

2014

Annual required contribution	\$ 129,702
Interest on net pension obligation	7,479
Adjustment to annual required contribution	<u>(16,467)</u>
Annual pension cost	120,714
Actual contributions	<u>125,162</u>
Increase (decrease) in NPO	(4,448)
NPO beginning of year	<u>103,159</u>
NPO end of year	<u><u>\$ 98,711</u></u>

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

The annual required contribution (ARC) was determined as part of the February 29, 2012, and February 28, 2013, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012, was 30 years for the General division and 8 years for the Police division. The amortization period as of February 28, 2013, was 30 years for the General division and 15 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 148,877	85.1%	\$ 96,955
2013	138,771	95.5	103,159
2014	120,714	103.7	98,711

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a) / c] UAL as a Percentage of Covered Payroll
2/29/2012	\$3,312,000	\$3,458,244	\$ 146,244	96%	\$2,068,606	7%
2/28/2013	3,582,067	3,549,905	(32,162)	101	2,087,044	
2/28/2014	4,151,492	3,716,508	(434,984)	112	2,195,355	

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

2013

Annual required contribution	\$ 137,091
Interest on net pension obligation	7,029
Adjustment to annual required contribution	(5,349)
Annual pension cost	138,771
Actual contributions	132,567
Increase (decrease) in NPO	6,204
NPO beginning of year	96,955
NPO end of year	\$ 103,159

The annual required contribution (ARC) was determined as part of the February 28, 2011, and February 29, 2012, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011, was 30 years for the General division and 1 year for the Police division. The amortization period as of February 29, 2012, was 30 years for the General division and 8 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 153,286	69.7%	\$ 74,703
2012	148,877	85.1	96,955
2013	138,771	95.5	103,159

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a) / c] UAL as a Percentage of Covered Payroll
2/28/2011	\$2,944,939	\$3,281,402	\$ 336,463	90%	\$2,199,004	15%
2/29/2012	3,312,000	3,458,244	146,244	96	2,068,606	7
2/28/2013	3,582,067	3,549,905	(32,162)	101	2,087,044	

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement.

Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2014, and 2013 were \$67,082 and \$59,168, respectively.

VII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had one COBRA participant at December 31, 2014, paying a premium of \$5,320. The County had one COBRA participant at December 31, 2013, paying a premium of \$6,883.15.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$8,835 and \$7,752, respectively, for the years ended December 31, 2014, and 2013.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides regular full-time employees with vacation time after they have completed years of service. Vacation time accrues at the rate of one week per completed year of employment annually, for the first two years. After six years, vacation time will accrue at one additional day per completed year with a maximum of three weeks of vacation time after 10 years of employment. Vacation time must be used in the calendar year earned and may not be accumulated. An employee terminating from County service shall be allowed any earned and unused vacation time, either in time off after notice of termination or salary.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences (concluded)

Regular full-time employees shall accrue sick leave at the rate of one day for each calendar month of employment and can accrue a maximum of 30 days. No compensation will be given for unused sick leave.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

XI. PRIOR PERIOD ADJUSTMENT

The General Revenue Fund, Law Enforcement Sales Tax Fund, Law Enforcement Training Fund and Prosecuting Attorney Bad Check Fund have been restated. The County also did not report the Senate Bill 40 Fund in the financial statements in the prior financial statements. It has been determined that this entity is a component unit of the County and has been included in the financial statement beginning balance. The fund balance as of December 31, 2012, has been restated to reflect the inclusion of this fund in the financial statements. See the table below for the prior year changes to the financial statements:

Description	Governmental Activities
Fund Balance at December 31, 2012, as previously reported	\$ 5,649,121.00
Rounding Adjustment	4.77
General Revenue Fund adjustment	(481.90)
Law Enforcement Sales Tax Fund adjustment	103.59
Law Enforcement Training Fund adjustment	(2.19)
Prosecuting Attorney Bad Check Fund adjustment	(734,798.50)
Inclusion of the Senate Bill 40 Fund	453,878.20
Fund Balance at December 31, 2012, as restated	<u>\$ 5,367,824.97</u>

XII. CURRENT PERIOD ADJUSTMENT

The following funds were required to be adjusted due to reconciling differences between the County's accounting software and the published budgets.

<u>Fund</u>	<u>2014</u>	<u>2013</u>
General Revenue Fund	\$ (8,352.01)	\$ 775.12
Law Enforcement Sales Tax Fund	256,171.30	(246,723.88)
Tax Maintenance Fund	-	(1,343.11)
Total	<u>\$ 247,819.29</u>	<u>\$ (247,291.87)</u>

XIII. SUBSEQUENT EVENTS

There were no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2014, expenditures exceeded those budgeted for the following funds: General Revenue Fund, Assessment Fund and Law Enforcement Sales Tax Fund.
- B. For the year ended December 31, 2013, expenditures exceeded those budgeted for the following funds: Special Road and Bridge Fund, Assessment Fund, Law Enforcement Sales Tax Fund, Records User Fund, Emergency 911 Fund, Prosecuting Attorney Bad Check Fund and Sheriff Civil Fees Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Dunklin, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Dunklin ("County") as of and for the years ended December 31, 2014, and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [FS 2014-001, FS 2014-002, FS 2014-003, FS 2014-004]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Dunklin, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Dunklin's ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2014, and 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014, and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 2014-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

**THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

FEDERAL GRANT/PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NAME	GRANT OR IDENTIFYING NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2014	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2013
U.S. DEPARTMENT OF THE INTERIOR					
DIRECT PROGRAM:					
PAYMENT IN LIEU OF TAXES - PILT	15.226			\$ 1,773.00	\$ 1,657.00
TOTAL U.S. DEPARTMENT OF THE INTERIOR				<u>1,773.00</u>	<u>1,657.00</u>
U.S. DEPARTMENT OF JUSTICE					
PASSED THROUGH STATE:					
2013 LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG) PROGRAM	16.738	MISSOURI DEPARTMENT OF PUBLIC SAFETY	2013-LLEBG-013	-	8,483.48
2014 LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG) PROGRAM	16.738	MISSOURI DEPARTMENT OF PUBLIC SAFETY	2013-LLEBG-014	5,859.00	1,890.00
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>5,859.00</u>	<u>10,373.48</u>
U.S. DEPARTMENT OF TRANSPORTATION					
PASSED THROUGH STATE:					
HIGHWAY PLANNING AND CONSTRUCTION	20.205	MISSOURI HIGHWAY AND TRANSPORTATION COMMISSION	BRO-035	-	617,581.16
INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703	MISSOURI DEPARTMENT OF PUBLIC SAFETY		-	4,546.71
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>-</u>	<u>622,127.87</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASSED THROUGH STATE:					
CHILD SUPPORT ENFORCEMENT	93.563	MISSOURI DEPARTMENT OF SOCIAL SERVICES		104,959.30	100,875.86
TITLE IV-D ADMINISTRATION (CHILD SUPPORT ENFORCEMENT)	93.563	MISSOURI DEPARTMENT OF SOCIAL SERVICES		2,837.04	313.00
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	93.243	MISSOURI SUBSTANCE ABUSE AND MENTAL HEALTH MISSOURI SERVICES ADMINISTRATION	5H79TI023358	72,749.43	86,084.36
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>180,545.77</u>	<u>187,273.22</u>
U.S. DEPARTMENT OF HOMELAND SECURITY					
PASSED THROUGH STATE:					
EMERGENCY MANAGEMENT PERFORMANCE GRANT	97.042	MISSOURI DEPARTMENT OF PUBLIC SAFETY	EMW-2014-EP-00005-034	9,696.74	-
EMERGENCY MANAGEMENT PERFORMANCE GRANT	97.042	MISSOURI DEPARTMENT OF PUBLIC SAFETY	EMW-2013-EP-00028-032-5575	-	10,942.02
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>9,696.74</u>	<u>10,942.02</u>
Total				<u><u>\$ 197,874.51</u></u>	<u><u>\$ 832,373.59</u></u>

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Dunklin County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and, if applicable, noncash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County had no sub-recipients.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2014 ☒ Yes ☐ None Reported
2013 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2014 ☐ Yes ☒ No
2013 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2014 ☒ Yes ☐ None Reported
2013 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2014 - Unmodified
2013 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*? 2014 ☒ Yes ☐ No
2013 ☒ Yes ☐ No

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2013	20.205	Highway Planning and Construction

5. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

6. Auditee qualified as low-risk auditee? 2014 Yes X No

2013 Yes X No

II. FINANCIAL STATEMENT FINDINGS

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

FS 2014-003 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties.

Context: During our audit, we noted the Recorder performs all duties of the cash disbursement process including writing, approving, signing, and reconciliation of bank statements.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the County's offices.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties. We recommend that the Recorder's office have independent oversight from another office within the County.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 2014-003 Management's Response: Based on the external auditor's recommendations the duties of the Recorder will for now stand as is but the recommendations will be considered. I do feel my cashiering system and the reports for check balances fully provides sufficiency to show if there are any problems. I have worked very hard to make sure everything in this office is transparent and it is. The Recorder of Deeds is Susan Luce and her office phone number is (573)888-3468.

FS 2014-004 Criteria: Formal bank reconciliations must be prepared monthly on a timely basis on the Prosecuting Attorney's bank accounts.

Condition: We noted that bank reconciliations were not being completed during the fiscal years under audit.

Context: This deficiency became apparent through our testing of the office's cash accounts.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: Going forward we will follow the recommendation by the external auditor to reconcile bank statements on a monthly basis. The Prosecuting Attorney is Jeff McCormick and the office phone number is (573)888-6676.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

The following findings, recommendations, and questioned costs are the results of the single audit of Dunklin County, Missouri for the years ended December 31, 2014, and 2013. Each finding is referenced with a four-digit number representing the years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program, which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (concluded)

C. Federal Award Findings and Questioned Costs

SA 2014-001

Schedule of Expenditures of Federal Awards

Federal Grantor:	All except U.S. Department of Transportation
Pass-Through Grantor:	All except Highway and Transportation Commission
Federal CFDA Number:	All except 20.205
Program Title:	All except Highway Planning and Construction
Award Year:	2014 and 2013
Type of Finding:	Other Information – Significant Deficiency

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered the client prepared the Schedule of Expenditures of Federal Awards (SEFA) for 2014 and 2013 with incorrect information.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the Audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 12/11-01 County Budget Documents and County's Financial Statements

Condition: The County's budget documents for the year ended December 31, 2012, and 2011 misstated the various receipt classifications in various county funds as follows:

1. Various items that are charges for services were misclassified as Intergovernmental Revenues in many county funds.
2. Charges for services were misclassified as Other Revenues in many county funds. Due to the number of numerous misclassifications on the budget documents, the financial statements have not been adjusted to properly state receipts and the cash balances for the various funds.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County has established controls over the preparation of the budget documents; however, the process needs some improvement.

Effect: The budget documents presented to the public and submitted to the State Auditor's office contained misstatements of financial amounts in various classifications of receipts within various county funds.

Recommendation: The County Commission, County Clerk, and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts within the various funds are properly stated. We also recommend the County redo the 2013 budget document with proper classifications of financial amounts in order for the 2014 budget to be prepared more accurately.

Auditee Response: Dunklin County will work to sort, define and classify each revenue account and each expenditure account categorizing them in order to arrive at a schedule specific to each section of the budget in the categories such as Charges for Services, Intergovernmental Revenue, Other Revenue, and the increase and reduction in cash.

Status: This finding has been resolved by the County during the year of audit.

FS 12/11-02 Accounting for Transfers Need Improvement

Condition: The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various county funds. Total amounts reflected on the budget documents for budgeted transfers in do not agree with total budgeted transfers out for the years ended December 31, 2012, and 2011. In addition, actual amounts for transfers in are not properly reconciled to actual amounts transferred out each year.

The differences in transfers are because the transfers are reflected in the various funds in various revenue and disbursement classifications instead of in the Transfers classification as designated on the budget document.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-02 Accounting for Transfers Need Improvement (concluded)

Criteria: Strong internal controls over financial statements require that transfers in and out are properly reported in the various funds and are in balance.

Cause: The County Commission, County Clerk, and Treasurer did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and materially misstate the financial statements presented by the County.

Recommendation: The County Commission, County Clerk, and Treasurer should ensure both budgeted and actual transfers to and from other funds are in agreement each year. Also, other types of transactions that are not operating transfers should not be presented in the "Transfers" account category and that transfers should not be shown in other revenue or disbursement categories.

Auditee Response: Dunklin County will work to sort, define and classify total receipts and disbursements and balanced out by fund. The total transfers in for all funds will equal the total amount of transfers out for each year and will be shown as such on the budget document under the heading of Transfers In and Transfers Out.

Status: This finding has been resolved by the County in the current year of audit.

FS 12/11-03 Budgetary Procedures Not in Compliance With State Law

Condition: We noted the following issues with the County's budgeting process during our audit:

1. The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over three funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Bad Check	2011
Juvenile Diversion Grant I	2011
Schools	2012

2. The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over two funds during the audit period. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Budgeted expenditures exceeded budgeted revenues plus anticipated beginning fund balance for the following funds for 2012 and 2011.

<u>Fund</u>	<u>Years Ended December 31,</u>
Schools	2011
State Tax	2011

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-03 Budgetary Procedures Not in Compliance With State Law (concluded)

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also states the estimated ending fund balance cannot be a deficit balance. Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: County officials do consider the importance of preparing proper amended budgets and preparing budget documents in 2011 and 2012 for all applicable County operating funds; however, the process needs improvement.

Effect: The County Commission, County Clerk, and other County officials did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendations:

A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.

B. The County Commission, County Clerk, and other county officials properly prepare annual budgets for all county funds in accordance with state law.

Auditee Response:

A. Dunklin County will work with the County Treasurer using the Treasurer's monthly reconciliation to review the status of each fund with the other responsible county officials and department heads to ensure that the invoices submitted for payment do not exceed the approved expenditures in the budget for any fund.

B. During the annual budget process, the County Commission will prepare annual budgets for all funds.

Status: This finding has not been resolved. Please refer to the schedule of state findings on page 42, findings A and B.

FS 12/11-04 Preparation of Financial Statements

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-04 Preparation of Financial Statements (concluded)

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes. Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors.

Recommendation: We recommend the County either provide training to current management or hire additional staff that possesses the accounting skills needed to prepare and review the external financial statements.

Auditee Response: Dunklin County has prepared the 2012 and 2011 financial statements in compliance with Missouri Revised Statute 50.815.

Status: This finding has been resolved by the County in the current year of audit.

FS 12/11-05 Documentation of County's Internal Controls

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Auditee's Response: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is within the next six months from the date of these financial statements.

Status: This finding is repeated in the current year as FS 2014-001.

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 12/11-06 Documentation of Antifraud Programs and Controls

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place and we were informed that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Auditee's Response: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is within the next six months from the date of these financial statements.

Status: This finding is repeated in the current year as FS 2014-002.

FS 12/11-07 Payroll and Timesheets

Condition: Salaries for the County employees represents the single most costly item of the County. Records and procedures regarding timesheets and/or time cards are in need of improvement. For the years ended December 31, 2012, and 2011, the County disbursed approximately \$3 million annually for payroll costs. A payroll period was selected for testing. A test of this payroll disclosed the following deficiencies in the payroll processes and procedures:

Condition:

- Timesheets or timecards are not always signed by the supervisor.
- Timesheets or timecards are not always signed by the employee.
- Numerous timesheets or timecards were not available for the period tested.
- Timesheets or timecards are not prepared by salaried employees.
- Mileage driven by an employee requesting reimbursement was not provided on a monthly basis.
- Some departments do not submit timesheets and/or timecards to the County Clerk's office.
- Overtime was not always approved by supervisor.

Effect: Payroll disbursements are not always fully substantiated or documented.

Cause: Oversight

THE COUNTY OF DUNKLIN
KENNETT, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 12/11-07 Payroll and Timesheets (concluded)

Recommendation: We recommend that the County Commission and County Clerk implement procedures to ensure that all County employees comply with the documented personnel policies, and that all wage and salary charges are supported by time records that are complete, accurate, signed, dated and approved. Timesheets and/or timecards are necessary to document hours actually worked, substantiate payroll disbursements, and provide the County with a method to monitor hours worked. The Fair Labor Standards Act (FLSA) requires employers to keep accurate records of actual time worked by employees, including compensatory time earned, taken, or paid. The time records should always be filed with the County Clerk.

Auditee's Response:

The County will implement changes to conform to the audit findings.

Status: This finding has been resolved by the County in the current year of audit.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 12/11-01 Schedule of Expenditures of Federal Awards

Condition: The County does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained material errors and omissions of information required by the federal government.

Criteria: Section .310(b) of Circular A-133, *Audit of States, Local Governments, and Nonprofit Organizations*, requires the County to prepare a SEFA for the period covered by the County's financial statements. The County is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Cause: The County did not fully understand how to prepare and to take the appropriate time to prepare the SEFA properly. In addition, the County Clerk does not maintain a copy of all grants and awards from all the officeholders.

Effect: The County's SEFA was incorrectly prepared by the County.

Recommendation: Compilation of the SEFA requires consulting County financial records and requesting information from other departments and/or officials. The County should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA. Also, the County Clerk should serve as the central location for all grant documentation. The officeholders can maintain a copy of the documentation. The County Clerk should maintain a tracking system for all federal expenditures.

Auditee's Response:

Dunklin County will implement adequate procedures to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA). Procedures such as requiring each county official and all county staff to report to the County Clerk, all grants and expenditures related to Federal awards.

Status: This finding is repeated in the current year as SA 2014-001.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2015

To the Board of Commissioners
County of Dunklin

In planning and performing our audit of the regulatory based financial statements of the County of Dunklin (the "County") as of and for the years ended December 31, 2014, and December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 2014-003 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties.

Context: During our audit, we noted the Recorder performs all duties of the cash disbursement process including writing, approving, signing, and reconciliation of bank statements.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the County's offices.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties. We recommend that the Recorder's office have independent oversight from another office within the County.

Management's Response: Based on the external auditor's recommendations the duties of the Recorder will for now stand as is but the recommendations will be considered. I do feel my cashiering system and the reports for check balances fully provides sufficiency to show if there are any problems. I have worked very hard to make sure everything in this office is transparent and it is. The Recorder of Deeds is Susan Luce and her office phone number is (573)888-3468.

FS 2014-004 Criteria: Formal bank reconciliations must be prepared monthly on a timely basis on the Prosecuting Attorney's bank accounts.

Condition: We noted that bank reconciliations were not being completed during the fiscal years under audit.

Context: This deficiency became apparent through our testing of the office's cash accounts.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: Going forward we will follow the recommendation by the external auditor to reconcile bank statements on a monthly basis. The Prosecuting Attorney is Jeff McCormick and the office phone number is (573)888-6676.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

SA 2014-001	Schedule of Expenditures of Federal Awards
Federal Grantor:	All except U.S. Department of Transportation
Pass-Through Grantor:	All except Highway and Transportation Commission
Federal CFDA Number:	All except 20.205
Program Title:	All except Highway Planning and Construction
Award Year:	2014 and 2013
Type of Finding:	Other Information – Significant Deficiency

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered the client prepared the Schedule of Expenditures of Federal Awards (SEFA) for 2014 and 2013 with incorrect information.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's office.

Views of responsible officials and planned corrective actions: The County Clerk's office and the County Commission agree and will comply with the Audit recommendations. The County Clerk is Kent Hampton and his office phone number is (573)888-1374.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2015. Professional standards also require that we communicate to you the following information related to our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2014-2013 fiscal years. We noted no transactions entered into by the county during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ralls County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ralls County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-071

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014 AND 2013

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-2
<u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2014	3
Year Ended December 31, 2013	4
Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2014 and 2013	5-18
<i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2014	19
As of December 31, 2013	20
Notes to the Financial Statements	21-35
<u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
<u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings	36
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	37-38
Schedule of Findings and Responses	
Years Ended December 31, 2014 and 2013	39-40
Summary Schedule of Prior Year Findings and Responses	
Years Ended December 31, 2014 and 2013	41-42

FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Ralls, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Ralls, Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2014, and 2013, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2014, and 2013, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2014, and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015 on our consideration of the County of Ralls internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Ralls internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

FINANCIAL STATEMENTS

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

FUND	CASH JANUARY 1, 2014	RECEIPTS 2014	DISBURSEMENTS 2014	CASH DECEMBER 31, 2014
General Revenue Fund	\$ 257,827.07	\$ 2,092,455.68	\$ 2,228,977.42	\$ 121,305.33
Special Road and Bridge Fund	127,863.74	1,622,775.09	1,484,583.06	266,055.77
Capital Improvement Fund	974,298.61	554,600.39	257,015.38	1,271,883.62
Assessment Fund	134,440.13	273,199.46	260,168.09	147,471.50
Election Services Fund	10,715.16	3,137.09	9,023.05	4,829.20
Prosecuting Attorney Training Fund	11,244.32	519.69	1,150.00	10,614.01
Prosecuting Attorney Tax Fund	5,191.47	1.93	-	5,193.40
Prosecuting Attorney Administrative Fund	13,156.21	1,386.49	866.50	13,676.20
Recorder's Users Fund	71,641.35	4,010.25	-	75,651.60
Domestic Fund	341.02	624.07	588.06	377.03
Inmate Security Fund	825.86	7,968.14	5,227.68	3,566.32
Unclaimed Fees Fund	-	57.70	34.38	23.32
County Interest Fund	30,982.55	101,726.68	119,943.30	12,765.93
Criminal Fees Fund	-	-	-	-
Flood Control Fund	-	8,591.70	8,591.70	-
Sheriff's Fund	6,013.65	15,830.66	13,770.11	8,074.20
Recorder's Tech Fund	7,115.46	2,085.39	451.49	8,749.36
LEPC Fund	-	7,801.24	7,801.24	-
Tax Maintenance Fund	44,514.34	17,341.97	20,107.37	41,748.94
Sheriff's Revolving Fund	3,424.40	18,251.95	16,528.28	5,148.07
Law Enforcement Training Fund	171.20	3,122.37	1,085.53	2,208.04
Land Sales Surplus Fund	-	-	-	-
Emergency Fund	363,481.48	61,112.29	1,162.74	423,431.03
Drug Enforcement Fund	100.24	0.01	-	100.25
TOTAL	\$ 2,063,348.26	\$ 4,796,600.24	\$ 4,437,075.38	\$ 2,422,873.12

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	CASH DECEMBER 31, 2013
General Revenue Fund	\$ 451,054.14	\$ 1,992,568.69	\$ 2,185,795.76	\$ 257,827.07
Special Road and Bridge Fund	253,518.91	1,419,178.86	1,544,834.03	127,863.74
Capital Improvement Fund	666,651.82	725,760.53	418,113.74	974,298.61
Assessment Fund	153,574.19	273,555.00	292,689.06	134,440.13
Election Services Fund	9,286.28	8,145.83	6,716.95	10,715.16
Prosecuting Attorney Training Fund	11,835.91	568.41	1,160.00	11,244.32
Prosecuting Attorney Tax Fund	5,187.39	4.08	-	5,191.47
Prosecuting Attorney Administrative Fund	12,605.89	1,980.32	1,430.00	13,156.21
Recorder's Users Fund	67,473.95	5,080.99	913.59	71,641.35
Domestic Fund	353.12	636.17	648.27	341.02
Inmate Security Fund	-	825.86	-	825.86
Unclaimed Fees Fund	7.40	-	7.40	-
County Interest Fund	22,435.31	99,770.64	91,223.40	30,982.55
Criminal Fees Fund	-	-	-	-
Flood Control Fund	-	1,275.07	1,275.07	-
Sheriff's Fund	4,481.20	31,248.03	29,715.58	6,013.65
Recorder's Tech Fund	4,620.54	2,679.17	184.25	7,115.46
LEPC Fund	-	3,630.12	3,630.12	-
Tax Maintenance Fund	41,691.80	18,265.11	15,442.57	44,514.34
Sheriff's Revolving Fund	443.24	19,881.16	16,900.00	3,424.40
Law Enforcement Training Fund	1,680.91	3,267.25	4,776.96	171.20
Land Sales Surplus Fund	-	-	-	-
Emergency Fund	308,831.03	55,480.34	829.89	363,481.48
Drug Enforcement Fund	100.18	0.06	-	100.24
TOTAL	<u>\$ 2,015,833.21</u>	<u>\$ 4,663,801.69</u>	<u>\$ 4,616,286.64</u>	<u>\$ 2,063,348.26</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	GENERAL REVENUE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 605,284.80	\$ 650,798.97	\$ 549,709.10	\$ 620,574.55
Sales Taxes	845,000.00	918,086.42	750,000.00	837,465.24
Intergovernmental	83,310.00	97,591.95	89,751.00	95,180.28
Charges for Services	258,225.00	239,131.20	208,700.00	258,990.36
Interest	2,100.00	1,106.94	2,100.00	2,235.91
Other	170,900.00	184,365.53	124,100.00	177,918.34
Transfers In	200.00	1,374.67	1,550.00	204.01
TOTAL RECEIPTS	1,965,019.80	2,092,455.68	1,725,910.10	1,992,568.69
DISBURSEMENTS				
County Commission	85,270.00	85,882.40	85,920.00	85,223.23
County Clerk	71,512.00	71,418.86	68,160.00	68,050.03
Elections	141,746.00	122,822.89	83,450.00	88,153.04
Buildings and Grounds	87,800.00	81,842.47	173,213.00	168,989.92
Employee Fringe Benefits	286,600.00	264,066.43	322,049.49	229,171.33
County Treasurer	43,500.00	43,498.91	43,025.00	43,463.68
Collector	79,912.00	79,798.48	75,910.00	75,709.89
Recorder of Deeds	-	-	-	-
Circuit Clerk	54,382.00	49,283.59	53,620.00	46,716.17
Court Administration	11,500.00	7,599.95	12,155.00	8,804.23
Public Administrator	46,500.00	47,147.60	46,000.00	48,111.30
Sheriff	879,270.00	964,203.71	686,325.00	908,441.10
Jail	-	-	-	-
Prosecuting Attorney	93,550.00	91,787.04	92,257.68	90,546.85
Juvenile Officer	46,272.89	33,182.59	52,163.82	26,481.21
Coroner	22,400.00	22,224.60	22,100.00	23,242.97
Planning and Zoning	3,525.00	3,125.00	3,565.00	3,000.00
Other	132,724.00	118,379.75	140,320.00	130,766.81
Economic Development	10,000.00	20,203.49	23,300.00	25,324.00
Health and Welfare	100.00	-	500.00	-
Transfers Out	64,500.00	63,509.66	62,000.00	62,000.00
Transfer To Emergency Fund	59,000.00	59,000.00	53,600.00	53,600.00
TOTAL DISBURSEMENTS	2,220,063.89	2,228,977.42	2,099,633.99	2,185,795.76
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(255,044.09)	(136,521.74)	(373,723.89)	(193,227.07)
CASH, JANUARY 1	257,827.07	257,827.07	451,054.14	451,054.14
CASH, DECEMBER 31	\$ 2,782.98	\$ 121,305.33	\$ 77,330.25	\$ 257,827.07

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SPECIAL ROAD AND BRIDGE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 568,625.76	\$ 602,055.87	\$ 549,163.32	\$ 607,115.86
Sales Taxes	172,000.00	183,601.41	155,000.00	167,485.61
Intergovernmental	1,051,815.00	734,476.99	1,025,790.00	552,336.01
Charges for Services	-	-	-	-
Interest	1,250.00	161.60	1,400.00	1,061.08
Other	90,550.00	101,705.97	83,160.00	91,065.54
Transfers In	200.00	773.25	750.00	114.76
TOTAL RECEIPTS	1,884,440.76	1,622,775.09	1,815,263.32	1,419,178.86
DISBURSEMENTS				
Salaries	340,790.00	346,984.53	364,720.00	337,572.41
Employee Fringe Benefits	176,600.00	148,917.20	173,422.30	158,860.79
Supplies	350,050.00	348,036.96	353,800.00	343,982.89
Insurance	33,500.00	33,091.69	28,989.24	32,862.13
Road & Bridge Materials	402,000.00	417,278.87	409,750.00	405,233.02
Equipment Repairs	65,000.00	76,505.19	50,000.00	56,283.41
Rentals	100.00	-	3,500.00	65.00
Equipment Purchases	125,000.00	67,023.56	138,500.00	141,250.00
R&B Construction	505,000.00	33,020.65	531,500.00	58,853.29
Other	13,800.00	13,724.41	13,950.00	9,871.09
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	2,011,840.00	1,484,583.06	2,068,131.54	1,544,834.03
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(127,399.24)	138,192.03	(252,868.22)	(125,655.17)
CASH, JANUARY 1	127,863.74	127,863.74	253,518.91	253,518.91
CASH, DECEMBER 31	\$ 464.50	\$ 266,055.77	\$ 650.69	\$ 127,863.74

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	CAPITAL IMPROVEMENT FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	521,000.00	550,746.62	490,000.00	502,411.98
Intergovernmental	-	-	-	-
Reimbursements	-	-	245,000.00	220,008.90
Interest	3,000.00	3,852.81	3,000.00	3,339.65
Other	-	0.96	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	524,000.00	554,600.39	738,000.00	725,760.53
DISBURSEMENTS				
UMB COP Payment	-	-	27,000.00	505.59
Trustee Fee Expense	-	1,365.50	5,000.00	2,037.75
Equipment Purchases	1,255,000.00	255,649.88	705,000.00	415,570.40
TOTAL DISBURSEMENTS	1,255,000.00	257,015.38	737,000.00	418,113.74
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(731,000.00)	297,585.01	1,000.00	307,646.79
CASH, JANUARY 1	974,298.61	974,298.61	666,651.82	666,651.82
CASH, DECEMBER 31	\$ 243,298.61	\$ 1,271,883.62	\$ 667,651.82	\$ 974,298.61

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ASSESSMENT FUND				ELECTION SERVICES FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	195,400.00	199,388.42	187,780.00	195,180.13	-	-	-	-
Charges for Services	15,800.00	11,235.72	5,538.00	15,989.75	-	-	-	-
Interest	150.00	65.32	140.00	145.01	8.00	2.99	-	7.51
Other	-	510.00	-	240.11	11,445.00	1,624.44	10,352.00	8,138.32
Transfers In	62,000.00	62,000.00	62,000.00	62,000.00	-	1,509.66	-	-
TOTAL RECEIPTS	273,350.00	273,199.46	255,458.00	273,555.00	11,453.00	3,137.09	10,352.00	8,145.83
DISBURSEMENTS								
Salaries	148,620.00	147,533.05	144,460.00	144,459.88	-	-	-	-
Employee Fringe Benefits	31,815.00	29,207.05	29,970.00	33,307.54	-	-	-	-
Materials and Supplies	21,030.00	35,614.78	30,100.00	34,586.81	6,500.00	8,071.80	6,000.00	1,261.79
Mileage and Training	8,500.00	5,274.07	8,500.00	10,802.69	5,000.00	412.25	4,000.00	460.12
Other	54,770.00	42,539.14	76,090.00	69,532.14	10,300.00	539.00	9,500.00	4,995.04
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	264,735.00	260,168.09	289,120.00	292,689.06	21,800.00	9,023.05	19,500.00	6,716.95
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	8,615.00	13,031.37	(33,662.00)	(19,134.06)	(10,347.00)	(5,885.96)	(9,148.00)	1,428.88
CASH, JANUARY 1	134,440.13	134,440.13	153,574.19	153,574.19	10,715.16	10,715.16	9,286.28	9,286.28
CASH, DECEMBER 31	<u>\$ 143,055.13</u>	<u>\$ 147,471.50</u>	<u>\$ 119,912.19</u>	<u>\$ 134,440.13</u>	<u>\$ 368.16</u>	<u>\$ 4,829.20</u>	<u>\$ 138.28</u>	<u>\$ 10,715.16</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY TAX FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	800.00	515.49	750.00	559.09	-	-	-	-
Interest	10.00	4.20	12.00	9.32	5.00	1.93	12.00	4.08
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	810.00	519.69	762.00	568.41	5.00	1.93	12.00	4.08
DISBURSEMENTS								
Fees	-	-	-	-	5,100.00	-	5,000.00	-
Tuition	7,750.00	1,150.00	7,500.00	1,160.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	7,750.00	1,150.00	7,500.00	1,160.00	5,100.00	-	5,000.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(6,940.00)	(630.31)	(6,738.00)	(591.59)	(5,095.00)	1.93	(4,988.00)	4.08
CASH, JANUARY 1	11,244.32	11,244.32	11,835.91	11,835.91	5,191.47	5,191.47	5,187.39	5,187.39
CASH, DECEMBER 31	\$ 4,304.32	\$ 10,614.01	\$ 5,097.91	\$ 11,244.32	\$ 96.47	\$ 5,193.40	\$ 199.39	\$ 5,191.47

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	PROSECUTING ATTORNEY ADMINISTRATIVE FUND				RECORDER'S USERS FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	4,400.00	3,983.00	4,400.00	5,027.00
Interest	11.00	4.99	15.00	10.32	45.00	27.25	45.00	53.99
Other	2,050.00	1,381.50	2,350.00	1,970.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,061.00	1,386.49	2,365.00	1,980.32	4,445.00	4,010.25	4,445.00	5,080.99
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Equipment Purchases	-	-	-	-	76,086.35	-	69,783.44	913.59
Professional Services	3,000.00	690.00	3,000.00	1,200.00	-	-	-	-
Capital Outlay	2,000.00	-	1,000.00	-	-	-	-	-
State Fees	10,000.00	176.50	10,000.00	230.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	15,000.00	866.50	14,000.00	1,430.00	76,086.35	-	69,783.44	913.59
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,939.00)	519.99	(11,635.00)	550.32	(71,641.35)	4,010.25	(65,338.44)	4,167.40
CASH, JANUARY 1	13,156.21	13,156.21	12,605.89	12,605.89	71,641.35	71,641.35	67,473.95	67,473.95
CASH, DECEMBER 31	\$ 217.21	\$ 13,676.20	\$ 970.89	\$ 13,156.21	\$ -	\$ 75,651.60	\$ 2,135.51	\$ 71,641.35

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	DOMESTIC FUND				INMATE SECURITY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,000.00	624.00	1,500.00	636.00	18,000.00	7,967.15	-	825.85
Interest	0.25	0.07	2.00	0.17	-	0.99	-	0.01
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,000.25	624.07	1,502.00	636.17	18,000.00	7,968.14	-	825.86
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Professional Services	1,341.00	588.06	1,855.00	648.27	-	-	-	-
Capital Outlay	-	-	-	-	18,000.00	5,227.68	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,341.00	588.06	1,855.00	648.27	18,000.00	5,227.68	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(340.75)	36.01	(353.00)	(12.10)	-	2,740.46	-	825.86
CASH, JANUARY 1	341.02	341.02	353.12	353.12	825.86	825.86	-	-
CASH, DECEMBER 31	\$ 0.27	\$ 377.03	\$ 0.12	\$ 341.02	\$ 825.86	\$ 3,566.32	\$ -	\$ 825.86

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	UNCLAIMED FEES FUND				COUNTY INTEREST FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,200.00	57.70	500.00	-	148,500.00	101,707.07	128,750.00	99,740.74
Interest	-	-	-	-	35.00	19.61	100.00	29.90
Other	-	-	-	-	-	-	1,500.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,200.00	57.70	500.00	-	148,535.00	101,726.68	130,350.00	99,770.64
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,200.00	34.38	507.40	7.40	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
To Agency Funds	-	-	-	-	179,000.00	119,943.30	152,000.00	91,223.40
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,200.00	34.38	507.40	7.40	179,000.00	119,943.30	152,000.00	91,223.40
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	23.32	(7.40)	(7.40)	(30,465.00)	(18,216.62)	(21,650.00)	8,547.24
CASH, JANUARY 1	-	-	7.40	7.40	30,982.55	30,982.55	22,435.31	22,435.31
CASH, DECEMBER 31	\$ -	\$ 23.32	\$ -	\$ -	\$ 517.55	\$ 12,765.93	\$ 785.31	\$ 30,982.55

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	CRIMINAL FEES FUND				FLOOD CONTROL FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	25,000.00	-	20,000.00	8,591.70	20,000.00	1,275.00
Interest	-	-	-	-	0.10	-	1.00	0.07
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	25,000.00	-	20,000.10	8,591.70	20,001.00	1,275.07
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	25,000.00	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
To Agency Funds	-	-	-	-	-	6,443.78	-	956.30
Transfers Out	-	-	-	-	20,000.10	2,147.92	20,001.00	318.77
TOTAL DISBURSEMENTS	-	-	25,000.00	-	20,000.10	8,591.70	20,001.00	1,275.07
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SHERIFF'S FUND				RECORDER'S TECH FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	32,989.00	14,722.18	30,000.00	16,123.54	2,500.00	2,082.50	2,500.00	2,675.00
Interest	16.00	3.62	10.00	8.57	5.00	2.89	5.00	4.17
Other	7,000.00	1,104.86	11,000.00	15,115.92	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	40,005.00	15,830.66	41,010.00	31,248.03	2,505.00	2,085.39	2,505.00	2,679.17
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	40,000.00	13,770.11	44,000.00	29,715.58	9,620.46	451.49	5,885.54	184.25
Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	40,000.00	13,770.11	44,000.00	29,715.58	9,620.46	451.49	5,885.54	184.25
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	5.00	2,060.55	(2,990.00)	1,532.45	(7,115.46)	1,633.90	(3,380.54)	2,494.92
CASH, JANUARY 1	6,013.65	6,013.65	4,481.20	4,481.20	7,115.46	7,115.46	4,620.54	4,620.54
CASH, DECEMBER 31	<u>\$ 6,018.65</u>	<u>\$ 8,074.20</u>	<u>\$ 1,491.20</u>	<u>\$ 6,013.65</u>	<u>\$ -</u>	<u>\$ 8,749.36</u>	<u>\$ 1,240.00</u>	<u>\$ 7,115.46</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	LEPC FUND				TAX MAINTENANCE FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	5,500.00	7,801.24	12,000.00	3,630.12	-	-	-	-
Reimbursements	-	-	-	-	3,000.00	2,505.87	3,000.00	3,131.42
Interest	-	-	-	-	22.00	21.48	22.00	23.43
Tax Maintenance Commissions	-	-	-	-	15,000.00	14,814.62	12,700.00	15,110.26
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,500.00	7,801.24	12,000.00	3,630.12	18,022.00	17,341.97	15,722.00	18,265.11
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	5,500.00	7,801.24	12,000.00	3,630.12	8,100.00	650.00	5,100.00	498.11
Equipment Purchases	-	-	-	-	26,000.00	19,457.37	23,000.00	14,944.46
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,500.00	7,801.24	12,000.00	3,630.12	34,100.00	20,107.37	28,100.00	15,442.57
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	(16,078.00)	(2,765.40)	(12,378.00)	2,822.54
CASH, JANUARY 1	-	-	-	-	44,514.34	44,514.34	41,691.80	41,691.80
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,436.34</u>	<u>\$ 41,748.94</u>	<u>\$ 29,313.80</u>	<u>\$ 44,514.34</u>

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THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT TRAINING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	19,878.00	18,250.00	16,900.00	19,878.00	7,500.00	3,122.03	5,500.00	3,266.36
Interest	1.00	1.95	2.00	3.16	1.00	0.34	5.00	0.89
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	19,879.00	18,251.95	16,902.00	19,881.16	7,501.00	3,122.37	5,505.00	3,267.25
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Training	-	-	-	-	7,500.00	1,085.53	7,080.00	4,776.96
Materials and Supplies	17,600.00	14,018.28	11,400.00	10,356.12	-	-	-	-
Other	-	-	-	-	-	-	-	-
Equipment Purchases	5,500.00	2,510.00	5,500.00	6,543.88	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	23,100.00	16,528.28	16,900.00	16,900.00	7,500.00	1,085.53	7,080.00	4,776.96
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,221.00)	1,723.67	2.00	2,981.16	1.00	2,036.84	(1,575.00)	(1,509.71)
CASH, JANUARY 1	3,424.40	3,424.40	443.24	443.24	171.20	171.20	1,680.91	1,680.91
CASH, DECEMBER 31	\$ 203.40	\$ 5,148.07	\$ 445.24	\$ 3,424.40	\$ 172.20	\$ 2,208.04	\$ 105.91	\$ 171.20

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THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	LAND SALES SURPLUS FUND				EMERGENCY FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,500.00	-	7,500.00	-	-	-	-	-
Interest	-	-	-	-	20.00	20.36	10.00	26.03
Other	-	-	-	-	1,900.00	2,091.93	500.00	1,854.31
Transfers In	-	-	-	-	60,000.00	59,000.00	54,250.00	53,600.00
TOTAL RECEIPTS	7,500.00	-	7,500.00	-	61,920.00	61,112.29	54,760.00	55,480.34
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	7,500.00	-	7,500.00	-	-	1,162.74	-	829.89
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	425,000.00	-	360,750.00	-
TOTAL DISBURSEMENTS	7,500.00	-	7,500.00	-	425,000.00	1,162.74	360,750.00	829.89
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(363,080.00)	59,949.55	(305,990.00)	54,650.45
CASH, JANUARY 1	-	-	-	-	363,481.48	363,481.48	308,831.03	308,831.03
CASH, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 401.48	\$423,431.03	\$ 2,841.03	\$363,481.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	DRUG ENFORCEMENT FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	0.10	0.01	2.00	0.06
Other	400.00	-	10.00	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	400.10	0.01	12.00	0.06
DISBURSEMENTS				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Other	400.00	-	112.18	-
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	400.00	-	112.18	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	0.10	0.01	(100.18)	0.06
CASH, JANUARY 1	100.24	100.24	100.18	100.18
CASH, DECEMBER 31	\$ 100.34	\$ 100.25	\$ -	\$ 100.24

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014

	Collector Funds	Recorders Funds	Sheriff Funds	General Schools	District Schools
ASSETS					
Cash and Cash Equivalents	\$ 8,825,575.03	\$ 5,263.78	\$ 15,157.50	\$ -	\$ -
Total Assets	8,825,575.03	5,263.78	15,157.50	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	8,825,575.03	5,263.78	15,157.50	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,825,575.03</u>	<u>\$ 5,263.78</u>	<u>\$ 15,157.50</u>	<u>\$ -</u>	<u>\$ -</u>
	Tri-Co Nursing	Monroe City Ambulance #1	Monroe City Ambulance #2	Ralls County Ambulance #3	Ralls County Library
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Health Department	Hanibal Rural Fire Department	941 Tax Account	CERF Fund	Grand Total Agency Funds
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 2,166.68	\$ 8,848,162.99
Total Assets	-	-	-	2,166.68	8,848,162.99
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	2,166.68	8,848,162.99
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,166.68</u>	<u>\$ 8,848,162.99</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013

	Collector Funds	Recorders Funds	Sheriff Funds	General Schools	District Schools
ASSETS					
Cash and Cash Equivalents	\$ 8,622,851.65	\$ 6,953.09	\$ 10,977.50	\$ -	\$ -
Total Assets	8,622,851.65	6,953.09	10,977.50	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	8,622,851.65	6,953.09	10,977.50	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,622,851.65</u>	<u>\$ 6,953.09</u>	<u>\$ 10,977.50</u>	<u>\$ -</u>	<u>\$ -</u>
	Tri-Co Nursing	Monroe City Ambulance #1	Monroe City Ambulance #2	Ralls County Ambulance #3	Ralls County Library
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Health Department	Hanibal Rural Fire Department	941 Tax Account	CERF Fund	Grand Total Agency Funds
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 2,683.77	\$ 8,643,466.01
Total Assets	-	-	-	2,683.77	8,643,466.01
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	2,683.77	8,643,466.01
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,683.77</u>	<u>\$ 8,643,466.01</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ralls, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1820 by an Act of the Missouri Territory. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk/Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Ralls County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash—All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their offices or departments for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation was:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 125,496,370	\$ 118,358,780
Personal Property	78,982,655	69,840,910
Railroad and Utilities	<u>25,757,805</u>	<u>22,767,517</u>
	<u>\$ 230,236,830</u>	<u>\$ 210,967,207</u>

During 2014 and 2013, the County Commission approved a \$0.5749 and \$0.5814 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property, for purpose of County taxation, as follows:

	<u>2014</u>	<u>2013</u>
General Revenue Fund	\$ 0.2952	\$ 0.2997
Special Road and Bridge Fund	<u>0.2797</u>	<u>0.2817</u>
	<u>\$ 0.5749</u>	<u>\$ 0.5814</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014, and 2013, the carrying amounts of the County's deposits were \$2,422,873.12 and \$2,063,348.26, and the bank balances were \$9,077,398.08 and \$7,423,637.95, respectively. The total bank balance as of December 31, 2014, and December 31, 2013, was insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2014, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 2,422,873.12
Total Governmental Funds	<u>2,422,873.12</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>8,848,162.99</u>
Total Agency Funds	<u>8,848,162.99</u>
Total Deposits as of December 31, 2014	<u>\$ 11,271,036.11</u>

The carrying values of deposits at December 31, 2013, are as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances</u>	
Deposits and cash equivalents	\$ 2,063,348.26
Total Governmental Funds	<u>2,063,348.26</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>8,643,466.01</u>
Total Agency Funds	<u>8,643,466.01</u>
Total Deposits as of December 31, 2014	<u>\$ 10,706,814.27</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014, and 2013.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014, and 2013.

III. LONG-TERM DEBT

In October 2004, the County issued Certificates of Participation (COPs) in the amount of \$2,455,000. The maturity of the COPs is October 1, 2014, with a varying interest rate between 2.00% and 4.00%. United Missouri Bank (UMB) is the holder of these COPs. On December 8, 2013, the commission made a resolution to pay the October 2004 certificates in full in the amount of \$25,000 plus interest of \$1,037.50.

As of December 31, 2013, the 2004 COP's were paid in full. The future payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2012	Additions	Payments	Balance 12/31/2013	Interest Paid
Series 2004 COPs	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ 1,037.50
TOTAL	<u>\$ 25,000.00</u>	<u>\$ -</u>	<u>\$ 25,000.00</u>	<u>\$ -</u>	<u>\$ 1,037.50</u>

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IV. CAPITAL LEASES

On July 14, 2014, the County entered into a financing agreement with Commerce Bank to purchase 2 – 2014 Dodge Charger police cars including service contracts for \$70,083.23. This 40-month financing agreement calls for 4 annual payments in the amount of \$18,403.65, with a final payment due on November 29, 2017.

As of December 31, 2014, the unpaid principal balance was \$52,378.70. The payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2013	Additions	Payments	Balance 12/31/2014	Interest Paid
2014 Dodge Chargers	\$ -	\$ 70,083.23	\$ 17,704.53	\$ 52,378.70	\$ 699.12
TOTAL	\$ -	\$ 70,083.23	\$ 17,704.53	\$ 52,378.70	\$ 699.12

On March 17, 2014, the County entered into a financing agreement with Caterpillar Financial Services Corporation for one new 140M2AWD Caterpillar Motor Grader for \$166,800.00. This financing agreement calls for one payment of \$36,629.59 to be paid in arrears, and the balance of the lease payments are payable in 4 successive annual payments, of which the first 3 payments are in the amount of \$36,629.59 each, and the last payment is in the amount of \$36,630.59. The interest rate is 3.2% per annum.

As of December 31, 2014, the unpaid principal balance was \$166,800.00. The payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2013	Additions	Payments	Balance 12/31/2014	Interest Paid
2014 CaterPillar	\$ -	\$ 166,800.00	\$ -	\$ 166,800.00	\$ -
TOTAL	\$ -	\$ 166,800.00	\$ -	\$ 166,800.00	\$ -

On November 23, 2013, the County entered into a financing agreement with Commerce Bank to purchase 2 – 2012 Dodge Charger police cars, 1 – 2013 Dodge Charger police car, and 1 – 2013 Ram 1500 for \$103,103.29. This 48-month financing agreement calls for 4 annual payments in the amount of \$27,505.80 with a final payment due on November 29, 2017.

As of December 31, 2014, the unpaid principal balance was \$78,329.73. The payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2013	Additions	Payments	Balance 12/31/2014	Interest Paid
2013, 2012 Dodge Vehicles	\$ 103,103.29	\$ -	\$ 24,773.56	\$ 78,329.73	\$ 2,732.24
TOTAL	\$ 103,103.29	\$ -	\$ 24,773.56	\$ 78,329.73	\$ 2,732.24

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IV. CAPITAL LEASES (concluded)

As of December 31, 2013, the unpaid principal balance was \$103,103.29. The payments for the County's lease purchase agreement are as follows.

Description	Balance 12/31/2012	Additions	Payments	Balance 12/31/2013	Interest Paid
2013, 2012 Dodge Vehicles	\$ -	\$ 103,103.29	\$ -	\$ 103,103.29	\$ -
TOTAL	\$ -	\$ 103,103.29	\$ -	\$ 103,103.29	\$ -

V. OPERATING LEASES

On May 21, 2009, the County entered into a 60-month financing agreement with De Lage Landen to lease copiers from RTD office products. The financing agreement calls for 60 monthly payments in the amount of \$398.17. The County has the option to purchase the copiers at the end of the operating lease for the fair market value – the County terminated this lease in 2014.

On March 22, 2012, the County entered into an agreement with Midland GIS Solutions to use geographic information systems. The agreement covers the creation and construction of a GIS mapping program for Ralls County. The contract requires Ralls County to make quarterly payments of \$11,650 from April 1, 2012, through December 13, 2013, and one payment of \$23,300 on February 1, 2014. Ralls County paid GIS \$46,600 in 2014. Upon completion of the terms mentioned previously, the County will pay Midland GIS \$500.00 per month for web GIS hosting services until the County cancels the service. The County completed payments on this lease in 2014.

On March 28, 2014, the County entered into a 60-month financing agreement with Canon Financial Services to lease copiers from Data Comm. The financing agreement calls for 60 monthly payments in the amount of \$455.00. The County has the option to purchase the copiers at the end of the operating lease for the fair market value.

The future payments for operating leases entered into by the County for the year ended December 31, 2014, are as follows:

Year Ending December 31	Cannon Copiers
2015	\$ 5,460.00
2016	5,460.00
2017	5,460.00
2018	5,460.00
2019	5,460.00
	<u>\$ 27,300.00</u>

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

V. OPERATING LEASES (concluded)

The future payments for operating leases entered into by the County for the year ended December 31, 2013, are as follows:

Year Ending December 31	De Lage Copiers	GIS Software	Total
2013	2,389.02	23,300.00	25,689.02
	<u>\$ 2,389.02</u>	<u>\$ 23,300.00</u>	<u>\$ 25,689.02</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2014, and 2013 are as follows:

	2014		2013	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	\$ 1,374.67	\$ 122,509.66	\$ 204.01	\$ 115,600.00
Special Road and Bridge	773.25	-	114.76	-
Assessment	62,000.00	-	62,000.00	-
Election Services	1,509.66	-	-	-
Flood Control	-	2,147.92	-	318.77
Emergency	59,000.00	-	53,600.00	-
TOTAL	<u>\$ 124,657.58</u>	<u>\$ 124,657.58</u>	<u>\$ 115,918.77</u>	<u>\$ 115,918.77</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Ralls County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

LAGERS was created and governed by statute, Section RSMO 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Full-time employees of Ralls County do not contribute to the pension plan. The June 30th statutorily required contribution rates are 9.4% (General) and 5.2% (Police) for 2013 and 9.6% (General) and 6.2% (Police) for 2014, of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current years 2014 and 2013 were as follows:

<u>2014</u>	
Annual required contribution	\$ 111,385
Interest on net pension obligation	4,195
Adjustment to annual required contribution	(3,192)
Annual pension cost	<u>112,388</u>
Actual contributions	<u>106,261</u>
Increase (decrease) in NPO	6,127
NPO beginning of year	<u>57,862</u>
NPO end of year	<u>\$ 63,989</u>

The annual required contribution (ARC) was determined as part of the February 29, 2012, and February 28, 2013, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012, was 24 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2013, was 14 years for the General division and 1 year for the Police division.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 97,221	83.2%	\$ 46,463
2013	100,925	88.7	57,862
2014	112,388	94.5	63,989

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a) / c] UAL as a Percentage of Covered Payroll
2/29/2012	\$1,495,865	\$1,573,365	\$ 77,500	95%	\$1,135,876	7%
2/28/2013	1,477,155	1,536,807	59,652	96	998,366	6
2/28/2014	1,808,505	1,689,009	(119,496)	107	1,230,171	

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

2013

Annual required contribution	\$ 100,478
Interest on net pension obligation	3,369
Adjustment to annual required contribution	(2,922)
Annual pension cost	100,925
Actual contributions	89,526
Increase (decrease) in NPO	11,399
NPO beginning of year	46,463
NPO end of year	\$ 57,862

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

The annual required contribution (ARC) was determined as part of the February 28, 2011, and February 29, 2012, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011, was 30 years for the General division and 1 year for the Police division. The amortization period as of February 29, 2012, was 24 years for the General division and 30 years for the Police division.

THREE-YEAR TREND INFORMATION

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 82,771	77.2%	\$ 30,083
2012	97,221	83.2	46,463
2013	100,925	88.7	57,862

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a) / c] UAL as a Percentage of Covered Payroll
2/28/2011	\$1,307,239	\$1,434,186	\$ 126,947	91%	\$979,845	13%
2/29/2012	1,495,865	1,575,365	77,500	95	1,135,876	7
2/28/2013	1,477,155	1,536,807	59,652	96	998,366	6

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

VIII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of approximately \$28,497.64 and \$28,669.80, respectively, for the years then ended.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

IX. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244.00 and \$2,244.00, respectively, for the years ended December 31, 2014, and 2013.

X. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were no participants at December 31, 2014 or December 31, 2013.

XI. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was not involved in any litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

Ralls County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime. Sick time is offered to full time employees at the rate of one-half day for each calendar month of employment and are allowed to accumulate up to 30 days. Sick time is paid for at a rate of 50% for any unused sick pay up to 120 hours. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

XIII. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XIV. PRIOR PERIOD ADJUSTMENT

The fund balance as of December 31, 2012, has been restated to reflect the proper classification of the CERF Fund to an agency fund within the financial statements. See the table below for the prior year changes to the financial statements:

Description	Governmental Activities
Fund Balance at December 31, 2012, as previously reported	\$ 2,018,348.18
CERF Fund Properly Classed to an Agency Fund	(2,514.97)
Fund Balance at December 31, 2012, as restated	<u>\$ 2,015,833.21</u>

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2013, actual expenses exceeded budgeted expenses in the General Revenue Fund and Assessment Fund.
- II. For the year ended December 31, 2014, actual expenses exceeded budgeted expenses in the General Revenue Fund and LEPC Fund.
- III. For the year ended December 31, 2013, no budget was adopted for the Inmate Security Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Ralls, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Ralls (County) as of and for the years ended December 31, 2014, and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [FS 2014-001 and FS 2014-002]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 19, 2015

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS (concluded)

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FOLLOW-UP PRIOR YEAR FINDINGS

FS 12/11-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors.

Recommendation: We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Status: Finding was resolved in the current audit period.

FS 12/11-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Status: Finding unresolved by County for the years ending December 31, 2014, and 2013. See FS 2014-001.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. FOLLOW-UP PRIOR YEAR FINDINGS (concluded)

FS 12/11-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Status: Finding unresolved by County for the years ending December 31, 2014, and 2013. See FS 2014-002.

FS 12/11-04 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Sheriff's office.

Condition: We noted that there were no bank reconciliations for the Sheriff's office.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Status: Finding was resolved in the current audit period.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2015

To the Board of Commissioners
County of Ralls

In planning and performing our audit of the regulatory based financial statements of the County of Ralls (the "County") as of and for the years ended December 31, 2014, and December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 13, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2014-2013 fiscal years. We noted no transactions entered into by the county during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants (Concluded)

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



Nicole R. Galloway, CPA
Missouri State Auditor

Carter County Collector and Property Tax System



September 2015
Report No. 2015-072

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Carter County Collector and Property Tax System

Property Tax System

The County Clerk and County Commission do not provide adequate monitoring over property tax system activities. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. Additionally, the County Clerk does not prepare or verify the accuracy of the delinquent tax books for real and personal property. The County Commission did not review additions and abatements and did not sign summary sheets and court orders for property tax additions and abatements between October 2014 and May 2015. The County Collector's annual settlement for the year ended February 28, 2015, is not complete and accurate.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Carter County Collector and Property Tax System

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Property Tax System4
-------------------------------------------------------------	-------------------------------

Organization and Statistical Information	7
---------------------------------------------	---



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
County Collector
Carter County, Missouri

We have audited the County Collector and Property Tax System of Carter County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On March 13, 2015, a vacancy occurred in the office of the County Collector of Carter County. A successor was appointed and sworn into office effective March 25, 2015. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2015, to March 13, 2015, and the year ended February 28, 2015. The objectives of our audit were to:

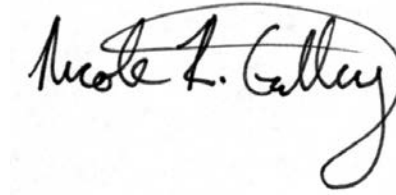
1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud or violation of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owed to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Carter County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Roberta Bledsoe

Carter County Collector and Property Tax System

Management Advisory Report

State Auditor's Findings

1. Property Tax System

The County Clerk and County Commission do not provide adequate monitoring over property tax system activities. The County Collector collected approximately \$2.9 million during the year ended February 28, 2015.

1.1 Review of property taxes

The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. While the former County Clerk maintained files of tax charges and additions and abatements, the former County Clerk did not use this information to create an account book. The current County Clerk was not aware of the requirement to maintain an account book until we inquired about it.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlement.

1.2 Delinquent tax books

The County Clerk does not prepare or verify the accuracy of the delinquent tax books for real and personal property. A review of the tax books should include verification of individual entries and recalculating tax book totals and charges. Failure to prepare and review the tax books and test individual tax statement computations may result in errors, irregularities, or misuse going undetected.

Section 140.050, RSMo, requires the County Clerk to extend the delinquent tax books and charge the County Collector with the amount of taxes to be collected.

1.3 Additions and abatements

The County Commission did not review some additions and abatements. The County Clerk compiles the addition and abatement court orders and the County Assessor's office prepares a summary sheet of all additions and abatements for the County Commission to review monthly. The County Commissioners documented their review by signing the summary sheet in 2014. Beginning in 2015, they began documenting their approval by signing the individual court orders. However, summary sheets and court orders were not signed for additions and abatements between October 2014 and May 2015. The County Clerk and Presiding Commissioner indicated turnover in the County Assessor and County Clerk's office may have contributed to delays in providing the summary sheets and court orders for the County Commission's review.



Carter County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

Sections 137.260 and 137.270, RSMo, assigns responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. An independent review of approved additions and abatements to actual changes made to the property tax system would help ensure changes to the property tax system are proper.

1.4 Annual settlement

The County Collector's annual settlement for the year ended February 28, 2015, is not complete and accurate. Real property additions for 2014 and abatements for 2013 and prior years on the annual settlement did not agree to addition and abatement reports from the property tax system by \$3,952 and \$3,742, respectively. Also, calculation errors resulted in the total charges and credits indicating a difference of \$18,328, when the actual difference was \$611. The annual settlement also reported \$13,620 more in collections than total collections reported in monthly settlements and other collections reports.

The County Collector indicated the annual settlement is prepared using the property tax system. However, records are not printed from the property tax system to support the amounts listed on the annual settlement. Without these records the County Clerk and County Commission do not have the information available, and cannot adequately review the annual settlements prepared by the County Collector.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is important the County Collector file complete and accurate annual settlements.

Similar conditions previously reported

Similar conditions to sections 1.1, 1.2, and 1.3 were noted in our prior audit report of the Carter County Collector and Property Tax System.

Recommendations

- 1.1 The County Clerk maintain a complete and accurate account book with the County Collector.
- 1.2 The County Clerk prepare the delinquent tax books, or verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts.
- 1.3 The County Clerk and County Commission review and approve additions and abatements.
- 1.4 The County Collector file complete and accurate annual settlements. In addition, the County Clerk and County Commission should review the accuracy and completeness of the County Collector's annual settlements.



Carter County Collector and Property Tax System
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Clerk and County Commission provided the following responses:

- 1.1 This change has already been implemented. The County Clerk is now aware of this requirement and has set up a spreadsheet to serve as an account book of the County Collector. The spreadsheet tracks the property tax charges, transactions, and changes.*
- 1.2 This requirement will be completed annually by the County Clerk.*
- 1.3 This error occurred due to changes in personnel in the County Assessor's and County Clerk's offices. This change has already been implemented. The County Clerk reviews and signs the individual court orders. The County Commissioners will review and approve additions and abatements at every meeting and this review and approval will be noted in the meeting minutes. Additionally, the Presiding Commissioner will sign the individual court orders to document approval.*
- 1.4 The County Clerk will ensure that all supporting documentation will be included with the annual settlement and that the numbers are verified. The County Clerk will provide this documentation to the County Commissioners for review and approval and this will be noted in the meeting minutes.*

The County Collector provided the following response:

- 1.4 In the future, I plan to work with our current program provider to print supporting documents to support the information reported on the annual settlement to ensure the future settlements are complete and accurate.*

Carter County Collector and Property Tax System

Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Debbie Turley served as County Collector until March 13, 2015. Lisa Goodwin was appointed the Carter County Collector and sworn into office on March 25, 2015.

The County Collector received compensation of \$32,000 for the period of March 1, 2014, to February 28, 2015, and \$1,118 between March 1, 2015, and March 13, 2015. Compensation was in accordance with statutory provisions.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ray County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ray County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-073

ANNUAL FINANCIAL REPORT

RAY COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

RAY COUNTY, MISSOURI
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

LIST OF ELECTED OFFICIALS	i
---------------------------	---

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	ii-iii
------------------------------	--------

MANAGEMENT’S DISCUSSION AND ANALYSIS	1
--------------------------------------	---

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Comparative Government-wide Statements of Net Position – Cash Basis	7
---------------------------------------------------------------------	---

Government-wide Statement of Activities – Cash Basis – 2014	8
-------------------------------------------------------------	---

Government-wide Statement of Activities – Cash Basis – 2013	9
-------------------------------------------------------------	---

Fund Financial Statements:

Balance Sheet – Governmental Funds – Cash Basis – December 31, 2014	10
---------------------------------------------------------------------	----

Balance Sheet – Governmental Funds – Cash Basis – December 31, 2013	11
---------------------------------------------------------------------	----

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis – 2014	12
----------------------------------------------------------------------------------------------------------------	----

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis – 2013	13
----------------------------------------------------------------------------------------------------------------	----

Comparative Statements of Fiduciary Assets and Liabilities	14
------------------------------------------------------------	----

Notes to Financial Statements	15
-------------------------------	----

SUPPLEMENTARY INFORMATION

Comparative Statements of Receipts, Disbursements and Changes In Fund Balances – Budget and Actual – Cash Basis – All Funds	27
--------------------------------------------------------------------------------------------------------------------------------	----

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	40
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

FINDINGS AND RECOMMENDATIONS SECTION

Findings and Recommendations	42
------------------------------	----

Follow-up on Prior Year Audit Findings	46
----------------------------------------	----

INTRODUCTORY SECTION

RAY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Gary Wilhite

Eastern Commissioner – Allen Dale

Western Commissioner – Mike Twyman

Other Elected Officials

Assessor – Kent Wollard

Circuit Clerk – Carolyne Conner

Collector – Julie Chowning

Coroner – Vacant

County Clerk – Glenda Powell

Prosecuting Attorney – Camille Johnston

Public Administrator – Kenneth Nolker

Recorder – Shirley O’Dell

Sheriff – Garry Bush

Treasurer – Melissa Holloway

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Ray County, Missouri

We have audited the accompanying cash basis financial statements of the governmental activities, the aggregated discretely presented component units, each major fund and the aggregate remaining fund information of Ray County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ray County, Missouri, as of December 31, 2014 and 2013, and the respective changes in cash basis financial position thereof for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ray County, Missouri's basic financial statements. The Management's Discussion and Analysis and the Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis which are the responsibility of management are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 28, 2015 on our consideration of Ray County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ray County, Missouri's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 28, 2015

FINANCIAL SECTION

RAY COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013

The discussion and analysis of Ray County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2014 and 2013. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's Basic Financial Statements. These basic financial statements are made up of three components: 1) the government-wide financial statements, 2) the governmental fund financial statements, and 3) the notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as a whole. The two statements included in this grouping are:

- Statement of Net Position – presents information related to the County's cash balances (assets), with the balances being reported as the County's net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating.

- Statement of Activities – presents information demonstrating how the County's net position changed during the most recent fiscal year as compared with the previous fiscal year. All changes in net position are reported as soon as cash is received or disbursed, in accordance with the cash basis of accounting.

The government-wide financial statements report only governmental activities – activities such as general government operations, public safety, roads and bridges, and health and welfare that are usually financed through taxes and intergovernmental receipts. The County has no business-like activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

A fund is an accounting device that a government uses to maintain control over and account for specific sources of funding that are to be spent for specific purposes. Ray County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with statutory requirements. These statements focus more on the individual functions of the County, reporting on financial operations in a more detailed format than is found in the government-wide statements. Certain funds are required by state law or established by bond covenants. Other funds are established by the County Commission to control and manage resources for particular purposes or to show that certain revenue sources (i.e., taxes, grants) are used appropriately. Ray County funds can be divided into the following two categories:

-Governmental – Most of the County’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the County’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources available to spend in the near future to finance the County’s programs.

-Fiduciary – These funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own programs.

The County maintains 4 major governmental funds and 18 non-major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. By definition the general fund is always considered a major fund. Other funds must be reported as major funds if they report at least 10 percent of all governmental funds total assets, receipts, or disbursements. Funds that do not meet the 10% criteria, but are considered to be of particular importance to the financial statements may also be reported as major funds. The Senior Services Board and 911 Emergency Services Boards, which are component units of the County, are presented as major funds. Data for the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided elsewhere in this report.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis for all of the County’s governmental funds.

Financial Analysis of the County as a Whole

The following information was derived from the Statement of Net Position for 2013 and 2014 and unaudited 2012 information from the County's budget documents:

	Net Position		
	Governmental Activities		
	2012	2013	2014
ASSETS			
Cash	\$ 771,591	\$724,318	\$ 839,606
Total Assets	<u>\$ 771,591</u>	<u>\$724,318</u>	<u>\$ 839,606</u>
NET POSITION			
Restricted	\$ 690,153	\$671,108	\$ 818,519
Unrestricted	<u>81,438</u>	<u>53,210</u>	<u>21,087</u>
Total Net Position	<u>\$ 771,591</u>	<u>\$724,318</u>	<u>\$ 839,606</u>

The primary government's assets (cash balances) increased by \$68,015 (8.8%) over the three year period. The restricted net position of the County represents balances of special revenue funds which are restricted for use for a specific purpose and represents 97.5%, 92.7%, and 89.4% of the County's total net position for the years ended December 31, 2014, 2013, and 2012, respectively. The County's restricted net position increased by \$128,366 (18.6%) over the three year period. The unrestricted portion of the County's net position represents the balances of the General Revenue fund and represents 2.5%, 7.3%, and 10.6% of the County's total net position for the years ended December 31, 2014, 2013, and 2012, respectively. The County's unrestricted net position decreased by \$60,351 (74.1%) over the three year period.

The following information was derived from the Statement of Activities for 2013 and 2014 and unaudited 2012 information from the County's budget documents:

Changes in Net Position			
	Governmental Activities		
	2012	2013	2014
RECEIPTS			
Program Receipts:			
Charges for Services	\$ 1,863,927	\$ 1,342,950	\$ 1,218,756
Operating Grants	1,037,645	1,042,947	1,183,012
Capital Grants	23,056	393,096	305,025
General Receipts:			
Property Taxes	410,169	545,117	565,264
Sales Taxes	2,608,474	2,578,050	2,789,640
Interest	2,743	3,372	3,745
Other	517,598	344,402	477,653
Transfers	(128,800)	(153,500)	(153,500)
Total Receipts	<u>\$ 6,334,812</u>	<u>\$ 6,096,434</u>	<u>\$ 6,389,595</u>
DISBURSEMENTS			
Program Disbursements:			
General county government	\$ 1,687,251	\$ 1,580,047	\$ 1,672,458
Public safety	2,022,705	1,588,816	1,572,788
Judicial	440,457	461,511	447,915
Roads and bridges	1,988,298	2,431,989	2,501,144
Health and welfare	76,497	81,344	80,002
Total Disbursements	<u>\$ 6,215,208</u>	<u>\$ 6,143,707</u>	<u>\$ 6,274,307</u>
Increase/(Decrease) in Net Position	<u>\$ 119,604</u>	<u>\$ (47,273)</u>	<u>\$ 115,288</u>

Receipts for the primary government exceeded disbursements in 2012 and 2014, while disbursements exceeded receipts in 2013. Receipts in 2013 decreased from the prior year by \$238,378 (3.7%) mainly due to a decrease in charges for services. This was a result of the County receiving fewer payments for housing prisoners on behalf of other Counties in the region, and was accompanied by a decrease in Public Safety expenditures. Receipts in 2014 increased from the prior year by \$293,161 (4.8%) mainly due to an increase in sales taxes received. Disbursements in 2013 decreased from the prior year by \$71,501 (1.2%) mainly due to a decrease in Public Safety expenditures, as mentioned above. Roads and Bridges expenditures increased in 2013 due mainly to construction of a BRO bridge project financed by a federal grant passed through the state Department of Transportation. Disbursements in 2014 increased from the previous year by \$130,600 (2.1%) mainly due to an increase in General County Government, which resulted from increased costs in the Assessment fund. It was discovered in 2014 that the ½% assessment property tax fee was overpaid to the Assessment fund during 2011-2013 and the fund was forced to return \$36,773 to the County Collector.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on receipts and disbursements, as well as what resources remain available for future spending. Such information is

useful in assessing the County's financing requirements. As the County is reporting on the cash basis of accounting, fund balances of the County's governmental funds are the same of the net position reported for the County as a whole. However, net position that is classified as unrestricted on the government-wide financial statements is identified as unassigned on the fund financial statements.

The primary government reports four major funds: General Revenue, Special Road and Bridge, Assessment, and Noxious Weeds.

The General Revenue fund is the primary operating fund of the County through which all receipts and payments of ordinary County operations are processed, unless they are required to be accounted for in another fund. The fund balance of the General Revenue fund decreased from \$81,438 at the end of 2012 to \$21,087 at the end of 2014. The December 31, 2014 fund balance represents just .6% of the budgeted expenditures for 2015. However, the County also has access to a \$100,000 line of credit to finance expected disbursements in 2015. Receipts and disbursements had only modest increases in 2014 from 2013. Receipts increased by \$33,692 (1%) and disbursements increased by \$37,587 (1.1%) in 2014. In 2013, receipts and disbursements decreased significantly from 2012 due to the County cutting back on housing inmates from other Counties at the jail. Receipts decreased by \$530,138 (13.6%) and disbursements decreased by \$498,140 (12.8%) in 2013.

The fund balance of the Special Road and Bridge fund decreased from \$187,637 at the end of 2012 to \$154,272 at the end of 2014. Receipts in 2014 increased by \$251,898 (10.7%) due to an increase in sales taxes received and the receipt of \$112,067 in insurance proceeds received from fire damage. Receipts in 2013 increased by \$341,193 (17%) from 2012 due to construction of a BRO bridge project whose expenditures were reimbursed by a federal grant passed through the state. Disbursements in 2014 had only a modest increase of \$117,795 (4.8%). Disbursements in 2013 increased by \$443,691 (22.3%) from 2012 because of construction on the BRO bridge project.

The fund balance of the Assessment fund decreased from \$324,237 at the end of 2012 to \$259,273 at the end of 2014. Receipts had only a slight decrease in 2014 and 2013 of \$7,093 (2.1%) and \$3,963 (1.2%), respectively, when compared to the previous years. Disbursements in 2014 had only a modest decrease of \$5,603 (1.5%). Disbursements in 2013 increased by \$92,333 (33.3%) from 2012 because of a \$75,000 loan made to the County's General Revenue fund.

The fund balance of the Noxious Weeds fund increased from \$20,996 at the end of 2012 to \$207,572 at the end of 2014. The property tax levy for Noxious Weeds was reinstated in 2013 and resulted in a significant increase in revenues for the fund in 2013 and 2014.

General Revenue Fund Budgetary Highlights

Actual receipts exceeded budgeted receipts by \$166,333 (5.2%) in 2014 due to sales tax receipts being larger than expected. Actual receipts exceeded budgeted receipts by \$189,788 (6%) in 2013 because of greater than expected borrowings, including the receipt of a \$75,000 loan from the Assessment fund that was not budgeted. Actual disbursements exceeded the budgeted amount in 2014 by \$199,945 (6.2%), due to greater than expected expenses related to jail operations and courthouse improvements and repairs. Actual disbursements exceeded the budgeted amount in 2013 by \$204,928 (6.4%), due to greater than expected expenses related to the operations of the jail. There were no budget amendments made in either 2013 or 2014.

Next Year's Budget and Economic Factors

The budget for 2015 is projecting an increase in the General Revenue fund balance to \$66,889 based on projected receipts of \$3,323,988 and projected disbursements of \$3,278,186.

In 2014, the County assessed an additional Road and Bridge property tax levy of \$.2419 per \$100 of assessed valuation. The additional property tax receipts will be reflected in the County's financial records beginning in 2015, since the property tax payments reflecting this additional levy began to be collected in December 2014 and were turned over to the County Treasurer in January 2015.

Requests for Information

This financial report is designed to provide our constituents and other interested parties with a general overview of Ray County's finances and to demonstrate the County's accountability for the monies it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the County Clerk's office, 100 W. Main, Richmond, Missouri 64085, (816) 776-4502.

RAY COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET POSITION - CASH BASIS
DECEMBER 31, 2014 AND 2013

	December 31,					
	2013			2014		
	Primary County Government	Component Units Senior Services Board	911 Emergency Services Board	Primary County Government	Component Units Senior Services Board	911 Emergency Services Board
ASSETS						
Cash and Investments	\$ 724,318	\$ 189,339	\$ 99,167	\$ 839,606	\$ 209,053	\$ 141,167
Total Assets	<u>\$ 724,318</u>	<u>\$ 189,339</u>	<u>\$ 99,167</u>	<u>\$ 839,606</u>	<u>\$ 209,053</u>	<u>\$ 141,167</u>
NET POSITION						
Restricted	\$ 671,108	\$ 189,339	\$ 99,167	\$ 818,519	\$ 209,053	\$ 141,167
Unrestricted	<u>53,210</u>	<u>-</u>	<u>-</u>	<u>21,087</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ 724,318</u>	<u>\$ 189,339</u>	<u>\$ 99,167</u>	<u>\$ 839,606</u>	<u>\$ 209,053</u>	<u>\$ 141,167</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

		Program Receipts			Net Receipts/(Disbursements) and Changes in Net Position		
			Operating	Capital	Primary Government	Component Units	
	Disbursements	Charges	Grants and	Grants and	Governmental	Senior Services	911 Emergency
		for Services	Contributions	Contributions	Activities	Board	Services Board
PRIMARY GOVERNMENT:							
Governmental Activities:							
General county government	\$ 1,672,458	\$ 861,239	\$ 55,561	\$ -	\$ (755,658)		
Public safety	1,572,788	308,689	293,026	-	(971,073)		
Judicial	447,915	43,692	61,092	-	(343,131)		
Roads and bridges	2,501,144	-	765,744	305,025	(1,430,375)		
Health and welfare	80,002	5,136	7,589	-	(67,277)		
Total Governmental Activities	<u>\$ 6,274,307</u>	<u>\$ 1,218,756</u>	<u>\$ 1,183,012</u>	<u>\$ 305,025</u>	<u>\$ (3,567,514)</u>		
COMPONENT UNITS:							
Health and welfare	\$ 124,615	\$ -	\$ -	\$ -		\$ (124,615)	
Public Safety	530,679	152,000	-	-			\$ (378,679)
Total Component Units	<u>\$ 655,294</u>	<u>\$ 152,000</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (124,615)</u>	<u>\$ (378,679)</u>
GENERAL RECEIPTS							
Taxes							
Property taxes					\$ 565,264	\$ 143,622	\$ -
Sales taxes					2,789,640	-	-
Emergency Telephone System Tax					-	-	176,348
Interest					3,745	589	120
Other					477,653	118	90,711
Transfers					(153,500)	-	153,500
Total General Receipts					<u>\$ 3,682,802</u>	<u>\$ 144,329</u>	<u>\$ 420,679</u>
Changes in Net Position					115,288	19,714	42,000
NET POSITION, JANUARY 1					<u>724,318</u>	<u>189,339</u>	<u>99,167</u>
NET POSITION, DECEMBER 31					<u>\$ 839,606</u>	<u>\$ 209,053</u>	<u>141,167</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	Program Receipts				Net Receipts/(Disbursements) and Changes in Net Position		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units	
						Senior Services Board	911 Emergency Services Board
PRIMARY GOVERNMENT:							
Governmental Activities:							
General county government	\$ 1,580,047	\$ 921,823	\$ 57,301	\$ -	\$ (600,923)		
Public safety	1,588,816	378,929	193,754	-	(1,016,133)		
Judicial	461,511	37,646	52,645	-	(371,220)		
Roads and bridges	2,431,989	-	739,247	393,096	(1,299,646)		
Health and welfare	81,344	4,552	-	-	(76,792)		
Total Governmental Activities	<u>\$ 6,143,707</u>	<u>\$ 1,342,950</u>	<u>\$ 1,042,947</u>	<u>\$ 393,096</u>	<u>\$ (3,364,714)</u>		
COMPONENT UNITS:							
Health and Welfare	\$ 139,684	\$ -	\$ -	\$ -		\$ (139,684)	
Public Safety	577,581	152,000	-	-			\$ (425,581)
Total Component Units	<u>\$ 717,265</u>	<u>\$ 152,000</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (139,684)</u>	<u>\$ (425,581)</u>
GENERAL RECEIPTS							
Taxes							
Property taxes					\$ 545,117	\$ 144,172	\$ -
Sales taxes					2,578,050	-	-
Emergency Telephone System Tax					-	-	176,399
Interest					3,372	618	309
Other					344,402	223	69,583
Transfers					(153,500)	-	153,500
Total General Receipts					<u>\$ 3,317,441</u>	<u>\$ 145,013</u>	<u>\$ 399,791</u>
Changes in Net Position					(47,273)	5,329	(25,790)
NET POSITION, JANUARY 1					<u>771,591</u>	<u>184,010</u>	<u>124,957</u>
NET POSITION, DECEMBER 31					<u>\$ 724,318</u>	<u>\$ 189,339</u>	<u>99,167</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	NOXIOUS WEEDS	SENIOR SERVICES BOARD	911 EMERGENCY SERVICES BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Cash and Investments	\$ 21,087	\$ 154,272	\$ 259,273	\$ 207,572	\$ 209,053	\$ 141,167	\$ 197,402	\$ 1,189,826
Total Assets	<u>\$ 21,087</u>	<u>\$ 154,272</u>	<u>\$ 259,273</u>	<u>\$ 207,572</u>	<u>\$ 209,053</u>	<u>\$ 141,167</u>	<u>\$ 197,402</u>	<u>\$ 1,189,826</u>
FUND BALANCES								
Restricted - Special Revenue Funds	\$ -	\$ 154,272	\$ 259,273	\$ 207,572	\$ 209,053	\$ 141,167	\$ 197,402	\$ 1,168,739
Unassigned	<u>21,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,087</u>
Total Fund Balances	<u>\$ 21,087</u>	<u>\$ 154,272</u>	<u>\$ 259,273</u>	<u>\$ 207,572</u>	<u>\$ 209,053</u>	<u>\$ 141,167</u>	<u>\$ 197,402</u>	<u>\$ 1,189,826</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	NOXIOUS WEEDS	SENIOR SERVICES BOARD	911 EMERGENCY SERVICES BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Cash and Investments	\$ 53,210	\$ 103,903	\$ 292,500	\$ 106,931	\$ 189,339	\$ 99,167	\$ 167,774	\$ 1,012,824
Total Assets	<u>\$ 53,210</u>	<u>\$ 103,903</u>	<u>\$ 292,500</u>	<u>\$ 106,931</u>	<u>\$ 189,339</u>	<u>\$ 99,167</u>	<u>\$ 167,774</u>	<u>\$ 1,012,824</u>
FUND BALANCES								
Restricted - Special Revenue Funds	\$ -	\$ 103,903	\$ 292,500	\$ 106,931	\$ 189,339	\$ 99,167	\$ 167,774	\$ 959,614
Unassigned	<u>53,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,210</u>
Total Fund Balances	<u>\$ 53,210</u>	<u>\$ 103,903</u>	<u>\$ 292,500</u>	<u>\$ 106,931</u>	<u>\$ 189,339</u>	<u>\$ 99,167</u>	<u>\$ 167,774</u>	<u>\$ 1,012,824</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	NOXIOUS WEEDS	SENIOR SERVICES BOARD	911 EMERGENCY SERVICES BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS								
Property taxes	\$ -	\$ 426,456	\$ -	\$ 138,808	\$ 143,622	\$ -	\$ -	\$ 708,886
Sales taxes	1,975,996	813,644	-	-	-	176,348	-	2,965,988
Intergovernmental	361,585	1,070,769	55,561	-	-	-	122	1,488,037
Charges for services	812,737	-	263,608	-	-	152,000	142,411	1,370,756
Interest	651	860	1,131	781	589	120	322	4,454
Other	152,530	288,424	27	185	118	90,711	36,487	568,482
Transfers in	87,824	-	10,591	-	-	153,500	-	251,915
Total Receipts	<u>\$ 3,391,323</u>	<u>\$ 2,600,153</u>	<u>\$ 330,918</u>	<u>\$ 139,774</u>	<u>\$ 144,329</u>	<u>\$ 572,679</u>	<u>\$ 179,342</u>	<u>\$ 7,358,518</u>
DISBURSEMENTS								
General government	\$ 1,259,654	\$ -	\$ 364,145	\$ -	\$ -	\$ -	\$ 48,659	\$ 1,672,458
Public safety	1,520,414	-	-	-	-	530,679	52,374	2,103,467
Judicial	443,377	-	-	-	-	-	4,538	447,915
Roads and Bridges	-	2,501,144	-	-	-	-	-	2,501,144
Health and welfare	35,910	-	-	39,133	124,615	-	4,959	204,617
Transfers out	164,091	48,640	-	-	-	-	39,184	251,915
Total Disbursements	<u>\$ 3,423,446</u>	<u>\$ 2,549,784</u>	<u>\$ 364,145</u>	<u>\$ 39,133</u>	<u>\$ 124,615</u>	<u>\$ 530,679</u>	<u>\$ 149,714</u>	<u>\$ 7,181,516</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (32,123)	\$ 50,369	\$ (33,227)	\$ 100,641	\$ 19,714	\$ 42,000	\$ 29,628	\$ 177,002
FUND BALANCE, JANUARY 1	<u>53,210</u>	<u>103,903</u>	<u>292,500</u>	<u>106,931</u>	<u>189,339</u>	<u>99,167</u>	<u>167,774</u>	<u>1,012,824</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 21,087</u></u>	<u><u>\$ 154,272</u></u>	<u><u>\$ 259,273</u></u>	<u><u>\$ 207,572</u></u>	<u><u>\$ 209,053</u></u>	<u><u>\$ 141,167</u></u>	<u><u>\$ 197,402</u></u>	<u><u>\$ 1,189,826</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	NOXIOUS WEEDS	SENIOR SERVICES BOARD	911 EMERGENCY SERVICES BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS								
Property taxes	\$ -	\$ 408,700	\$ -	\$ 136,417	\$ 144,172	\$ -	\$ -	\$ 689,289
Sales taxes	1,853,501	724,549	-	-	-	176,399	-	2,754,449
Intergovernmental	244,689	1,132,343	57,301	-	-	-	1,710	1,436,043
Charges for services	915,654	-	278,544	-	-	152,000	148,752	1,494,950
Interest	716	535	1,319	430	618	309	372	4,299
Other	240,719	82,128	847	-	223	69,583	20,708	414,208
Transfers in	102,352	-	-	-	-	153,500	-	255,852
Total Receipts	<u>\$ 3,357,631</u>	<u>\$ 2,348,255</u>	<u>\$ 338,011</u>	<u>\$ 136,847</u>	<u>\$ 145,013</u>	<u>\$ 551,791</u>	<u>\$ 171,542</u>	<u>\$ 7,049,090</u>
DISBURSEMENTS								
General government	\$ 1,233,690	\$ -	\$ 294,748	\$ -	\$ -	\$ -	\$ 51,609	\$ 1,580,047
Public safety	1,513,123	-	-	-	-	577,581	75,693	2,166,397
Judicial	460,254	-	-	-	-	-	1,257	461,511
Roads and Bridges	-	2,431,989	-	-	-	-	-	2,431,989
Health and welfare	25,292	-	-	50,912	139,684	-	5,140	221,028
Transfers out	153,500	-	75,000	-	-	-	27,352	255,852
Total Disbursements	<u>\$ 3,385,859</u>	<u>\$ 2,431,989</u>	<u>\$ 369,748</u>	<u>\$ 50,912</u>	<u>\$ 139,684</u>	<u>\$ 577,581</u>	<u>\$ 161,051</u>	<u>\$ 7,116,824</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (28,228)	\$ (83,734)	\$ (31,737)	\$ 85,935	\$ 5,329	\$ (25,790)	\$ 10,491	\$ (67,734)
FUND BALANCE, JANUARY 1	<u>81,438</u>	<u>187,637</u>	<u>324,237</u>	<u>20,996</u>	<u>184,010</u>	<u>124,957</u>	<u>157,283</u>	<u>1,080,558</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 53,210</u></u>	<u><u>\$ 103,903</u></u>	<u><u>\$ 292,500</u></u>	<u><u>\$ 106,931</u></u>	<u><u>\$ 189,339</u></u>	<u><u>\$ 99,167</u></u>	<u><u>\$ 167,774</u></u>	<u><u>\$ 1,012,824</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
December 31,

	<u>2013</u>	<u>2014</u>
Assets		
Cash	<u>\$ 12,073,806</u>	<u>\$ 13,131,997</u>
Total Assets	<u><u>\$ 12,073,806</u></u>	<u><u>\$ 13,131,997</u></u>
Liabilities		
Due to Other Entities	<u>\$ 12,073,806</u>	<u>\$ 13,131,997</u>
Total Liabilities	<u><u>\$ 12,073,806</u></u>	<u><u>\$ 13,131,997</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ray County, Missouri ("County"), is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

The financial statements of Ray County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements referred to above include the primary government of Ray County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The following component units are separate legal entities that are required to be included in the scope of our audit:

Ray County 911 Emergency Services Board – The Board was established under Section 190.309, RSMo to provide emergency telephone dispatch services within Ray County. The operations of the Board are funded by a telephone tax collected from various telephone service providers and from contributions from entities within Ray County that benefit from the Board's services.

Ray County Senior Services Board – The Board was established to provide programs and services that enhance the health, nutrition, and quality of life of Ray County seniors aged 60 or older. These programs and services are funded by a property tax levy passed specifically for the Board’s purpose and are distributed to local service providers at the Board’s discretion.

B. Basis of Presentation

Government-wide Financial Statements:

The statements of net assets and the statements of activities display financial information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements:

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund balance, revenues, and expenditure/expenses.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county’s major governmental funds are as follows:

General Revenue Fund - The General Revenue Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Revenue fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Assessment – A special revenue fund used to account for receipt of property tax percentage fee collections and other intergovernmental receipts for the purpose of funding the operations of the County Assessor's office.

Noxious Weeds – A special revenue fund used to account for receipt of property tax collections for the purpose of eradicating noxious weeds from the County.

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Comparative Statements of Fiduciary Assets and Liabilities because the County cannot use those assets to finance its operations. The County's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations. The agency funds include balances held by the County Collector and Treasurer for distribution to various school, fire, road, and other districts within the County.

C. Basis of Accounting

The Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, notes payable, revenue bonds, and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary funds and all government-wide financial statements would be presented on the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. All funds had budgeted expenditures which did not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. The County is required to legally enact the budget by a vote of the County Commission prior to February 1. However, the County did not enact the budgets for 2013 and 2014 until March. See finding and recommendation item 2.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2013</u>	<u>2014</u>
General Revenue	X	X
Special Road and Bridge	X	
Assessment	X	
Officer Training	X	X
Domestic Violence	X	X
Prosecuting Attorney Delinquent Tax		X
Recorder	X	X
Noxious Weeds	X	
Bad Check	X	
County Law Enforcement	X	
Sheriff Extradition	X	
Sheriff's Revolving	X	X
Inmate Prisoner Detainee		X
Election 5%	X	X
911 Emergency Services Board	X	
Drug Court		X

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar years 2014 and 2013, for purposes of taxation were:

2013			
	Road & Bridge	Senior Services	Noxious Weeds
Real Estate	\$ 81,453,508	\$216,514,849	\$216,514,849
Personal Property	28,180,996	72,973,331	72,973,331
Total	<u>\$109,634,504</u>	<u>\$289,488,180</u>	<u>\$289,488,180</u>

2014			
	Road & Bridge	Senior Services	Noxious Weeds
Real Estate	\$ 82,231,079	\$219,197,736	\$219,197,736
Personal Property	28,997,048	72,522,941	72,522,941
Total	<u>\$111,228,127</u>	<u>\$291,720,677</u>	<u>\$291,720,677</u>

The Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2014 and 2013, for purposes of County taxation, as follows:

	2013	2014
Special Road & Bridge	\$ 0.2669	\$ 0.5088
Senior Services	0.0500	0.0500
Noxious Weeds	0.0489	0.0489

F. Equity Classifications

Government-wide Financial Statements

Equity is classified as net assets and displayed in two components:

1. Restricted net position—Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position—All other net assets that do not meet the definition of “restricted”.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the County Commission through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the Commission. Assigned fund balances is a limitation imposed by a designee of the Commission. Unassigned fund balance in the General Revenue fund is the net resources in excess of what can be properly classified in one of the above four categories.

G. Cash Deposits and Investments

Cash and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

H. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Interfund transfers between funds of the primary government have been eliminated from the government-wide financial statements.

I. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

J. New Accounting Pronouncements

The County has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for periods beginning after June 15, 2010, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing

governmental fund type definitions. Implementation of this statement changed the way the County reported net position on the governmental fund Balance Sheet.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes both deposits and certificates of deposit with maturities less than 90 days. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills. Investments consist of certificates of deposit with maturities greater than 90 days.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the primary County government's deposits were \$839,606 and \$724,318, respectively, and the bank balances were \$1,163,702 and \$1,019,993, respectively. Of the bank balances, \$265,181 at December 31, 2014 and \$270,598 at December 31, 2013 were covered by federal depository insurance. The remainder of the balances at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name. At December 31, 2014 and 2013, the carrying amounts of the 911 Emergency Services Board's deposits were \$141,167 and \$99,167, respectively. The bank balances of \$141,192 and \$104,942 at December 31, 2014 and 2013, respectively, were covered entirely by federal depository insurance. At December 31, 2014 and 2013, the carrying amounts of the Senior Services Board's deposits were \$209,053 and \$189,339, respectively. The bank balances of \$183,051 and \$163,654 at December 31, 2014 and 2013, respectively, were covered entirely by federal depository insurance.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$12,365,216 and \$12,013,336 at December 31, 2014 and 2013, respectively. Of the bank balances, \$750,000 for both December 31, 2014 and December 31, 2013, were covered by federal depository insurance. The remainder of the balances held by the Collector at Bank Midwest and the Bank of Orrick at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name. However, the Collector held balances at Lawson Bank in excess of FDIC coverage that were not fully covered by collateral. At December 31, 2014, the Collector's Lawson Bank deposits were under-collateralized by \$144,689, and at December 31, 2013, the deposits were under-collateralized by \$230,067.

3. INTERFUND TRANSFERS

The County made the following interfund transfers between governmental funds of the primary government:

	Year Ended December 31, 2014	
	Transfers In	
	General Revenue	Assessment
Transfers Out		
General Revenue	\$ -	\$ 10,591
Special Road & Bridge	48,640	-
Non-Major Funds	39,184	-
	Year Ended December 31, 2013	
	Transfers In	
	General Revenue	
Assessment	\$ 75,000	
Non-Major Funds	27,352	

4. COUNTY EMPLOYEES RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula,

and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five with a reduced benefit. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF employee contributions of approximately \$89,528 and \$95,582 respectively, for the years then ended.

B. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

1) Plan Description

Ray County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Ray County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 8.3% and 9.6% (General), and 11.5% and 11.8% (Police) of annual covered payroll for 2014 and 2013, respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2014 and 2013, the County contributed \$223,425 and \$238,866 to LAGERS.

5. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

6. CLAIMS, COMMITMENTS, AND CONTINGENCIES

A. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

B. Compensated Absences

The County provides full time employees with one day per calendar month worked of compensated sick leave, up to a maximum of 90 days. Full-time employees having a minimum of five years of service may receive compensation for ¼ of accrued sick leave, up to a maximum of one month. Vacation time is accrued for every full time employee beginning with the second year of employment at a rate of two weeks per year. Employees with eight or more years of employment earn three weeks per year of vacation leave. Any days not used by the end of the year will be lost. Upon voluntary separation, an employee may receive compensation for unused accrued vacation leave.

C. Litigation

The County is involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

7. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Rural Services Corporation Workers Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

8. OUTSTANDING DEBT

The County had the following debt outstanding at December 31, 2014:

- A. \$50,000 on a \$100,000 revolving line of credit for the operations of the General Revenue fund. The outstanding balance on the line of credit is to be paid back in full by March 12, 2015, plus interest at 4.75%. The line of credit was subsequently renewed for another year in March 2015.
- B. \$12,068 on a loan for the purchase of vehicles for the Sheriff's department. The loan is payable in payments of \$5,782 with payments to be made on January 1 and July 1 each year. The final payment is scheduled for July 1, 2016. The loan has an interest rate of 3.875%.
- C. \$50,000 on a six-month loan for the operations of the Road and Bridge department. The balance is to be paid back in full by March 12, 2015, plus interest at 4.75%. The loan payment was made on February 22, 2015.
- D. \$100,000 on a \$100,000 revolving line of credit for the operations of the Road and Bridge department. The outstanding balance on the line of credit is to be paid back in full by March 12, 2015, plus interest at 4.75%. The outstanding balance was subsequently paid on March 11, 2015 and the line of credit was renewed for another year through March 2016.
- E. \$65,000 on a loan to the General Revenue fund from the Assessment fund. A \$75,000 loan was approved by the Commission in November 2013, with repayment to be made within 18 months of the transfer date. The loan has an interest rate of .075%.
- F. \$2,712 on a loan from the Missouri Department of Natural Resources. The loan is to be paid back in semi-annual payments of \$3,067, with a final payment of \$2,712 due in February 2015. No interest was charged on the loan.

9. CAPITAL LEASE

At December 31, 2014, the County owed \$96,250 under a five-year capital lease for a new John Deere wheel loader through John Deere Financial. The lease is to be paid in annual payments of \$20,888, which include interest at 2.75%, due each December through 2019. At the end of the lease, the County can purchase the equipment by making a payment of \$1.

10. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 28, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2013		2014	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,850,000	1,853,501	1,870,000	1,975,996
Intergovernmental	247,588	244,689	251,748	361,585
Charges for services	863,723	915,654	953,951	812,737
Interest	600	716	500	651
Other	205,932	240,719	148,791	152,530
Transfers in	-	102,352	-	87,824
Total Receipts	<u>\$ 3,167,843</u>	<u>\$ 3,357,631</u>	<u>\$ 3,224,990</u>	<u>\$ 3,391,323</u>
DISBURSEMENTS				
County Commission	\$ 153,683	\$ 154,852	\$ 158,331	\$ 154,064
County Clerk	119,263	120,187	117,434	118,675
Treasurer	65,726	66,182	64,738	66,658
Circuit Clerk	61,340	68,660	66,707	67,058
Sheriff	551,336	559,794	588,659	587,523
Collector	161,892	174,827	170,293	169,427
Prosecuting Attorney	368,131	375,778	365,699	357,977
Recorder	113,024	117,865	124,649	125,437
Janitor	51,233	51,232	50,665	50,666
Coroner	31,738	25,292	29,597	35,909
Juvenile	19,750	21,473	20,802	24,388
Election	26,553	24,071	97,683	67,099
Planning & Zoning	45,516	43,875	44,756	44,346
Circuit Judge	2,962	2,534	4,270	2,126
Court Reporter	881	700	2,325	456
Jail	809,961	931,855	822,693	908,503
Building & Grounds	117,308	124,859	110,270	182,551
Insurance & Bonds	109,533	119,213	101,688	103,148
Legal Publications	519	322	500	394
Other Expense	9,962	9,961	9,527	10,057
Public Administrator	95,710	95,128	94,715	97,058
Historical Society	6,000	6,000	6,000	6,000
Jury Script	8,000	5,087	7,000	3,695
Loan Payments	90,000	125,117	-	64,076
Public Defender	7,410	7,495	7,500	7,564
PA Retirement	-	-	3,500	4,500
Transfers out	153,500	153,500	153,500	164,091
Emergency fund	-	-	-	-
Total Disbursements	<u>\$ 3,180,931</u>	<u>\$ 3,385,859</u>	<u>\$ 3,223,501</u>	<u>\$ 3,423,446</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (13,088)	\$ (28,228)	\$ 1,489	\$ (32,123)
FUND BALANCE, JANUARY 1	<u>81,438</u>	<u>81,438</u>	<u>53,210</u>	<u>53,210</u>
FUND BALANCE, DECEMBER 31	<u>\$ 68,350</u>	<u>\$ 53,210</u>	<u>\$ 54,699</u>	<u>\$ 21,087</u>

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 409,640	\$ 408,700	\$ 408,701	\$ 426,456	\$ -	\$ -	\$ -	\$ -
Sales taxes	820,000	724,549	795,000	813,644	-	-	-	-
Intergovernmental	1,137,570	1,132,343	1,919,089	1,070,769	59,480	57,301	58,970	55,561
Charges for services	-	-	-	-	274,830	278,544	276,000	263,608
Interest	640	535	535	860	500	1,319	850	1,131
Other	7,537	82,128	7,128	288,424	300	847	28,630	27
Transfers in	-	-	-	-	-	-	-	10,591
Total Receipts	<u>\$ 2,375,387</u>	<u>\$ 2,348,255</u>	<u>\$ 3,130,453</u>	<u>\$ 2,600,153</u>	<u>\$ 335,110</u>	<u>\$ 338,011</u>	<u>\$ 364,450</u>	<u>\$ 330,918</u>
DISBURSEMENTS								
Salaries	\$ 502,538	\$ 497,213	\$ 497,213	\$ 513,843	\$ 193,710	\$ 182,003	\$ 205,930	\$ 193,412
Employee fringe benefits	120,809	110,275	107,426	103,244	66,300	61,623	77,590	72,642
Materials and Supplies	430,600	482,383	500,100	333,324	15,500	5,277	20,900	11,125
Services and Other	557,850	550,619	553,763	624,891	19,250	17,815	23,150	55,693
Capital Outlay	292,000	280,474	239,000	426,617	40,350	28,030	36,880	31,273
Construction	460,000	511,025	1,214,842	499,225	-	-	-	-
Transfers out	-	-	-	48,640	-	75,000	-	-
Total Disbursements	<u>\$ 2,363,797</u>	<u>\$ 2,431,989</u>	<u>\$ 3,112,344</u>	<u>\$ 2,549,784</u>	<u>\$ 335,110</u>	<u>\$ 369,748</u>	<u>\$ 364,450</u>	<u>\$ 364,145</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 11,590	\$ (83,734)	\$ 18,109	\$ 50,369	\$ -	\$ (31,737)	\$ -	\$ (33,227)
FUND BALANCE, JANUARY 1	<u>187,637</u>	<u>187,637</u>	<u>103,903</u>	<u>103,903</u>	<u>324,237</u>	<u>324,237</u>	<u>292,500</u>	<u>292,500</u>
FUND BALANCE, DECEMBER 31	<u>\$ 199,227</u>	<u>\$ 103,903</u>	<u>\$ 122,012</u>	<u>\$ 154,272</u>	<u>\$ 324,237</u>	<u>\$ 292,500</u>	<u>\$ 292,500</u>	<u>\$ 259,273</u>

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	NOXIOUS WEEDS FUND				SENIOR SERVICES BOARD			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 128,000	\$ 136,417	\$ 136,500	\$ 138,808	\$ 145,000	\$ 144,172	\$ 140,000	\$ 143,622
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	175	430	500	781	-	618	-	589
Other	-	-	-	185	-	223	-	118
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 128,175</u>	<u>\$ 136,847</u>	<u>\$ 137,000</u>	<u>\$ 139,774</u>	<u>\$ 145,000</u>	<u>\$ 145,013</u>	<u>\$ 140,000</u>	<u>\$ 144,329</u>
DISBURSEMENTS								
Salaries	\$ 36,206	\$ 38,809	\$ 38,809	\$ 32,183	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	3,176	3,374	3,375	2,868	-	-	-	-
Materials and Supplies	7,750	5,315	100	19	2,000	3,026	2,400	3,023
Services and Other	3,050	3,414	9,059	4,063	138,900	136,658	132,600	121,592
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 50,182</u>	<u>\$ 50,912</u>	<u>\$ 51,343</u>	<u>\$ 39,133</u>	<u>\$ 140,900</u>	<u>\$ 139,684</u>	<u>\$ 135,000</u>	<u>\$ 124,615</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 77,993	\$ 85,935	\$ 85,657	\$ 100,641	\$ 4,100	\$ 5,329	\$ 5,000	\$ 19,714
FUND BALANCE, JANUARY 1	<u>20,996</u>	<u>20,996</u>	<u>106,931</u>	<u>106,931</u>	<u>184,010</u>	<u>184,010</u>	<u>189,339</u>	<u>189,339</u>
FUND BALANCE, DECEMBER 31	<u>\$ 98,989</u>	<u>\$ 106,931</u>	<u>\$ 192,588</u>	<u>\$ 207,572</u>	<u>\$ 188,110</u>	<u>\$ 189,339</u>	<u>\$ 194,339</u>	<u>\$ 209,053</u>

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	911 EMERGENCY SERVICES BOARD				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	200,000	176,399	165,000	176,348	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	152,000	152,000	152,000	152,000	40,800	39,925	40,800	41,585
Interest	500	309	240	120	-	47	-	51
Other	72,000	69,583	75,000	90,711	-	-	-	159
Transfers in	153,500	153,500	153,500	153,500	-	-	-	-
Total Receipts	\$ 578,000	\$ 551,791	\$ 545,740	\$ 572,679	\$ 40,800	\$ 39,972	\$ 40,800	\$ 41,795
DISBURSEMENTS								
Salaries	\$ 340,072	\$ 350,567	\$ 306,712	\$ 309,505	\$ 15,800	\$ -	\$ 15,800	\$ -
Employee fringe benefits	73,718	57,509	73,093	48,308	5,170	1,224	2,200	-
Materials and Supplies	5,525	4,096	7,300	4,961	3,000	181	3,000	755
Services and Other	144,486	152,382	153,599	162,065	10,350	10,897	11,350	12,080
Capital Outlay	11,000	13,027	4,460	5,840	9,750	14,347	11,720	9,178
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	11,523	-	20,636
Total Disbursements	\$ 574,801	\$ 577,581	\$ 545,164	\$ 530,679	\$ 44,070	\$ 38,172	\$ 44,070	\$ 42,649
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 3,199	\$ (25,790)	\$ 576	\$ 42,000	\$ (3,270)	\$ 1,800	\$ (3,270)	\$ (854)
FUND BALANCE, JANUARY 1	124,957	124,957	99,167	99,167	13,614	13,615	15,415	15,415
FUND BALANCE, DECEMBER 31	\$ 128,156	\$ 99,167	\$ 99,743	\$ 141,167	\$ 10,344	\$ 15,415	\$ 12,145	\$ 14,561

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	OFFICER TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,700	2,172	2,200	2,921	700	550	500	728
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,700	\$ 2,172	\$ 2,200	\$ 2,921	\$ 700	\$ 550	\$ 500	\$ 728
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,700	3,839	2,200	2,506	1,000	-	800	552
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,700	\$ 3,839	\$ 2,200	\$ 2,506	\$ 1,000	\$ -	\$ 800	\$ 552
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (1,667)	\$ -	\$ 415	\$ (300)	\$ 550	\$ (300)	\$ 176
FUND BALANCE, JANUARY 1	4,913	4,913	3,246	3,246	408	408	958	958
FUND BALANCE, DECEMBER 31	\$ 4,913	\$ 3,246	\$ 3,246	\$ 3,661	\$ 108	\$ 958	\$ 658	\$ 1,134

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	DOMESTIC VIOLENCE FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,500	1,710	1,600	122
Charges for services	4,500	4,552	4,500	5,136	-	-	-	-
Interest	20	33	30	37	-	53	-	74
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,520	\$ 4,585	\$ 4,530	\$ 5,173	\$ 2,500	\$ 1,763	\$ 1,600	\$ 196
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,800	5,140	4,900	4,959	-	-	-	218
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 4,800	\$ 5,140	\$ 4,900	\$ 4,959	\$ -	\$ -	\$ -	\$ 218
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (280)	\$ (555)	\$ (370)	\$ 214	\$ 2,500	\$ 1,763	\$ 1,600	\$ (22)
FUND BALANCE, JANUARY 1	3,933	3,933	3,378	3,378	9,388	9,388	11,151	11,151
FUND BALANCE, DECEMBER 31	\$ 3,653	\$ 3,378	\$ 3,008	\$ 3,592	\$ 11,888	\$ 11,151	\$ 12,751	\$ 11,129

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SALES TAX SURPLUS FUND				RECORDER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	13,000	13,594	13,000	11,722
Interest	20	33	25	37	-	67	-	53
Other	2,500	29	2,500	609	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,520	\$ 62	\$ 2,525	\$ 646	\$ 13,000	\$ 13,661	\$ 13,000	\$ 11,775
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,000	1,342	1,700	195	11,000	11,365	11,000	17,125
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 4,000	\$ 1,342	\$ 1,700	\$ 195	\$ 11,000	\$ 11,365	\$ 11,000	\$ 17,125
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,480)	\$ (1,280)	\$ 825	\$ 451	\$ 2,000	\$ 2,296	\$ 2,000	\$ (5,350)
FUND BALANCE, JANUARY 1	9,062	9,062	7,782	7,782	15,521	15,521	17,817	17,817
FUND BALANCE, DECEMBER 31	\$ 7,582	\$ 7,782	\$ 8,607	\$ 8,233	\$ 17,521	\$ 17,817	\$ 19,817	\$ 12,467

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SHERIFF ACCOUNT FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	50,000	28,861	50,000	28,043	15,000	16,463	10,000	12,235
Interest	-	33	-	48	-	83	-	22
Other	-	844	-	761	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 50,000	\$ 29,738	\$ 50,000	\$ 28,852	\$ 15,000	\$ 16,546	\$ 10,000	\$ 12,257
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	50,000	18,383	50,000	20,445	7,000	11,544	20,000	2,768
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	2,100	-	3,575	-	13,729	-	14,973
Total Disbursements	\$ 50,000	\$ 20,483	\$ 50,000	\$ 24,020	\$ 7,000	\$ 25,273	\$ 20,000	\$ 17,741
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 9,255	\$ -	\$ 4,832	\$ 8,000	\$ (8,727)	\$ (10,000)	\$ (5,484)
FUND BALANCE, JANUARY 1	7,317	7,317	16,572	16,572	29,325	29,325	20,598	20,598
FUND BALANCE, DECEMBER 31	\$ 7,317	\$ 16,572	\$ 16,572	\$ 21,404	\$ 37,325	\$ 20,598	\$ 10,598	\$ 15,114

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	JUVENILE IV E FUND				DRUG COURT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	4,300	3,875	3,700	6,465
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ -	\$ 4,300	\$ 3,875	\$ 3,700	\$ 6,465
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	576	-	500	-	2,500	1,257	1,600	3,768
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 576	\$ -	\$ 500	\$ -	\$ 2,500	\$ 1,257	\$ 1,600	\$ 3,768
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (576)	\$ -	\$ (500)	\$ -	\$ 1,800	\$ 2,618	\$ 2,100	\$ 2,697
FUND BALANCE, JANUARY 1	578	578	578	578	18,228	18,228	20,846	20,846
FUND BALANCE, DECEMBER 31	\$ 2	\$ 578	\$ 78	\$ 578	\$ 20,028	\$ 20,846	\$ 22,946	\$ 23,543

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	COUNTY LAW ENFORCEMENT FUND				SHERIFF EXTRADITION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,000	2,571	2,500	1,578
Interest	-	-	-	-	-	-	-	-
Other	13,000	16,658	23,000	23,734	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 13,000	\$ 16,658	\$ 23,000	\$ 23,734	\$ 1,000	\$ 2,571	\$ 2,500	\$ 1,578
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	13,000	23,044	23,000	6,528	-	-	-	-
Services and Other	-	-	-	-	1,000	2,352	2,500	549
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 13,000	\$ 23,044	\$ 23,000	\$ 6,528	\$ 1,000	\$ 2,352	\$ 2,500	\$ 549
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (6,386)	\$ -	\$ 17,206	\$ -	\$ 219	\$ -	\$ 1,029
FUND BALANCE, JANUARY 1	18,198	18,198	11,812	11,812	363	363	582	582
FUND BALANCE, DECEMBER 31	\$ 18,198	\$ 11,812	\$ 11,812	\$ 29,018	\$ 363	\$ 582	\$ 582	\$ 1,611

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SHERIFF'S REVOLVING FUND				INMATE PRISONER DETAINEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	23,000	35,110	35,000	28,540	-	1,079	2,000	3,458
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	592	600	2,835
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 23,000	\$ 35,110	\$ 35,000	\$ 28,540	\$ -	\$ 1,671	\$ 2,600	\$ 6,293
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	15,000	26,904	15,000	15,479	-	-	-	5,500
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 15,000	\$ 26,904	\$ 15,000	\$ 15,479	\$ -	\$ -	\$ -	\$ 5,500
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 8,000	\$ 8,206	\$ 20,000	\$ 13,061	\$ -	\$ 1,671	\$ 2,600	\$ 793
FUND BALANCE, JANUARY 1	16,437	16,437	24,643	24,643	-	-	1,671	1,671
FUND BALANCE, DECEMBER 31	\$ 24,437	\$ 24,643	\$ 44,643	\$ 37,704	\$ -	\$ 1,671	\$ 4,271	\$ 2,464

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	EMERGENCY MANAGEMENT FUND				ELECTION 5% FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	23	-	-
Other	-	-	-	-	1,500	1,514	7,000	7,122
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,537	\$ 7,000	\$ 7,122
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	5,000	6,000
Services and Other	500	100	100	100	500	709	-	558
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 500	\$ 100	\$ 100	\$ 100	\$ 500	\$ 709	\$ 5,000	\$ 6,558
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (500)	\$ (100)	\$ (100)	\$ (100)	\$ 1,000	\$ 828	\$ 2,000	\$ 564
FUND BALANCE, JANUARY 1	1,291	1,291	1,191	1,191	8,703	8,703	9,531	9,531
FUND BALANCE, DECEMBER 31	\$ 791	\$ 1,191	\$ 1,091	\$ 1,091	\$ 9,703	\$ 9,531	\$ 11,531	\$ 10,095

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

SHERIFF POST CERT TRAINING FUND				
Year Ended December 31,				
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	1,300	1,071	1,300	1,267
Transfers in	-	-	-	-
Total Receipts	<u>\$ 1,300</u>	<u>\$ 1,071</u>	<u>\$ 1,300</u>	<u>\$ 1,267</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	1,300	1,071	1,300	1,267
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 1,300</u>	<u>\$ 1,071</u>	<u>\$ 1,300</u>	<u>\$ 1,267</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, JANUARY 1	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 3</u></u>	<u><u>\$ 3</u></u>	<u><u>\$ 3</u></u>	<u><u>\$ 3</u></u>

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Ray County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of Ray County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Ray County, Missouri's basic financial statements and have issued our report thereon dated July 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Ray County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ray County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Ray County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations that we consider to be a significant deficiency as item 1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ray County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 2 and 3.

We also noted other matters that we reported to management of Ray County, Missouri in the accompanying schedule of findings and recommendations as items 4 through 7.

Ray County, Missouri's Response to Findings

Ray County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Ray County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 28, 2015

FINDINGS AND RECOMMENDATIONS SECTION

RAY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESS IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Accounting for Transfers

Condition: In the County's GovernMentor accounting system, transfers of monies between the General Revenue, Special Road and Bridge, and Assessment funds are identified separately from other transactions using a special account code. However, the accounting system does not track transfers involving other county funds separately from other transactions involving receipts and disbursements from individuals and entities outside the County. For example, the salary of the Assistant Prosecuting Attorney is paid out of the General Revenue fund and then reimbursed by the Bad Check fund. However, the General Revenue fund records this transaction as a reimbursement rather than using the transfers account code, and the Bad Check fund categorizes the payments as salary expense rather than as a transfer to another County fund. This has the effect of making the County's receipts and disbursements appear to be overstated. All transactions identified as transfers between County funds during our audit have been reclassified as transfers in the fund financial statements presented in this report.

Recommendation: We recommend that the County ensure that all transactions between County funds are adequately identified as transfers and that transfers in and out are in balance at all times.

County Response: We use transfers for payroll and extraditions only – monthly for payroll, all other money trails are done by checks. If we use transfers and write checks we will show double the amount of expenditures. We believe checks are a better paper trail than transfer.

Auditor's Evaluation: Checks written from one County fund to another should be recorded in the accounting system as a transfer. Recording transactions between funds as revenues and expenditures overstates the amount of the County's revenues and expenditures.

ITEMS OF NONCOMPLIANCE

2. Budgetary Controls

Condition: The annual budgets for 2013 and 2014 were not adopted on a timely basis and, therefore, expenditures were approved for items other than payroll without an adopted budget in place. RSMo 50.540 states that, "The budget officer shall then prepare the budget document...and transmit it to the County Commission not later than...February first in counties of classes three and four." The budget for 2013 was officially adopted on March 15, 2013, and the budget for 2014 was officially adopted on March 14, 2014. RSMo 50.740 states that, "The county treasurer shall not pay nor enter protest on any warrant except payroll for the current year until such budget estimate shall have been so filed."

Actual expenditures exceeded budgeted amounts for nine funds in 2014 and for thirteen funds in 2013. A list of the individual funds can be found at Note 1.D.10 in the notes to the financial statements. State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

The poor financial condition of the General Revenue fund increases the importance of monitoring the expenditures of the fund and not approving expenditures in excess of the budgeted amount. The actual expenditures of the General Revenue fund exceeded the budgeted amounts by approximately \$200,000 each year in 2013 and 2014. Item 5 below provides further details on the condition of the General Revenue fund.

Recommendation: We recommend that the County Commission and County Clerk work to ensure that future budgets are adopted in a timely manner. We also recommend that the County not approve expenditures in excess of budgeted amounts and properly amend the budget in a public meeting when unforeseen circumstances arise that necessitate increased expenditures.

County Response: We will now amend the budget as needed. As Commissioners, we are working to improve getting our budgets in more efficiently.

Auditor's Evaluation: The response is appropriate to correct the concern.

3. Collateralization of Collector's Deposits

Condition: The County Collector held deposits at the Bank of Lawson in excess of FDIC deposit insurance that were not adequately covered by pledged collateral at December 31, 2014 and 2013. At December 31, 2014, the bank balance of the deposits held by the Collector at the Lawson Bank was \$490,590, of which \$250,000 was covered by FDIC insurance and \$95,901 was covered by pledged collateral, leaving a balance of \$144,689 of unsecured deposits. At December 31, 2013, the bank balance of the deposits held by the Collector at Lawson Bank was \$480,067, of which \$250,000 was covered by FDIC insurance, leaving a balance of \$230,067 of unsecured deposits. There was no pledged collateral at December 31, 2013. RSMo 110.010.1 states that, "The public funds of every county...which are deposited in any banking institution...shall be secured by the deposit of securities...." RSMo 110.020 states that, "The value of the securities deposited and maintained by a legal depository under section 110.010 shall at all times be not less than one hundred percent of the actual amount of the funds on deposit with the depository, less the amount, if any, insured by the Federal Deposit Insurance Corporation."

Recommendation: We recommend that the County Collector ensure that all deposits of public funds are properly secured and that the level of pledged collateral is periodically monitored to ensure compliance with the state statutes.

County Response: In response to the auditor's findings that there was a lack of securities for funds held at the Bank of Lawson, all funds will be deposited into our main depository Bank Midwest. This should ensure that all funds are properly secured in the future.

Auditor's Evaluation: The response is appropriate to correct the concern.

OTHER MATTERS

4. Timesheets

Condition: The monthly timesheet completed by the County's custodian is not approved by a supervisor. The timesheet presents the hours worked and vacation and sick leave taken for the month, and is signed by the custodian and submitted to the County Clerk's office. The timesheet includes a line for a "Supervisor's Signature", however, a review of all 24 timesheets during 2013 and 2014 noted that none of the timesheets were approved by a supervisor. The custodian is paid a salary rather than on an hourly basis, however, a supervisor should still review and approve the hours reported to ensure that any vacation and sick leave time taken is properly reported.

Recommendation: We recommend that the County designate a Commissioner or elected official to serve as the supervisor and review and approve the Custodian's timesheets each month.

County Response: As of January 1, 2015 these time cards are now approved by a Commissioner.

Auditor's Evaluation: The response is appropriate to correct the concern with regards to the custodian. The County should ensure that all timesheets are approved by a supervisor.

5. General Revenue Fund Financial Condition

Condition: The County's General Revenue fund is in poor financial condition. This issue was noted in the previous financial audit for the years ended December 31, 2009 and 2010. At December 31, 2010, the balance of the fund was \$29,305. The balance increased to \$81,438 at December 31, 2012 before declining once again to \$21,087 at December 31, 2014. This ending balance represents just 0.64% of the General Revenue fund's 2015 budgeted expenditures of \$3,278,186. Subsequent to the prior auditor's recommendation, the County entered into a \$100,000 revolving line of credit with a local bank for General Revenue fund operations and in 2013 the General Revenue fund borrowed \$75,000 from the Assessment fund. Despite these actions, the balance of the fund still declined during both 2013 and 2014.

Recommendation: We recommend that the County Commission continue to focus on ways to improve the financial condition of the County's General Revenue fund.

County Response: The Commission reviews budget and expenditures quarterly. The Commissioners and County Clerk are working on cost savings programs to help the General Revenue fund over the next few years.

Auditor's Evaluation: The response is appropriate to correct the concern.

6. Sheriff's Bank Reconciliations

Condition: A review of the bank reconciliations of the Sheriff's inmate account for December 31, 2013 and 2014 noted several stale outstanding checks. The December 31, 2014 reconciliation included 257 checks totaling \$3,321 that were also listed as outstanding on the December 31,

2013 bank reconciliation and were not resolved during the year. Checks that are greater than three to six months old should be investigated to determine if they will be cashed or should be stopped and removed from the bank reconciliation to ensure the accuracy of the reported book balance of the account.

Recommendation: We recommend that the Sheriff implement procedures to ensure that checks outstanding for more than three to six months are dealt with in a timely manner and removed from the bank reconciliations as necessary.

County Response: The recommendation has now been implemented._

Auditor's Evaluation: The response is appropriate to correct the concern.

7. Discrepancies in Annual Budget Documents

Condition: The annual budget documents prepared by the County include information about actual results for each fund from the previous year, including the beginning cash balance, actual receipts and disbursements, and the cash balance at year end. We noted several instances where the ending cash balance of a fund on the budget document for one year did not correspond to the beginning cash balance for the same fund on the next year's budget document. For example, the cash balance at December 31, 2012 (ending balance) for the Prosecuting Attorney Training fund as stated in the 2013 budget document was \$2,543.35, however, the cash balance of the fund at December 31, 2012 (beginning balance) as stated on the 2014 budget document was \$408.20. There were several instances of these variances between the 2013 and 2014 budgets. For 2013, we noted variances in 8 funds ranging from \$100 to \$8,088. For 2014, we noted variances in 2 funds ranging from \$10 to \$9,531.

Recommendation: We recommend that the County Clerk ensure that the actual results and cash balances presented for each fund in the County's budget documents are accurate and that the ending cash balances of each fund carryover as the beginning balance of the fund on the next year's budget.

County Response: The County Clerk will start using only the Governmentor program for reports instead of trying to combine the state form with Governmentor to ensure accuracy.

Auditor's Evaluation: The response is appropriate to correct the concern.

RAY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Ray County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2010 and 2009.

1. The County Revenue fund is in declining financial condition.

Status – Not resolved. See Finding 5.

2. The County did not approve both the 2009 and 2010 budgets in a timely manner. Therefore, expenditures were being incurred without an operating budget in place. Also, the County Commission approved disbursements in excess of budgeted amounts for various funds during the years ending December 31, 2010 and 2009 and there was no evidence that either the Commission or the Clerk adequately monitored the actual and budgeted disbursements.

Status – Not resolved. See Finding 2.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Schuyler County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Schuyler County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Beard-Boehmer & Associates, PC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-074

BEARD-BOEHMER & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI

SCHUYLER COUNTY, MISSOURI
TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report	1 – 2
FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash— All Governmental Funds—Regulatory Basis For the Years ended December 31, 2014 and 2013.....	3
Comparative Statements of Receipts, Disbursements and Changes in Cash— Budget and Actual—Regulatory Basis For the Years ended December 31, 2014 and 2013.....	4 – 13
Notes to Financial Statements	14 – 20
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21 – 22
Summary of Findings and Responses	23
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	24

July 22, 2015

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Schuyler County, MO

We have audited the accompanying financial statements of Schuyler County, Missouri, which comprise the statement of receipts, disbursements, and changes in cash – regulatory basis, of each fund as of December 31, 2014 and 2013, and the related statement of receipts, disbursements, and changes in cash – budget and actual – regulatory basis for each fund for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Schuyler County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**SCHUYLER COUNTY, MISSOURI
INDEPENDENT AUDITORS' REPORT (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Schuyler County, Missouri, as of December 31, 2014 and 2013, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Schuyler County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2015, on our consideration of Schuyler County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Schuyler County, Missouri's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

SCHUYLER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Fund	Cash January 1, 2013	Receipts	Disbursements	Cash December 31, 2013	Receipts	Disbursements	Cash December 31, 2014
General Revenue	\$ 235,084	583,971	635,698	\$ 183,357	683,952	743,173	\$ 124,136
Special Road and Bridge	248,910	662,986	636,039	275,857	746,414	693,505	328,766
Assessment	1,748	67,934	69,682	-	71,203	71,114	89
Law Enforcement Training	1,345	1,596	1,188	1,753	1,173	1,017	1,909
Prosecuting Attorney Training	158	261	-	419	171	563	27
Law Sales	745	371,546	372,291	-	419,424	419,323	101
Sales Tax Trust	185,394	152,844	152,773	185,465	165,263	152,054	198,674
Bad Check	725	2,808	2,415	1,118	1,853	2,610	361
Civil Service	6,002	2,952	4,560	4,394	5,491	8,465	1,420
County Clerk 5% Election Services	5,158	1,499	4,706	1,951	4,220	1,064	5,107
Recorder's	944	901	-	1,845	802	745	1,902
Special Election	-	8,104	8,104	-	30,741	30,741	-
Senior Citizen	13,105	21,624	34,646	83	23,329	23,347	65
Domestic Violence	408	231	607	32	229	236	25
Collector's Tax Maintenance	2,842	6,157	2,598	6,401	5,674	8,030	4,045
Sheriff Revolving	6,230	3,745	7,860	2,115	6,480	5,717	2,878
Confined Animal Feeding Operation (CAFO)	2,342	50	-	2,392	1,791	-	4,183
Sheriff Salary	40	1,143	1,142	41	2,345	2,306	80
Sheriff Grant	1,253	7,236	8,036	453	-	453	-
Law Enforcement Restitution	-	2,513	11	2,502	1,705	4,207	-
Collector's Restitution	-	305	-	305	483	-	788
Modex	-	117	-	117	1,745	-	1,862
Collector's Bond Recovery	-	-	-	-	242,937	242,937	-
Totals	\$ 712,433	1,900,523	1,942,356	\$ 670,600	2,417,425	2,411,607	\$ 676,418

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

General Revenue Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 142,200	138,635	(3,565)	\$ 147,000	123,818	(23,182)
Sales taxes	304,000	327,392	23,392	300,000	301,771	1,771
Intergovernmental	57,600	57,322	(278)	68,787	57,566	(11,221)
Charges for services	86,640	77,121	(9,519)	85,300	80,937	(4,363)
Interest income	3,904	1,506	(2,398)	7,100	4,135	(2,965)
Other	44,456	48,952	4,496	10,300	15,744	5,444
Operating transfers in	61,212	33,024	(28,188)	43,058	-	(43,058)
Total Receipts	\$ 700,012	683,952	(16,060)	\$ 661,545	583,971	(77,574)
DISBURSEMENTS						
General County Government-						
County Commission	\$ 63,873	63,535	(338)	\$ 61,680	61,433	(247)
County Clerk	60,437	57,494	(2,943)	58,378	54,872	(3,506)
Elections	23,685	17,030	(6,655)	9,097	8,104	(993)
Buildings and grounds	59,888	47,328	(12,560)	84,888	40,802	(44,086)
Employee fringe benefits	23,000	20,210	(2,790)	21,650	19,793	(1,857)
Treasurer	33,992	32,965	(1,027)	32,735	32,008	(727)
Collector	50,420	48,509	(1,911)	51,680	51,669	(11)
Recorder of Deeds	35,000	34,745	(255)	35,425	34,523	(902)
Circuit Clerk	21,700	12,965	(8,735)	16,700	8,891	(7,809)
Court Administration	16,922	14,251	(2,671)	8,835	4,529	(4,306)
Public Administrator	18,000	17,260	(740)	17,500	16,950	(550)
Other	134,283	149,791	15,508	129,866	106,981	(22,885)
Public Health and Welfare Services	2,030	1,560	(470)	11,330	1,560	(9,770)
Operating transfers out	232,779	223,287	(9,492)	200,481	193,583	(6,898)
Emergency Fund	20,917	2,243	(18,674)	18,461	-	(18,461)
Total Disbursements	\$ 796,926	743,173	(53,753)	\$ 758,706	635,698	(123,008)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (96,914)	(59,221)	37,693	\$ (97,161)	(51,727)	45,434
CASH, JANUARY 1	183,357	183,357	-	235,084	235,084	-
CASH, DECEMBER 31	\$ 86,443	124,136	37,693	\$ 137,923	183,357	45,434

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Special Road and Bridge Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 318,200	331,219	13,019	\$ 323,500	301,708	(21,792)
Intergovernmental	666,385	382,494	(283,891)	299,225	299,129	(96)
Charges for services	22,000	18,749	(3,251)	13,000	24,747	11,747
Interest income	7,700	4,683	(3,017)	8,500	7,566	(934)
Other	11,700	9,269	(2,431)	11,500	29,836	18,336
Total Receipts	\$ 1,025,985	746,414	(279,571)	\$ 655,725	662,986	7,261
DISBURSEMENTS						
Salaries	\$ 220,000	190,202	(29,798)	\$ 206,000	185,102	(20,898)
Employee fringe benefits	35,500	32,177	(3,323)	29,100	26,656	(2,444)
Supplies	121,000	93,733	(27,267)	131,000	98,700	(32,300)
Insurance	16,000	16,552	552	16,500	15,439	(1,061)
Road and bridge materials	295,000	116,056	(178,944)	279,000	179,758	(99,242)
Equipment repairs	50,000	35,850	(14,150)	60,000	25,900	(34,100)
Rentals	10,000	4,975	(5,025)	10,000	7,315	(2,685)
Equipment purchases	55,000	77,973	22,973	50,000	42,184	(7,816)
Road and bridge construction	361,610	51,301	(310,309)	32,245	11,616	(20,629)
Other	47,350	41,662	(5,688)	47,313	43,369	(3,944)
Operating transfers out	60,573	33,024	(27,549)	43,058	-	(43,058)
Total Disbursements	\$ 1,272,033	693,505	(578,528)	\$ 904,216	636,039	(268,177)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (246,048)	52,909	298,957	\$ (248,491)	26,947	275,438
CASH, JANUARY 1	275,857	275,857	-	248,910	248,910	-
CASH, DECEMBER 31	\$ 29,809	328,766	298,957	\$ 419	275,857	275,438

Assessment Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 61,000	60,783	(217)	\$ 60,506	56,924	(3,582)
Charges for services	1,400	2,171	771	300	1,376	1,076
Interest income	400	190	(210)	440	371	(69)
Other	1,400	1,232	(168)	700	1,371	671
Operating transfers in	9,862	6,827	(3,035)	9,818	7,892	(1,926)
Total Receipts	\$ 74,062	71,203	(2,859)	\$ 71,764	67,934	(3,830)
DISBURSEMENTS						
Assessor	\$ 74,062	71,114	(2,948)	\$ 73,512	69,682	(3,830)
Total Disbursements	\$ 74,062	71,114	(2,948)	\$ 73,512	69,682	(3,830)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	89	89	\$ (1,748)	(1,748)	-
CASH, JANUARY 1	-	-	-	1,748	1,748	-
CASH, DECEMBER 31	\$ -	89	89	\$ -	-	-

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Enforcement Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 500	500	-	\$ 500	549	49
Charges for services	1,000	658	(342)	940	1,014	74
Interest income	32	15	(17)	30	33	3
Total Receipts	\$ 1,532	1,173	(359)	\$ 1,470	1,596	126
DISBURSEMENTS						
Sheriff	\$ 3,000	1,017	(1,983)	\$ 2,800	1,188	(1,612)
Total Disbursements	\$ 3,000	1,017	(1,983)	\$ 2,800	1,188	(1,612)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,468)	156	1,624	\$ (1,330)	408	1,738
CASH, JANUARY 1	1,753	1,753	-	1,345	1,345	-
CASH, DECEMBER 31	\$ 285	1,909	1,624	\$ 15	1,753	1,738

Prosecuting Attorney Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 300	170	(130)	\$ 250	256	6
Interest income	5	1	(4)	3	5	2
Total Receipts	\$ 305	171	(134)	\$ 253	261	8
DISBURSEMENTS						
Prosecuting Attorney	\$ 700	563	(137)	\$ 400	-	(400)
Total Disbursements	\$ 700	563	(137)	\$ 400	-	(400)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (395)	(392)	3	\$ (147)	261	408
CASH, JANUARY 1	419	419	-	158	158	-
CASH, DECEMBER 31	\$ 24	27	3	\$ 11	419	408

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Sales Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 152,000	163,703	11,703	\$ 152,000	150,905	(1,095)
Intergovernmental	13,683	12,124	(1,559)	11,641	11,896	255
Charges for services	23,200	26,992	3,792	21,200	22,530	1,330
Other	517	145	(372)	517	524	7
Operating transfers in	222,917	216,460	(6,457)	185,089	185,691	602
Total Receipts	\$ 412,317	419,424	7,107	\$ 370,447	371,546	1,099
DISBURSEMENTS						
Sheriff	\$ 178,916	178,418	(498)	\$ 175,846	180,983	5,137
Jail	122,030	140,659	18,629	93,620	100,940	7,320
Prosecutor	53,421	53,693	272	51,626	49,797	(1,829)
Juvenile Office	12,950	8,994	(3,956)	9,800	8,142	(1,658)
Coroner	17,500	9,378	(8,122)	16,600	8,789	(7,811)
Fringe benefits	27,500	28,181	681	23,700	23,640	(60)
Total Disbursements	\$ 412,317	419,323	7,006	\$ 371,192	372,291	1,099
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	101	101	\$ (745)	(745)	-
CASH, JANUARY 1	-	-	-	745	745	-
CASH, DECEMBER 31	\$ -	101	101	\$ -	-	-

Sales Tax Trust Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 152,000	163,703	11,703	\$ 152,000	150,904	(1,096)
Interest income	2,000	1,560	(440)	4,000	1,940	(2,060)
Total Receipts	\$ 154,000	165,263	11,263	\$ 156,000	152,844	(3,156)
DISBURSEMENTS						
Roads	\$ 152,054	152,054	-	\$ 152,773	152,773	-
Total Disbursements	\$ 152,054	152,054	-	\$ 152,773	152,773	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,946	13,209	11,263	\$ 3,227	71	(3,156)
CASH, JANUARY 1	185,465	185,465	-	185,394	185,394	-
CASH, DECEMBER 31	\$ 187,411	198,674	11,263	\$ 188,621	185,465	(3,156)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Bad Check Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,080	1,853	(1,227)	\$ 1,500	2,808	1,308
Total Receipts	\$ 3,080	1,853	(1,227)	\$ 1,500	2,808	1,308
DISBURSEMENTS						
Prosecuting Attorney	\$ 3,300	2,610	(690)	\$ 2,100	2,415	315
Total Disbursements	\$ 3,300	2,610	(690)	\$ 2,100	2,415	315
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (220)	(757)	(537)	\$ (600)	393	993
CASH, JANUARY 1	1,118	1,118	-	725	725	-
CASH, DECEMBER 31	\$ 898	361	(537)	\$ 125	1,118	993

Civil Service Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,500	5,491	(9)	\$ 4,550	2,952	(1,598)
Total Receipts	\$ 5,500	5,491	(9)	\$ 4,550	2,952	(1,598)
DISBURSEMENTS						
Administrative expenses	\$ 9,000	8,465	(535)	\$ 7,000	4,560	(2,440)
Total Disbursements	\$ 9,000	8,465	(535)	\$ 7,000	4,560	(2,440)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,500)	(2,974)	526	\$ (2,450)	(1,608)	842
CASH, JANUARY 1	4,394	4,394	-	6,002	6,002	-
CASH, DECEMBER 31	\$ 894	1,420	526	\$ 3,552	4,394	842

County Clerk 5% Election Services Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,652	4,180	(472)	\$ 1,365	1,423	58
Interest income	75	40	(35)	75	76	1
Total Receipts	\$ 4,727	4,220	(507)	\$ 1,440	1,499	59
DISBURSEMENTS						
Elections	\$ 6,500	1,064	(5,436)	\$ 4,800	4,706	(94)
Total Disbursements	\$ 6,500	1,064	(5,436)	\$ 4,800	4,706	(94)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,773)	3,156	4,929	\$ (3,360)	(3,207)	153
CASH, JANUARY 1	1,951	1,951	-	5,158	5,158	-
CASH, DECEMBER 31	\$ 178	5,107	4,929	\$ 1,798	1,951	153

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Recorder's Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 900	802	(98)	\$ 2,000	901	(1,099)
Total Receipts	\$ 900	802	(98)	\$ 2,000	901	(1,099)
DISBURSEMENTS						
Recorder	\$ 900	745	(155)	\$ 1,300	-	(1,300)
Total Disbursements	\$ 900	745	(155)	\$ 1,300	-	(1,300)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	57	57	\$ 700	901	201
CASH, JANUARY 1	1,845	1,845	-	944	944	-
CASH, DECEMBER 31	\$ 1,845	1,902	57	\$ 1,644	1,845	201

Special Election Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 32,782	30,741	(2,041)	\$ 18,193	8,104	(10,089)
Total Receipts	\$ 32,782	30,741	(2,041)	\$ 18,193	8,104	(10,089)
DISBURSEMENTS						
Election expenses	\$ 32,782	30,741	(2,041)	\$ 18,193	8,104	(10,089)
Total Disbursements	\$ 32,782	30,741	(2,041)	\$ 18,193	8,104	(10,089)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ -	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

Senior Citizen Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 22,000	23,248	1,248	\$ 23,100	21,161	(1,939)
Intergovernmental	100	64	(36)	85	83	(2)
Interest income	375	17	(358)	485	380	(105)
Total Receipts	\$ 22,475	23,329	854	\$ 23,670	21,624	(2,046)
DISBURSEMENTS						
Senior Center and other	\$ 22,558	23,347	789	\$ 36,420	34,646	(1,774)
Total Disbursements	\$ 22,558	23,347	789	\$ 36,420	34,646	(1,774)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (83)	(18)	65	\$ (12,750)	(13,022)	(272)
CASH, JANUARY 1	83	83	-	13,105	13,105	-
CASH, DECEMBER 31	\$ -	65	65	\$ 355	83	(272)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Domestic Violence Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 200	229	29	\$ 200	231	31
Total Receipts	\$ 200	229	29	\$ 200	231	31
DISBURSEMENTS						
Domestic shelters	\$ 232	236	4	\$ 608	607	(1)
Total Disbursements	\$ 232	236	4	\$ 608	607	(1)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (32)	(7)	25	\$ (408)	(376)	32
CASH, JANUARY 1	32	32	-	408	408	-
CASH, DECEMBER 31	\$ -	25	25	\$ -	32	32

Collector's Tax Maintenance Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,000	5,596	(404)	\$ 6,000	6,007	7
Interest income	125	78	(47)	125	150	25
Total Receipts	\$ 6,125	5,674	(451)	\$ 6,125	6,157	32
DISBURSEMENTS						
Collector	\$ 12,495	8,030	(4,465)	\$ 6,900	2,598	(4,302)
Total Disbursements	\$ 12,495	8,030	(4,465)	\$ 6,900	2,598	(4,302)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,370)	(2,356)	4,014	\$ (775)	3,559	4,334
CASH, JANUARY 1	6,401	6,401	-	2,842	2,842	-
CASH, DECEMBER 31	\$ 31	4,045	4,014	\$ 2,067	6,401	4,334

Sheriff Revolving Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,000	6,446	2,446	\$ 2,700	3,681	981
Interest income	75	34	(41)	123	64	(59)
Total Receipts	\$ 4,075	6,480	2,405	\$ 2,823	3,745	922
DISBURSEMENTS						
Sheriff	\$ 6,000	5,717	(283)	\$ 9,000	7,860	(1,140)
Total Disbursements	\$ 6,000	5,717	(283)	\$ 9,000	7,860	(1,140)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,925)	763	2,688	\$ (6,177)	(4,115)	2,062
CASH, JANUARY 1	2,115	2,115	-	6,230	6,230	-
CASH, DECEMBER 31	\$ 190	2,878	2,688	\$ 53	2,115	2,062

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Confined Animal Feeding Operation (CAFO) Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,000	1,750	750	\$ 1,000	-	(1,000)
Interest income	50	41	(9)	50	50	-
Total Receipts	\$ 1,050	1,791	741	\$ 1,050	50	(1,000)
DISBURSEMENTS						
CAFO Operations	\$ 1,000	-	(1,000)	\$ 1,000	-	(1,000)
Total Disbursements	\$ 1,000	-	(1,000)	\$ 1,000	-	(1,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 50	1,791	1,741	\$ 50	50	-
CASH, JANUARY 1	2,392	2,392	-	2,342	2,342	-
CASH, DECEMBER 31	\$ 2,442	4,183	1,741	\$ 2,392	2,392	-

Sheriff Salary Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,400	2,345	(55)	\$ 1,900	1,143	(757)
Total Receipts	\$ 2,400	2,345	(55)	\$ 1,900	1,143	(757)
DISBURSEMENTS						
Sheriff	\$ 2,400	2,306	(94)	\$ 1,940	1,142	(798)
Total Disbursements	\$ 2,400	2,306	(94)	\$ 1,940	1,142	(798)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	39	39	\$ (40)	1	41
CASH, JANUARY 1	41	41	-	40	40	-
CASH, DECEMBER 31	\$ 41	80	39	\$ -	41	41

Sheriff Grant Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 600	-	(600)	\$ 8,489	7,236	(1,253)
Total Receipts	\$ 600	-	(600)	\$ 8,489	7,236	(1,253)
DISBURSEMENTS						
Sheriff	\$ 453	453	-	\$ 8,489	8,036	(453)
Total Disbursements	\$ 453	453	-	\$ 8,489	8,036	(453)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 147	(453)	(600)	\$ -	(800)	(800)
CASH, JANUARY 1	453	453	-	1,253	1,253	-
CASH, DECEMBER 31	\$ 600	-	(600)	\$ 1,253	453	(800)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Enforcement Restitution Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,000	1,675	(3,325)	\$ -	2,505	2,505
Interest income	20	30	10	-	8	8
Total Receipts	\$ 5,020	1,705	(3,315)	\$ -	2,513	2,513
DISBURSEMENTS						
Sheriff	\$ 7,500	4,207	(3,293)	\$ -	11	11
Total Disbursements	\$ 7,500	4,207	(3,293)	\$ -	11	11
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,480)	(2,502)	(22)	\$ -	2,502	2,502
CASH, JANUARY 1	2,502	2,502	-	-	-	-
CASH, DECEMBER 31	\$ 22	-	(22)	\$ -	2,502	2,502

Collector's Restitution Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 600	483	(117)	\$ -	305	305
Total Receipts	\$ 600	483	(117)	\$ -	305	305
DISBURSEMENTS						
Collector	\$ 905	-	(905)	\$ -	-	-
Total Disbursements	\$ 905	-	(905)	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (305)	483	788	\$ -	305	305
CASH, JANUARY 1	305	305	-	-	-	-
CASH, DECEMBER 31	\$ -	788	788	\$ -	305	305

Modex Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,000	1,745	745	\$ -	117	117
Total Receipts	\$ 1,000	1,745	745	\$ -	117	117
DISBURSEMENTS						
Sheriff	\$ 1,000	-	(1,000)	\$ -	-	-
Total Disbursements	\$ 1,000	-	(1,000)	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	1,745	1,745	\$ -	117	117
CASH, JANUARY 1	117	117	-	-	-	-
CASH, DECEMBER 31	\$ 117	1,862	1,745	\$ -	117	117

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Collector's Bond Recovery Fund			
2014			
	Final		Actual
	Budget	Actual	Over (Under)
			Budget
RECEIPTS			
Other - bond proceeds	\$ 242,937	242,937	-
Total Receipts	\$ 242,937	242,937	-
DISBURSEMENTS			
Distributions to political subdivisions	\$ 242,937	242,937	-
Total Disbursements	\$ 242,937	242,937	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-
CASH, JANUARY 1	-	-	-
CASH, DECEMBER 31	\$ -	-	-

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or elected county officials. The Senior Citizen Fund is under the control of the County Commission with a separate board appointed by the County Commission.

The financial statements referred to above include the primary government of Schuyler County, which consists of all funds, organizations, institutions, agencies, departments, and offices which are considered to comprise the county's legal entity.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budgets include estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires at the individual fund level, budgeted expenditures should not exceed budgeted revenues plus anticipated beginning fund balance. The County did not have any funds reflecting a deficit budgeted cash balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission for its budget document.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission. The County Commission amended various budgets during the year ended December 31, 2014 and 2013.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2014 and 2013. The Law Enforcement Restitution Fund, Collector's Restitution Fund, and Modex Fund were new funds starting late in 2013 so no new budgets were established for these funds until 2014. The Collector's Bond Recovery Fund was not established until 2014.

1. E. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county. The total assessed valuation for the county of the tangible property for calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
Real Estate	\$ 26,337,380	\$ 25,929,660
Personal Property	12,330,741	12,190,187
Railroad and Utilities	5,117,359	4,874,676
Total Assessed Valuation	<u>\$ 43,785,480</u>	<u>\$ 42,994,523</u>

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
General Revenue Fund	\$ 0.3041	\$ 0.3415
Common Road and Bridge *	0.4793	0.4793
Special Road and Bridge Fund *	0.2600	0.2600
Senior Citizen Fund	0.0500	0.0500

* The county no longer has any special road districts. The entire county is now called Road 1. The County has two road and bridge county-wide tax levies: a Common Road and Bridge tax levy and an additional Special Road and Bridge levy that is voted on every four years. All tax proceeds from both tax levies are deposited into the Special Road and Bridge Fund.

1. F. SALES TAXES AND USE TAX

The county does not have a local use tax and has the following sales tax rates:

General sales tax-subject to rollback 50%	1/2 %	\$.00500
General sales tax	1/2 %	.00500
Law Enforcement sales tax	1/2 %	.00500
Capital Improvement sales tax	1/2 %	.00500
Total sales tax rate		\$ <u>.02000</u>

1. G. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

1. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "operating transfers in" by the recipient fund and as "operating transfers out" by the disbursing fund.

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

Transfers between funds for the years ended December 31, 2014 and 2013 were as follows:

FUNDS:	Year Ended December 31, 2014	
	Transfers In	Transfers Out
General Revenue	\$ 33,024	\$ 223,287
Special Road and Bridge	-	33,024
Assessment	6,827	-
Law Sales	216,460	-
Totals	<u>\$ 256,311</u>	<u>\$ 256,311</u>

FUNDS:	Year Ended December 31, 2013	
	Transfers In	Transfers Out
General Revenue	\$ -	\$ 193,583
Assessment	7,892	-
Law Sales	185,691	-
Totals	<u>\$ 193,583</u>	<u>\$ 193,583</u>

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2014 and 2013, the published financial statements included all applicable funds.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

The county has determined through experience checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Deposits

Missouri statutes require all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All bank balances at the county's banking facilities at December 31, 2014 and December 31, 2013 were covered by Federal Deposit Insurance Coverage (FDIC) and additional collateral held at the custodial bank in the county's name or by its agent in the county's name.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The CERF is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; county sheriffs covered under sections 57.949 to 57.997, RSMo; and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions. As of December 31, 2014, Schuyler County had 30 employees enrolled in CERF.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203 or toll-free 1-877-632-2373.

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF total contributions of \$4,018 and \$4,243, respectively, for the years then ended.

B. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$2,244 for each of the years ended December 31, 2014 and 2013.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

After one full year of employment, vacation time will accrue at one week per year. After three full years of employment, vacation time will accrue at two weeks per year. Upon termination, an employee is reimbursed for unused vacation, if applicable. All vacation earned in one year must be taken off the following year.

The County does not provide employees with insurance or other health benefits and does not provide post-employment benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

NOTE 6. RISK MANAGEMENT

The County carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. Management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The County is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

SCHUYLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7. LONG-TERM DEBT

The County had the following long-term debt:

- A. On July 7, 2011, the County entered into a Governmental Obligation Contract to purchase a 2008 Volvo G930 Motor Grader in the amount of \$100,000 with five payments of \$21,984 due annually beginning December 7, 2012, at an interest rate of 3.238%.
- B. On April 18, 2012, the County entered into a capital lease agreement for a 2008 Ford Crown Victoria in the amount of \$12,400 with payments of \$1,084 due quarterly beginning July 18, 2012, at an interest rate of 3.00% for a term of 3 years.
- C. On February 5, 2013, the County entered into a retail installment loan contract for the purchase of a 2013 Chevy Silverado beginning in March 2013 for the amount of \$22,496 with monthly payments of \$415 at an interest rate of 3.99% for a term of 5 years.
- D. On November 1, 2013, the County entered into a Governmental Obligation Contract to purchase a 2013 Volvo G940B Motor Grader in the amount of \$80,050 with annual payments of \$12,989 due annually beginning November 1, 2014, at an interest rate of 3.29% for a term of 7 years.
- E. On January 27, 2014, the County entered into a lease-purchase agreement for a 2014 UD Motor Grader for the amount of \$74,064 (net of trade-in) with annual payments of \$16,191 starting January 27, 2015, with an interest rate of 3.00% for a term of 5 years.

At December 31, 2014, the County's total long-term debt is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 50,806	\$ 6,433
2016	51,356	4,800
2017	31,050	3,121
2018	27,863	2,150
2019	27,889	1,293
2020	12,576	414
	<u>\$ 201,540</u>	<u>\$ 18,211</u>

July 22, 2015

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the County Commission
and Officeholders of
Schuyler County, MO

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the county funds of Schuyler County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Schuyler County, Missouri's basic financial statements, and have issued our report thereon dated July 22, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Schuyler County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Schuyler County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Schuyler County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**SCHUYLER COUNTY, MISSOURI
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Schuyler County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted one immaterial instance of noncompliance we have reported to Schuyler County, Missouri in the accompanying Schedule of Findings and Responses as item 1.

Schuyler County, Missouri's Response to Finding

Schuyler County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Schuyler County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

**SCHUYLER COUNTY, MISSOURI
SUMMARY OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

OTHER MATTER

1. Budgetary Noncompliance on Overspending of Budgets

Condition: The County Commission approved excess expenditures in various county funds as follows:

1. For the year ended December 31, 2014, the Law Sales Fund, Senior Citizen Fund, and the Domestic Violence Fund total expenditures exceeded the total budgeted appropriation by \$7,006, \$789, and \$4, respectively.
2. For the year ended December 31, 2013, the Law Sales Fund, Bad Check Fund, and the Law Enforcement Restitution Fund total expenditures exceeded the total budgeted appropriation by \$1,099, \$315, and \$11, respectively.

Criteria: Section 50.540 RSMo, requires a budget be prepared for all county funds and the budget be revised prior to authorizing expenditures in excess of the budget.

Cause: The County Commission, County Clerk, and other elected officials did not take appropriate measures to keep expenditures within the budgetary appropriations.

Effect: The County Commission, County Clerk, and other elected officials did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendation:

The County Commission, County Clerk, and other elected officials should keep total expenditures within the total appropriations for each county fund budgeted. If additional expenditures are considered necessary, appropriate budgetary amendments should be made and properly approved.

Response: *The recommendation will be implemented and we will make sure that all future budgets are not over budget.*

**SCHUYLER COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on the action taken by Schuyler County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2012 and 2011 by an independent accounting firm.

1. It was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Status: Partially implemented. The County is under the regulatory basis by preparation of a budget document to the state and this is used as its financial statements. The County does assist in reviewing the audit report and financial statements to take responsibility.

2. Documentation of the County's internal control has not been prepared.

Status: Partially implemented. An internal control policy document has been undertaken by county officials.

3. The County did not have a formal fraud risk assessment in place.

Status: Partially implemented. The County is presently working on developing a fraud risk policy to be added to the internal control policy.

4. Actual expenditures exceeded the budgeted expenditures in a few funds.

Status: Not implemented. Actual expenditures exceeded total budgeted expenditures in the Law Sales Fund, Senior Citizen Fund and the Domestic Violence Fund for the year ended December 31, 2014 and in the Law Sales Fund, Bad Check Fund and the Law Enforcement Restitution Fund for the year ended December 31, 2013. See current finding 2014-01.

5. Cash disbursements were being paid without approval from each respective elected officials' office.

Status: Implemented.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Clinton County Collector and Property Tax System



September 2015
Report No. 2015-075

<http://auditor.mo.gov>

Clinton County Collector and Property Tax System

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
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Status of Findings*

1.1	County Collector's Controls and Procedures - County Collector duties	3
1.2	County Collector's Controls and Procedures - Receipting and depositing	3
1.3	County Collector's Controls and Procedures - Bank accounts and reconciliations	4
1.4	County Collector's Controls and Procedures - Disbursements	5
2.	Property Tax System.....	5

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
County Collector
Clinton County, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2015-009, *Clinton County Collector and Property Tax System* (rated as Poor), issued in February 2015, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed documentation provided by county officials and held discussions with the officials to verify the status of implementation for the recommendations. Documentation provided by the county included bank statements and reconciliations, monthly settlements, receipt and disbursement records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during June and July 2015.

Nicole R. Galloway, CPA
State Auditor

Clinton County Collector and Property Tax System

Follow-Up Report on Audit Findings

Status of Findings

1.1 County Collector's Controls and Procedures - County Collector duties	The County Collector's duties were not routinely performed in the County Collector's office in the Clinton County courthouse and the County Collector was not present to oversee day to day operations of the office or her office staff. Monies in the County Collector's office were not stored according to normal office procedures, making them prone to loss and theft. After auditors inquired about approximately \$50,000 in deposits in transit listed on the most recent bank reconciliation, the Deputy Collector found 2 money bags with \$46,208 in cash (including \$42,000 in \$100 and \$50 denominations) in a cabinet in the office closet.
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Recommendation	The County Collector adequately perform or delegate and oversee the duties of the office of County Collector and account for monies found in the closet.
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Status	<p>In Progress</p> <p>On May 31, 2014, a vacancy occurred in the County Collector's office due to County Collector Sharon Cockrum's resignation. The Governor appointed Shelly King as County Collector and she served from June 17, 2014, until March 2, 2015, at which time newly elected County Collector Michele Wells took office.</p> <p>The County Collector now comes to the office on a daily basis and oversees the operations of her office. Based on an inspection of the office, including the closet where money was previously found, all monies seem to be adequately stored either in a cash drawer or in the safe. The Deputy County Collector deposited the cash found in the office closet on May 29, 2014; however, no corresponding distributions were made at that time. As discussed in the status to section 1.4, the current County Collector is working to identify and distribute monies remaining in accounts prior to her taking office.</p>
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1.2 County Collector's Controls and Procedures - Receipting and depositing	The County Collector did not always receipt monies timely and in some cases did not issue receipts. In addition, deposits were not always identifiable by the composition of receipts, cash and checks shown as received on the same date were often deposited separately and on different dates, and deposits were not made timely or intact.
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Recommendation	The County Collector ensure all monies received are issued receipt slips, timely receipted, and deposits are made intact and timely.
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Status	<p>Implemented</p> <p>The County Collector's office now issues receipt slips for all monies received. Monies received for duplicate property tax receipts, which was previously not receipted or turned over, are now receipted and turned over to the County Treasurer monthly. The monthly settlement showed duplicate</p>
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Clinton County Collector and Property Tax System
Follow-up Report on Audit Findings
Status of Findings

receipt collections of \$386 receipted and turned over for May 2015. The County Collector indicated she ensures the composition of receipts per the system matches the composition of receipts deposited daily. A review of deposit slips and subsequent comparison to check registers for May 2015 indicated that monies were deposited intact and timely.

**1.3 County Collector's
Controls and Procedures
- Bank accounts and
reconciliations**

The County Collector's office did not prepare bank reconciliations for 4 of the 5 bank accounts, maintain a check register for 4 bank accounts, or identify or reconcile liabilities with cash balances for any of the 5 bank accounts. In the main account, bank reconciliations were not performed from December 2013 through April 2014, bank reconciliations from March 2013 through November 2013 were insufficient, a check register was not prepared from January 2014 through May 2014, and the check register did not contain sufficient information when prepared. Additionally, a listing of liabilities was not prepared or reconciled with cash balances for the County Collector's main account. The County Collector had not established procedures to ensure bank statements were reviewed for the credit card, partial payment, protested tax, and Tax Maintenance Fund accounts. When reconciliations were performed for the County Collector's main account, the County Collector did not investigate differences; instead an adjustment for the amount was entered in the check register to account for the difference.

Recommendation

The County Collector maintain a check register for all bank accounts. In addition, the County Collector should prepare and document bank reconciliations on a monthly basis and compare lists of liabilities to the reconciled balance. An attempt should be made to identify and resolve the differences in the cash balance that currently exist in the main account.

Status

In Progress

The County Collector established new bank accounts when taking office on March 2, 2015, and a check register is now maintained for all accounts. The monthly settlements are utilized to disburse monies and bank reconciliations are prepared for each account monthly and timely. The reconciled bank balance is compared to a list of liabilities for each of the County Collector's accounts. We reviewed check registers, bank reconciliations, and related lists of liabilities for May 2015 for all 5 accounts and noted liabilities agreed to the reconciled balance.

The County Collector is working to resolve the balances remaining when she took office in the main, protested tax, and partial payment accounts. The County Collector indicated she is in the process of determining a reasonable method of distributing this money to the taxing authorities. She indicated some of it was collected prior to 2008 and there are no records showing who that money should be distributed to.



Clinton County Collector and Property Tax System
Follow-up Report on Audit Findings
Status of Findings

1.4 County Collector's
Controls and Procedures
- Disbursements

The County Collector did not adequately evaluate liabilities when reconciliations were performed. As a result, the County Collector did not disburse some monies timely.

Recommendation

The County Collector distribute collections of interest, surtax, and tax sales timely.

Status

In Progress

The County Collector disburses monthly collections, including interest, timely. We reviewed the May 2015 disbursements and determined interest was disbursed to political subdivisions appropriately. Surtax received was also distributed in May 2015 and the County Collector indicated she will distribute surtax collections at least annually. Interest collected prior to the current County Collector taking office has not been distributed. The County Collector indicated she will distribute the accumulated interest once she determines the appropriate way to do it.

2. Property Tax System

The County Clerk and County Commission did not provide adequate monitoring over property tax system activities.

2.1 Annual settlements

The County Collector did not file the annual settlement for the year ended February 28, 2014, timely.

Recommendation

The County Collector file timely annual settlements.

Status

In Progress

The current County Collector is in the process of preparing the annual settlement for the period ended February 28, 2015. The interim County Collector did not complete the annual settlement before leaving office and did not leave monthly settlement reports necessary to complete the settlement. The current County Collector is recreating the reports from system information in order to prepare the annual settlement.

2.2 Additions and
abatements

The County Clerk and County Commission did not adequately review property tax additions and abatements. The County Clerk prepared court orders monthly indicating only the grand totals of additions and abatements for the County Commission to approve based on reports the County Clerk generated from the property tax system. The County Clerk did not receive information from the County Assessor's office to verify the additions and abatements information in the property tax system. In addition, the County Collector had access in the property tax system to make addition and abatement changes and could also make address changes, enter tax rates, and outlaw taxes.



Clinton County Collector and Property Tax System
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The County Commission and the County Clerk develop procedures to ensure all property tax additions and abatements are properly approved and monitored. In addition, the County Collector ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.

Status

Partially Implemented

The County Commission now reviews, approves and signs a detailed report of all additions and abatements in the property tax system on a monthly basis. The County Clerk generates this list from the property tax system and compares it to addition and abatement forms from the County Assessor to verify the information in the system. We reviewed additions and abatements made for the month of May 2015 and the Presiding Commissioner signed the report. County officials indicated there have been no changes or plans to change the ability of the County Collector to make additions and abatements within the property tax system due to limitations in the system used by the County Assessor's office.

2.3 Review of activity

Neither the County Commission nor the County Clerk adequately reviewed the annual settlements of the County Collector. The County Clerk did not investigate the identified differences between the County Clerk's account book and the County Collector's reports from the property tax system. In addition, the County Commission did not perform procedures to verify the accuracy and completeness of the County Collector's annual settlements.

Recommendation

The County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Status

In Progress

The County Collector has not completed the annual settlement for the year ended February 28, 2015. The County Collector has prepared monthly settlements since taking office in March 2015. The County Clerk uses reports from the property tax system and addition and abatement forms from the County Assessor to maintain an account book. The County Clerk uses the account book to review the accuracy and completeness of the County Collector's monthly settlements. We reviewed the account book and monthly settlement for May 2015 and noted no discrepancies.

2.4 Password controls

The County Collector had not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees were not required to change passwords on a periodic basis and employees shared passwords.



Clinton County Collector and Property Tax System
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The County Collector require unique passwords for each employee that are kept confidential and periodically changed, to prevent unauthorized access to the County Collector's computers and data.

Status

Implemented

The County Collector utilizes individual confidential passwords for each user and requires employees change their passwords at least every 90 days.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Butler County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Butler County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-076

**The County of Butler
Poplar Bluff, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2014 & 2013**



**The County of Butler
Poplar Bluff, Missouri
Table of Contents**

<u>Financial Section</u>	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2014.....	3
For the year ended December 31, 2013.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2014 and 2013.....	5
Notes to the Financial Statements.....	21
<u>Federal Compliance Section</u>	
Report on Internal Control over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	33
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	35
Schedule of Expenditures of Federal Awards.....	37
Notes to the Schedule of Expenditures of Federal Awards.....	39
Schedule of Findings and Questioned Costs.....	40
Schedule of Prior Year Audit Findings.....	44



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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Butler County, Missouri

We have audited the accompanying financial statements of Butler County, Missouri, as of and for the years ended December 31, 2014 and 2013, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Butler County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Butler County, Missouri, as of December 31, 2014 and 2013, or the changes in its financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Butler County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Matters

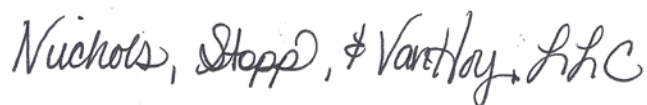
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Butler County, Missouri’s basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2015, on our consideration of Butler County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Butler County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri
July 13, 2015

The County of Butler
Poplar Bluff, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2014

<u>Fund</u>	Cash and Equivalents January 1, 2014	Receipts 2014	Disbursements 2014	Cash and Equivalents December 31, 2014
General Revenue	\$ 1,579,586	\$ 4,080,182	\$ 4,445,301	\$ 1,214,467
Special Road and Bridge	591,325	2,978,786	3,175,574	394,537
Assessment	260,074	483,186	474,583	268,677
Law Enforcement Training	1,183	6,186	5,059	2,310
Law Enforcement Complex	450,528	3,262,722	3,149,201	564,049
Prosecuting Attorney Training	1,451	1,056	1,478	1,029
Prosecuting Attorney Delinquent Tax	1,696	387	1,139	944
Prosecuting Attorney Bad Check	112,553	41,067	65,125	88,495
Prosecuting Attorney Administrative Handling Cost	4,882	7,288	-	12,170
Eastern Capital Improvement	607,448	912,178	1,057,522	462,104
Western Capital Improvement	567,641	911,890	1,065,126	414,405
Care of the Handicapped (SB40)	436,560	553,652	707,867	282,345
Senior Citizens Service Board	108,255	272,972	243,925	137,302
Drainage District #12	28,335	3,084	420	30,999
Domestic Violence	256	9,081	4,393	4,944
Sheriff Commissary	3,010	40,705	38,742	4,973
Community Policing (DARE)	7	1,000	631	376
Sheriff Drug	1,289	1,350	2,210	429
911	45,908	137,191	173,225	9,874
Special Election	54,284	188,307	182,347	60,244
Recorder User Fee	282,045	25,640	16,490	291,195
Health and Dental Escrow	62,824	1,449,586	1,413,530	98,880
Collector's Tax Maintenance	285,363	73,717	110,551	248,529
Law Enforcement Restitution	12,834	12,699	11,780	13,753
Sheriff Civil Fees	9,070	35,636	33,409	11,297
Sheriff Revolving	12,732	35,641	42,558	5,815
Community Development Block Grant	121	157,847	157,847	121
Delta Regional Authority	80	29,609	29,609	80
Total	<u>\$ 5,521,340</u>	<u>\$ 15,712,645</u>	<u>\$ 16,609,642</u>	<u>\$ 4,624,343</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2013

<u>Fund</u>	Cash and Equivalents January 1, 2013 (restated)	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue	\$ 2,061,597	\$ 4,254,665	\$ 4,736,676	\$ 1,579,586
Special Road and Bridge	774,186	2,541,196	2,724,057	591,325
Assessment	287,887	450,502	478,315	260,074
Law Enforcement Training	4,458	5,768	9,043	1,183
Law Enforcement Complex	284,526	3,415,616	3,249,614	450,528
Prosecuting Attorney Training	1,050	981	580	1,451
Prosecuting Attorney Delinquent Tax	928	1,360	592	1,696
Prosecuting Attorney Bad Check	140,235	50,687	78,369	112,553
Prosecuting Attorney Administrative Handling Cost	-	4,882	-	4,882
Eastern Capital Improvement	696,336	853,611	942,499	607,448
Western Capital Improvement	710,416	853,421	996,196	567,641
Care of the Handicapped (SB40)	617,414	507,701	688,555	436,560
Senior Citizens Service Board	94,080	248,366	234,191	108,255
Drainage District #12	26,460	2,715	840	28,335
Domestic Violence	5,657	9,440	14,841	256
Sheriff Commissary	3,179	40,284	40,453	3,010
Community Policing (DARE)	834	100	927	7
Sheriff Drug	2,296	-	1,007	1,289
911	66,542	143,366	164,000	45,908
Special Election	(1,220)	159,708	104,204	54,284
Recorder User Fee	283,867	27,818	29,640	282,045
Health and Dental Escrow	40,289	1,333,448	1,310,913	62,824
Collector's Tax Maintenance	266,800	71,279	52,716	285,363
Law Enforcement Restitution	4,552	8,282	-	12,834
Sheriff Civil Fees	26,577	35,401	52,908	9,070
Sheriff Revolving	11,515	51,251	50,034	12,732
Community Development Block Grant	121	144,014	144,014	121
Delta Regional Authority	80	-	-	80
Total	<u>\$ 6,410,662</u>	<u>\$ 15,215,862</u>	<u>\$ 16,105,184</u>	<u>\$ 5,521,340</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	General Revenue Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 552,000	\$ 600,904	\$ 554,000	\$ 555,098
Sales Taxes	2,017,000	2,224,529	2,000,000	2,079,361
Intergovernmental	649,577	273,772	756,769	300,822
Charges for Services	974,042	940,191	1,201,600	1,205,240
Interest	14,000	12,931	12,000	15,975
Other Receipts	52,900	27,855	43,300	98,169
Transfers In	15,000	-	-	-
Total Receipts	<u>\$ 4,274,519</u>	<u>\$ 4,080,182</u>	<u>\$ 4,567,669</u>	<u>\$ 4,254,665</u>
<u>Disbursements</u>				
General County Government:				
County Commission	\$ 139,594	\$ 135,191	\$ 135,965	\$ 130,257
County Clerk	174,774	162,851	172,586	160,699
Elections	177,500	149,875	77,500	35,423
Buildings and Grounds	511,621	358,208	561,665	407,144
Employee Fringe Benefits	986,400	870,703	1,022,500	930,265
County Treasurer	108,138	101,247	105,309	97,483
County Collector	192,055	159,129	168,689	154,683
Recorder of Deeds	205,561	184,462	197,437	197,127
Circuit Clerk	95,000	47,186	95,000	69,162
Court Administration	21,075	10,003	20,200	12,224
Public Administrator	149,479	129,978	146,143	131,382
Public Safety:				
Prosecuting Attorney	331,893	326,184	310,270	300,495
Juvenile Officer	282,996	269,193	259,346	233,117
County Coroner	109,574	81,960	100,653	68,442
Other:				
Child Support Enforcement	124,541	120,700	262,300	241,308
Youth Services Program	51,987	51,821	53,096	53,525
Civil Defense	98,775	84,593	99,743	81,174
Truancy Program	109,784	73,649	137,008	88,851
Other Disbursements	768,709	325,968	960,343	352,315
Health and Welfare Services	5,000	2,400	5,000	1,600
Transfers Out	800,000	800,000	990,000	990,000
Emergency Fund	400,000	-	500,000	-
Total Disbursements	<u>\$ 5,844,456</u>	<u>\$ 4,445,301</u>	<u>\$ 6,380,753</u>	<u>\$ 4,736,676</u>
Receipts Over (Under)				
Disbursements	\$ (1,569,937)	\$ (365,119)	\$ (1,813,084)	\$ (482,011)
Cash and Equivalents, Jan 1	<u>1,579,586</u>	<u>1,579,586</u>	<u>2,061,597</u>	<u>2,061,597</u>
Cash and Equivalents, Dec 31	<u>\$ 9,649</u>	<u>\$ 1,214,467</u>	<u>\$ 248,513</u>	<u>\$ 1,579,586</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Road and Bridge Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 171,500	\$ 192,919	\$ 182,000	\$ 177,462
Sales Taxes	850,000	953,369	866,000	891,155
Intergovernmental	2,041,000	1,623,283	1,613,010	1,259,752
Charges for Services	-	-	-	-
Interest	3,000	2,757	1,000	4,310
Other Receipts	1,000	6,458	-	8,517
Transfers In	200,000	200,000	200,000	200,000
Total Receipts	<u>\$ 3,266,500</u>	<u>\$ 2,978,786</u>	<u>\$ 2,862,010</u>	<u>\$ 2,541,196</u>
<u>Disbursements</u>				
Salaries	\$ 1,340,000	\$ 1,350,620	\$ 1,349,300	\$ 1,312,076
Employee Fringe Benefits	870,000	821,430	807,000	785,429
Supplies	485,000	453,598	685,000	411,062
Insurance	105,000	97,424	95,000	92,993
Road and Bridge Materials	5,000	1,808	5,000	4,255
Equipment Repairs	20,000	-	20,000	361
Rentals	1,500	500	1,500	1,146
Road and Bridge Construction	915,000	399,027	531,000	78,680
Other Expenditures	71,500	51,167	51,500	38,055
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 3,813,000</u>	<u>\$ 3,175,574</u>	<u>\$ 3,545,300</u>	<u>\$ 2,724,057</u>
Receipts Over (Under)				
Disbursements	\$ (546,500)	\$ (196,788)	\$ (683,290)	\$ (182,861)
Cash and Equivalents, Jan 1	<u>591,325</u>	<u>591,325</u>	<u>774,186</u>	<u>774,186</u>
Cash and Equivalents, Dec 31	<u><u>\$ 44,825</u></u>	<u><u>\$ 394,537</u></u>	<u><u>\$ 90,896</u></u>	<u><u>\$ 591,325</u></u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Assessment Fund				Law Enforcement Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	449,121	464,184	408,100	432,199	-	-	1,900	1,972
Charges for Services	760	2,147	3,108	3,719	6,350	6,056	4,250	3,796
Interest	2,750	2,908	150	2,979	-	-	-	-
Other Receipts	19,650	13,947	-	11,605	-	130	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 472,281</u>	<u>\$ 483,186</u>	<u>\$ 411,358</u>	<u>\$ 450,502</u>	<u>\$ 6,350</u>	<u>\$ 6,186</u>	<u>\$ 6,150</u>	<u>\$ 5,768</u>
Disbursements								
Salaries	\$ 259,368	\$ 258,373	\$ 261,397	\$ 261,397	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	153,000	135,747	141,000	130,839	-	-	-	-
Materials and Supplies	31,320	28,151	46,200	25,303	-	-	-	-
Services	25,500	22,132	24,800	21,135	7,500	5,059	8,400	7,543
Other Expenditures	35,400	9,380	35,400	19,641	-	-	2,000	1,500
Capital Outlay	72,000	20,800	56,500	20,000	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 576,588</u>	<u>\$ 474,583</u>	<u>\$ 565,297</u>	<u>\$ 478,315</u>	<u>\$ 7,500</u>	<u>\$ 5,059</u>	<u>\$ 10,400</u>	<u>\$ 9,043</u>
Receipts Over (Under)								
Disbursements	\$ (104,307)	\$ 8,603	\$ (153,939)	\$ (27,813)	\$ (1,150)	\$ 1,127	\$ (4,250)	\$ (3,275)
Cash and Equivalents, Jan 1	<u>260,074</u>	<u>260,074</u>	<u>287,887</u>	<u>287,887</u>	<u>1,183</u>	<u>1,183</u>	<u>4,458</u>	<u>4,458</u>
Cash and Equivalents, Dec 31	<u>\$ 155,767</u>	<u>\$ 268,677</u>	<u>\$ 133,948</u>	<u>\$ 260,074</u>	<u>\$ 33</u>	<u>\$ 2,310</u>	<u>\$ 208</u>	<u>\$ 1,183</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Complex Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	1,600,000	1,588,951	1,545,000	1,485,261
Intergovernmental	639,143	644,883	451,746	589,585
Charges for Services	152,000	157,582	215,000	115,404
Interest	2,250	3,033	2,000	2,370
Other Receipts	60,000	78,273	81,000	220,496
Transfers In	801,000	790,000	1,008,500	1,002,500
Total Receipts	<u>\$ 3,254,393</u>	<u>\$ 3,262,722</u>	<u>\$ 3,303,246</u>	<u>\$ 3,415,616</u>
 <u>Disbursements</u>				
Sheriff	\$ 1,578,414	\$ 1,479,898	\$ 1,291,906	\$ 1,264,096
Jail	676,772	703,682	626,223	646,534
Employee Fringe Benefits	774,500	695,237	700,586	631,645
Building and Grounds	283,700	270,384	727,100	707,339
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 3,313,386</u>	<u>\$ 3,149,201</u>	<u>\$ 3,345,815</u>	<u>\$ 3,249,614</u>
 Receipts Over (Under)				
Disbursements	\$ (58,993)	\$ 113,521	\$ (42,569)	\$ 166,002
 Cash and Equivalents, Jan 1	<u>450,528</u>	<u>450,528</u>	<u>284,526</u>	<u>284,526</u>
 Cash and Equivalents, Dec 31	<u><u>\$ 391,535</u></u>	<u><u>\$ 564,049</u></u>	<u><u>\$ 241,957</u></u>	<u><u>\$ 450,528</u></u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Prosecuting Attorney Training Fund				Prosecuting Attorney Delinquent Tax Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,200	387	1,500	1,360
Charges for Services	900	1,056	1,050	981	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 900</u>	<u>\$ 1,056</u>	<u>\$ 1,050</u>	<u>\$ 981</u>	<u>\$ 1,200</u>	<u>\$ 387</u>	<u>\$ 1,500</u>	<u>\$ 1,360</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,000	1,478	1,000	580	500	-	1,000	-
Other Expenditures	-	-	-	-	1,700	1,139	800	592
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 1,478</u>	<u>\$ 1,000</u>	<u>\$ 580</u>	<u>\$ 2,200</u>	<u>\$ 1,139</u>	<u>\$ 1,800</u>	<u>\$ 592</u>
Receipts Over (Under)								
Disbursements	\$ (1,100)	\$ (422)	\$ 50	\$ 401	\$ (1,000)	\$ (752)	\$ (300)	\$ 768
Cash and Equivalents, Jan 1	<u>1,451</u>	<u>1,451</u>	<u>1,050</u>	<u>1,050</u>	<u>1,696</u>	<u>1,696</u>	<u>928</u>	<u>928</u>
Cash and Equivalents, Dec 31	<u>\$ 351</u>	<u>\$ 1,029</u>	<u>\$ 1,100</u>	<u>\$ 1,451</u>	<u>\$ 696</u>	<u>\$ 944</u>	<u>\$ 628</u>	<u>\$ 1,696</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Prosecuting Attorney Bad Check Fund				Prosecuting Attorney Administrative Handling Cost Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	50,000	40,175	60,000	49,645	10,000	7,177	-	4,880
Interest	1,000	886	1,000	1,032	-	111	-	2
Other Receipts	-	6	-	10	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 51,000	\$ 41,067	\$ 61,000	\$ 50,687	\$ 10,000	\$ 7,288	\$ -	\$ 4,882
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	40,000	23,590	43,500	34,376	-	-	-	-
Services	10,600	3,242	10,600	7,903	3,000	-	-	-
Other Expenditures	33,800	12,979	35,000	14,922	7,000	-	-	-
Capital Outlay	39,000	25,314	36,000	21,168	-	-	-	-
Transfers Out	-	-	30,000	-	-	-	-	-
Total Disbursements	\$ 123,400	\$ 65,125	\$ 155,100	\$ 78,369	\$ 10,000	\$ -	\$ -	\$ -
Receipts Over (Under)								
Disbursements	\$ (72,400)	\$ (24,058)	\$ (94,100)	\$ (27,682)	\$ -	\$ 7,288	\$ -	\$ 4,882
Cash and Equivalents, Jan 1	112,553	112,553	140,235	140,235	4,882	4,882	-	-
Cash and Equivalents, Dec 31	\$ 40,153	\$ 88,495	\$ 46,135	\$ 112,553	\$ 4,882	\$ 12,170	\$ -	\$ 4,882

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Eastern Capital Improvement Fund				Western Capital Improvement Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	735,000	794,475	725,000	742,629	735,000	794,475	725,000	742,629
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3,000	4,640	3,000	5,482	3,000	4,352	3,000	5,292
Other Receipts	113,068	113,063	105,000	105,500	113,068	113,063	105,000	105,500
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 851,068</u>	<u>\$ 912,178</u>	<u>\$ 833,000</u>	<u>\$ 853,611</u>	<u>\$ 851,068</u>	<u>\$ 911,890</u>	<u>\$ 833,000</u>	<u>\$ 853,421</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	1,370,000	1,057,522	1,310,000	942,499	1,370,000	1,065,126	1,310,000	996,196
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,370,000</u>	<u>\$ 1,057,522</u>	<u>\$ 1,310,000</u>	<u>\$ 942,499</u>	<u>\$ 1,370,000</u>	<u>\$ 1,065,126</u>	<u>\$ 1,310,000</u>	<u>\$ 996,196</u>
Receipts Over (Under)								
Disbursements	\$ (518,932)	\$ (145,344)	\$ (477,000)	\$ (88,888)	\$ (518,932)	\$ (153,236)	\$ (477,000)	\$ (142,775)
Cash and Equivalents, Jan 1	<u>607,448</u>	<u>607,448</u>	<u>696,336</u>	<u>696,336</u>	<u>567,641</u>	<u>567,641</u>	<u>710,416</u>	<u>710,416</u>
Cash and Equivalents, Dec 31	<u>\$ 88,516</u>	<u>\$ 462,104</u>	<u>\$ 219,336</u>	<u>\$ 607,448</u>	<u>\$ 48,709</u>	<u>\$ 414,405</u>	<u>\$ 233,416</u>	<u>\$ 567,641</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Care of the Handicapped (SB40) Fund				Senior Citizens Service Board Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 455,500	\$ 547,572	\$ 500,000	\$ 502,059	\$ 230,000	\$ 270,408	\$ 259,500	\$ 234,668
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	600	2,132	1,100	729	5,200	1,064	200	12,452
Charges for Services	-	-	-	-	-	-	-	-
Interest	3,000	3,948	2,500	4,913	500	1,500	100	1,246
Other Receipts	-	-	-	-	-	-	200	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 459,100</u>	<u>\$ 553,652</u>	<u>\$ 503,600</u>	<u>\$ 507,701</u>	<u>\$ 235,700</u>	<u>\$ 272,972</u>	<u>\$ 260,000</u>	<u>\$ 248,366</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	706,464	706,464	688,627	687,152	260,420	242,665	254,620	233,210
Other Expenditures	3,000	1,403	3,000	1,403	18,000	1,260	18,000	981
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 709,464</u>	<u>\$ 707,867</u>	<u>\$ 691,627</u>	<u>\$ 688,555</u>	<u>\$ 278,420</u>	<u>\$ 243,925</u>	<u>\$ 272,620</u>	<u>\$ 234,191</u>
Receipts Over (Under)								
Disbursements	\$ (250,364)	\$ (154,215)	\$ (188,027)	\$ (180,854)	\$ (42,720)	\$ 29,047	\$ (12,620)	\$ 14,175
Cash and Equivalents, Jan 1	<u>436,560</u>	<u>436,560</u>	<u>617,414</u>	<u>617,414</u>	<u>108,255</u>	<u>108,255</u>	<u>94,080</u>	<u>94,080</u>
Cash and Equivalents, Dec 31	<u>\$ 186,196</u>	<u>\$ 282,345</u>	<u>\$ 429,387</u>	<u>\$ 436,560</u>	<u>\$ 65,535</u>	<u>\$ 137,302</u>	<u>\$ 81,460</u>	<u>\$ 108,255</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Drainage District #12 Fund				Domestic Violence Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 2,000	\$ 2,832	\$ 2,000	\$ 2,490	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	9,400	9,081	9,400	9,440
Interest	150	252	100	225	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,150</u>	<u>\$ 3,084</u>	<u>\$ 2,100</u>	<u>\$ 2,715</u>	<u>\$ 9,400</u>	<u>\$ 9,081</u>	<u>\$ 9,400</u>	<u>\$ 9,440</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	9,440	4,393	14,600	14,841
Capital Outlay	30,340	420	24,840	840	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 30,340</u>	<u>\$ 420</u>	<u>\$ 24,840</u>	<u>\$ 840</u>	<u>\$ 9,440</u>	<u>\$ 4,393</u>	<u>\$ 14,600</u>	<u>\$ 14,841</u>
Receipts Over (Under)								
Disbursements	\$ (28,190)	\$ 2,664	\$ (22,740)	\$ 1,875	\$ (40)	\$ 4,688	\$ (5,200)	\$ (5,401)
Cash and Equivalents, Jan 1	<u>28,335</u>	<u>28,335</u>	<u>26,460</u>	<u>26,460</u>	<u>256</u>	<u>256</u>	<u>5,657</u>	<u>5,657</u>
Cash and Equivalents, Dec 31	<u>\$ 145</u>	<u>\$ 30,999</u>	<u>\$ 3,720</u>	<u>\$ 28,335</u>	<u>\$ 216</u>	<u>\$ 4,944</u>	<u>\$ 457</u>	<u>\$ 256</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Sheriff Commissary Fund				Community Policing (Drug Abuse Resistance Education) Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	40,000	40,705	40,000	40,284	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	3,000	1,000	3,000	100
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 40,000	\$ 40,705	\$ 40,000	\$ 40,284	\$ 3,000	\$ 1,000	\$ 3,000	\$ 100
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	33,500	33,742	32,500	35,453	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	3,000	631	3,000	927
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	6,000	5,000	6,000	5,000	-	-	-	-
Total Disbursements	\$ 39,500	\$ 38,742	\$ 38,500	\$ 40,453	\$ 3,000	\$ 631	\$ 3,000	\$ 927
Receipts Over (Under)								
Disbursements	\$ 500	\$ 1,963	\$ 1,500	\$ (169)	\$ -	\$ 369	\$ -	\$ (827)
Cash and Equivalents, Jan 1	3,010	3,010	3,179	3,179	7	7	834	834
Cash and Equivalents, Dec 31	\$ 3,510	\$ 4,973	\$ 4,679	\$ 3,010	\$ 7	\$ 376	\$ 834	\$ 7

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Sheriff Drug Fund				911 Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	135,000	136,574	120,000	142,593
Intergovernmental	40,000	1,350	50,000	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	500	617	500	773
Other Receipts	10,000	-	3,000	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 50,000</u>	<u>\$ 1,350</u>	<u>\$ 53,000</u>	<u>\$ -</u>	<u>\$ 135,500</u>	<u>\$ 137,191</u>	<u>\$ 120,500</u>	<u>\$ 143,366</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	5,000	2,210	-	-	50,000	51,115	55,000	43,736
Other Expenditures	5,000	-	5,000	-	15,000	7,110	15,000	5,264
Capital Outlay	40,000	-	45,000	1,007	-	-	-	-
Transfers Out	-	-	-	-	115,000	115,000	115,000	115,000
Total Disbursements	<u>\$ 50,000</u>	<u>\$ 2,210</u>	<u>\$ 50,000</u>	<u>\$ 1,007</u>	<u>\$ 180,000</u>	<u>\$ 173,225</u>	<u>\$ 185,000</u>	<u>\$ 164,000</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (860)	\$ 3,000	\$ (1,007)	\$ (44,500)	\$ (36,034)	\$ (64,500)	\$ (20,634)
Cash and Equivalents, Jan 1	<u>1,289</u>	<u>1,289</u>	<u>2,296</u>	<u>2,296</u>	<u>45,908</u>	<u>45,908</u>	<u>66,542</u>	<u>66,542</u>
Cash and Equivalents, Dec 31	<u>\$ 1,289</u>	<u>\$ 429</u>	<u>\$ 5,296</u>	<u>\$ 1,289</u>	<u>\$ 1,408</u>	<u>\$ 9,874</u>	<u>\$ 2,042</u>	<u>\$ 45,908</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Election Fund				Recorder User Fee Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	226,369	188,181	199,422	159,708	-	-	-	-
Charges for Services	-	-	-	-	20,000	21,278	21,500	23,761
Interest	-	126	-	-	2,000	4,362	2,500	4,057
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 226,369</u>	<u>\$ 188,307</u>	<u>\$ 199,422</u>	<u>\$ 159,708</u>	<u>\$ 22,000</u>	<u>\$ 25,640</u>	<u>\$ 24,000</u>	<u>\$ 27,818</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	129,000	118,017	97,500	40,872	-	-	-	-
Services	65,500	49,609	55,000	32,190	-	-	-	-
Other Expenditures	81,369	14,721	35,000	31,142	96,000	15,990	130,000	22,990
Capital Outlay	-	-	-	-	27,000	500	50,000	6,650
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 275,869</u>	<u>\$ 182,347</u>	<u>\$ 187,500</u>	<u>\$ 104,204</u>	<u>\$ 123,000</u>	<u>\$ 16,490</u>	<u>\$ 180,000</u>	<u>\$ 29,640</u>
Receipts Over (Under)								
Disbursements	\$ (49,500)	\$ 5,960	\$ 11,922	\$ 55,504	\$ (101,000)	\$ 9,150	\$ (156,000)	\$ (1,822)
Cash and Equivalents, Jan 1	<u>54,284</u>	<u>54,284</u>	<u>(1,220)</u>	<u>(1,220)</u>	<u>282,045</u>	<u>282,045</u>	<u>283,867</u>	<u>283,867</u>
Cash and Equivalents, Dec 31	<u>\$ 4,784</u>	<u>\$ 60,244</u>	<u>\$ 10,702</u>	<u>\$ 54,284</u>	<u>\$ 181,045</u>	<u>\$ 291,195</u>	<u>\$ 127,867</u>	<u>\$ 282,045</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Health and Dental Escrow Fund				Collector's Tax Maintenance Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	70,000	69,333	70,000	67,226
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	3,000	4,384	2,000	4,053
Other Receipts	1,390,000	1,449,586	1,380,000	1,333,448	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,390,000	\$ 1,449,586	\$ 1,380,000	\$ 1,333,448	\$ 73,000	\$ 73,717	\$ 72,000	\$ 71,279
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	1,418,300	1,413,530	1,418,300	1,310,913	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	300,000	110,551	300,000	52,716
Transfers Out	-	-	-	-	15,000	-	-	-
Total Disbursements	\$ 1,418,300	\$ 1,413,530	\$ 1,418,300	\$ 1,310,913	\$ 315,000	\$ 110,551	\$ 300,000	\$ 52,716
Receipts Over (Under)								
Disbursements	\$ (28,300)	\$ 36,056	\$ (38,300)	\$ 22,535	\$ (242,000)	\$ (36,834)	\$ (228,000)	\$ 18,563
Cash and Equivalents, Jan 1	62,824	62,824	40,289	40,289	285,363	285,363	266,800	266,800
Cash and Equivalents, Dec 31	\$ 34,524	\$ 98,880	\$ 1,989	\$ 62,824	\$ 43,363	\$ 248,529	\$ 38,800	\$ 285,363

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Restitution Fund				Sheriff Civil Fees Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	20,000	12,699	30,000	8,282	43,500	35,495	48,000	35,221
Interest	-	-	-	-	-	141	150	180
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 20,000	\$ 12,699	\$ 30,000	\$ 8,282	\$ 43,500	\$ 35,636	\$ 48,150	\$ 35,401
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000	-	8,000	-	500	-	500	317
Services	-	-	-	-	-	-	-	-
Other Expenditures	20,000	11,780	-	-	3,000	3,409	3,000	2,591
Capital Outlay	-	-	26,000	-	-	-	-	-
Transfers Out	-	-	-	-	40,000	30,000	55,000	50,000
Total Disbursements	\$ 30,000	\$ 11,780	\$ 34,000	\$ -	\$ 43,500	\$ 33,409	\$ 58,500	\$ 52,908
Receipts Over (Under)								
Disbursements	\$ (10,000)	\$ 919	\$ (4,000)	\$ 8,282	\$ -	\$ 2,227	\$ (10,350)	\$ (17,507)
Cash and Equivalents, Jan 1	12,834	12,834	4,552	4,552	9,070	9,070	26,577	26,577
Cash and Equivalents, Dec 31	<u>\$ 2,834</u>	<u>\$ 13,753</u>	<u>\$ 552</u>	<u>\$ 12,834</u>	<u>\$ 9,070</u>	<u>\$ 11,297</u>	<u>\$ 16,227</u>	<u>\$ 9,070</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Sheriff Revolving Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	50,000	35,641	40,000	51,251
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 50,000</u>	<u>\$ 35,641</u>	<u>\$ 40,000</u>	<u>\$ 51,251</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	500	384	500	1,056
Services	-	-	-	-
Other Expenditures	1,000	1,060	1,000	1,281
Capital Outlay	20,000	1,114	5,000	5,197
Transfers Out	40,000	40,000	42,500	42,500
Total Disbursements	<u>\$ 61,500</u>	<u>\$ 42,558</u>	<u>\$ 49,000</u>	<u>\$ 50,034</u>
Receipts Over (Under)				
Disbursements	\$ (11,500)	\$ (6,917)	\$ (9,000)	\$ 1,217
Cash and Equivalents, Jan 1	<u>12,732</u>	<u>12,732</u>	<u>11,515</u>	<u>11,515</u>
Cash and Equivalents, Dec 31	<u><u>\$ 1,232</u></u>	<u><u>\$ 5,815</u></u>	<u><u>\$ 2,515</u></u>	<u><u>\$ 12,732</u></u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Community Development Block Grant Fund				Delta Regional Authority Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	500,000	157,847	800,000	144,014	150,000	29,609	150,000	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 500,000</u>	<u>\$ 157,847</u>	<u>\$ 800,000</u>	<u>\$ 144,014</u>	<u>\$ 150,000</u>	<u>\$ 29,609</u>	<u>\$ 150,000</u>	<u>\$ -</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	500,000	157,847	800,000	144,014	-	-	-	-
Capital Outlay	-	-	-	-	150,000	29,609	150,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500,000</u>	<u>\$ 157,847</u>	<u>\$ 800,000</u>	<u>\$ 144,014</u>	<u>\$ 150,000</u>	<u>\$ 29,609</u>	<u>\$ 150,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>121</u>	<u>121</u>	<u>121</u>	<u>121</u>	<u>80</u>	<u>80</u>	<u>80</u>	<u>80</u>
Cash and Equivalents, Dec 31	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 80</u>

See Notes to the Financial Statements

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies

Organized in 1849, the county of Butler was named after Kentucky congressman, William O. Butler. It is a third-class county, and the county seat is Poplar Bluff. Butler County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Butler County, Missouri, the Butler County Senior Citizens Service Board, and the Butler County Senate Bill 40 Board.

Butler County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Butler County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Butler County's legal entity. The Butler County Senior Citizens Service Board and the Senate Bill 40 Board is controlled by a separate board and is also included under the control of Butler County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Butler County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If Butler County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Butler County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Domestic Violence Fund, Sheriff Commissary Fund, and Sheriff Revolving Fund.

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Butler County's boundaries for the calendar year 2014 and 2013, respectively, for the purposes of County taxation was as follows:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 391,215,686	\$ 381,299,594
Personal Property	113,572,188	127,056,206
Railroad and Utilities	24,538,885	24,780,434
	<u>\$ 529,326,759</u>	<u>\$ 533,136,234</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2014 and 2013, respectively, for the purpose of County taxation, was as follows:

	<u>2014</u>	<u>2013</u>
General Revenue	\$ 0.9995	\$ 0.9995
Special Road and Bridge	0.0342	0.0342
Care of the Handicapped (SB40)	0.0998	0.1000
Senior Citizens Service Board	0.0496	0.5000

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Butler County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Butler County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of December 31, 2014, 100% of Butler County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2014, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 4,749,221	\$ 4,618,110
Investments	6,233	6,233
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2014	<u>\$ 4,755,454</u>	<u>\$ 4,624,343</u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2013, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 5,896,116	\$ 5,515,138
Investments	6,202	6,202
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2013	<u>\$ 5,902,318</u>	<u>\$ 5,521,340</u>

Note: Bank balances are inclusive of all funds of Butler County, and as such, include balances of unaudited funds which are not included in the scope of this report.

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Butler County's investment policy does not include custodial credit risk requirements. Butler County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014 and 2013.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Butler County or its agent but not in the government's name. Butler County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Butler County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Butler County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Butler County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Butler County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities. Butler County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014 and 2013.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2014 and 2013 are as follows:

<u>Fund</u>	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ -	\$ 800,000	\$ -	\$ 990,000
Special Road and Bridge	200,000	-	200,000	-
Law Enforcement Complex	790,000	-	1,002,500	-
Sheriff Commissary	-	5,000	-	5,000
911	-	115,000	-	115,000
Sheriff Civil Fees	-	30,000	-	50,000
Sheriff Revolving	-	40,000	-	42,500
	<u>\$ 990,000</u>	<u>\$ 990,000</u>	<u>\$ 1,202,500</u>	<u>\$ 1,202,500</u>

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 4 - Long-Term Debt

Special Revenue Bonds

In 2010, Butler County issued the Leasehold Revenue Refunding Bonds Series 2010 for the Butler County Jail Project. The bonds matured in 2013; interest was payable in annual installments at variable rates of 2.00% - 2.35%.

Balance at Dec. 31, 2012	Amount Borrowed	Amount Repaid	Balance at Dec. 31, 2013	Interest Paid During Year
<u>\$ 440,000</u>	<u>\$ -</u>	<u>\$ (440,000)</u>	<u>\$ -</u>	<u>\$ 10,340</u>

Capital Leases

In 2005, the County entered into a capital lease agreement with Willard and Janice Allison for housing the Butler County Juvenile Center, including a detention center and Edgewood Home for a principal balance of \$144,000. The lease is payable in monthly payments of \$1,000 for a 144 month term with interest payable at 0%; the County has the option to purchase the property for \$1 at the end of the lease term.

Balance at Dec. 31, 2012	Amount Borrowed	Amount Repaid	Balance at Dec. 31, 2013	Amount Borrowed	Amount Repaid	Balance at Dec. 31, 2014
<u>\$ 56,000</u>	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>\$ 44,000</u>	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>\$ 32,000</u>

2014 Future Minimum Payments
Butler County Juvenile Center Capital Lease

Year	Principal	Interest	Total
2015	\$ 12,000	\$ -	\$ 12,000
2016	12,000	-	12,000
2017	8,000	-	8,000
	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 32,000</u>

2013 Future Minimum Payments
Butler County Juvenile Center Capital Lease

Year	Principal	Interest	Total
2014	\$ 12,000	\$ -	\$ 12,000
2015	12,000	-	12,000
2016	12,000	-	12,000
2017	8,000	-	8,000
	<u>\$ 44,000</u>	<u>\$ -</u>	<u>\$ 44,000</u>

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 5 - Missouri Local Government Employees Retirement System (LAGERS)

Plan Description

Butler County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statutes section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling (800) 447-4334.

Funding Status

Full-time employees of Butler County do not contribute to the pension plan. The June 30th statutorily required contribution rates are 19.1% (General), 16.0% (Police), and 17.6% (Roads) of annual covered payroll for the year ended December 31, 2014. The June 30th statutorily required contribution rates are 20.8% (General), 16.3% (Police), and 18.8% (Roads) of annual covered payroll for the year ended December 31, 2013. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the year ended December 31, 2014 was as follows:

	2014
Annual required contribution	\$ 775,988
Interest on net pension obligation	2,154
Adjustment to required contribution	(2,168)
Annual pension cost	<u>775,974</u>
Actual contributions	<u>775,988</u>
Increase (decrease) in NPO	(14)
NPO beginning of year	<u>29,706</u>
NPO end of year	<u><u>\$ 29,692</u></u>

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

The annual required contribution (ARC) was determined as part of the February 28, 2012 and February 28, 2013 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012 was 19 years for the General division, 22 years for the Police division, and 20 years for the Roads division. The amortization period of February 28, 2013 was 19 years for the General division, 19 years for the Police division, and 20 years for the Roads division.

Three-Year Trend Information			
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 786,532	99.1%	\$ 26,488
2013	800,870	99.6%	29,706
2014	775,974	100.0%	29,692

Schedule of Funding Progress						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2012	\$ 7,164,239	\$ 10,523,799	\$ 3,359,560	68%	\$ 3,961,895	85%
2/28/2013	8,887,045	11,690,820	2,803,775	76%	4,155,043	67%
2/28/2014	9,795,703	12,257,751	2,462,048	80%	4,202,675	59%

The subdivision's annual pension cost and net pension obligation for the year ended December 31, 2013 was as follows:

	2013
Annual required contribution	\$ 800,855
Interest on net pension obligation	1,920
Adjustment to required contribution	(1,905)
Annual pension cost	800,870
Actual contributions	797,652
Increase (decrease) in NPO	3,218
NPO beginning of year	26,488
NPO end of year	<u>\$ 29,706</u>

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

The annual required contribution (ARC) was determined as part of the February 28, 2011 and February 29, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011 was 19 years for the General division, 30 years for the Police division, and 21 years for the Roads division. The amortization period of February 29, 2012 was 19 years for the General division, 22 years for the Police division, and 20 years for the Roads division.

Three-Year Trend Information			
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 746,925	98.4%	\$ 19,365
2012	786,532	99.1%	26,488
2013	800,870	99.6%	29,706

Schedule of Funding Progress						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2011	\$ 5,979,469	\$ 9,563,465	\$ 3,583,996	63%	\$ 3,813,900	94%
2/29/2012	7,164,239	10,523,799	3,359,560	68%	3,961,895	85%
2/28/2013	8,887,045	11,690,820	2,803,775	76%	4,155,043	67%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 6 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-877-632-2373.

Funding Policy

In accordance with Missouri state statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 0% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of \$95,240 and \$95,477, respectively, for the years then ended.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Butler County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Butler County has contributed \$7,752 and \$7,752 for the years ended December 31, 2014 and 2013, respectively.

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 8 - Post-Employment Benefits

Butler County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Butler County.

Note 9 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward to the next year if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward six days a year to a maximum of thirty days. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Rural Services Self-Insured Workers' Trust Fund. The County purchases workers' compensation insurance coverage through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

The County of Butler
Poplar Bluff, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 13, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Note 12 - Prior Period Adjustments

Beginning cash balances of the County have been restated to include the Sheriff Commissary Fund. The net effect of this adjustment will increase the beginning cash and equivalents of the County. This adjustment will have no material effect on operations of the County.

Total cash and equivalents, as Previously stated - December 31, 2012	\$ 6,407,483
Prior Period Adjustment 1	<u>3,179</u>
Total cash and equivalents, as Restated - December 31, 2012	<u><u>\$ 6,410,662</u></u>



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the County Commission and
Officeholders of Butler County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Butler County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Butler County, Missouri's basic financial statements and have issued our report thereon dated July 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Butler County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Butler County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Butler County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: 14/13-002, 14/13-003 and 14/13-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Butler County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 14/13-001.

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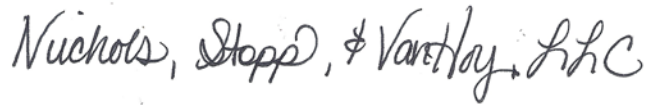
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Butler County, Missouri's Response to Findings

Butler County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Butler County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHoy, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
July 13, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

To the County Commission and
Officeholders of Butler County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Butler County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Butler County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Butler County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Butler County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Butler County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Butler County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Butler County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 14/13-005. Our opinion on each major federal program is not modified with respect to these matters.

Butler County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Butler County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

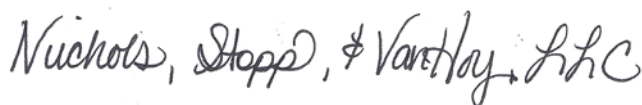
Management of Butler County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Butler County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Butler County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 14/13-005 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Butler County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Butler County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Creve Coeur, Missouri
July 13, 2015

**The County of Butler
Poplar Bluff, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Agriculture				
Passed through state:				
Office of Administration - Schools and Roads - Grants to States	10.665	N/A	144,369	176,622
Total Department of Agriculture			144,369	176,622
U.S. Department of Housing and Urban Development				
Passed through state:				
Department of Economic Development - Community Development Block Grant	14.228	2010-PF-46	157,847	113,693
Community Development Block Grant	14.228	2010-PF-02	-	1,840
Community Development Block Grant	14.228	2008-PF-54	-	28,481
Total Community Development Block Grant			157,847	144,014
Total U.S. Department of Housing and Urban Development			157,847	144,014
U.S. Department of the Interior				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226	N/A	77,253	70,028
Total U.S. Department of the Interior			77,253	70,028
U.S. Department of Justice				
Direct Programs -				
Equitable Sharing Program	16.922	MO012000	2,210	1,007
Passed through state:				
Department of Public Safety Public Safety Partnership and Community Policing Grants	16.710	12063528	5,101	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-LLEBG-002	9,000	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-BUBX-12063528	5,094	4,803
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-LLEBG-092	-	9,000
Total Edward Byrne Memorial Justice Assistance Grant			14,094	13,803
Total U.S. Department of Justice			21,405	14,810

**The County of Butler
Poplar Bluff, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S Department of Transportation				
Passed through state:				
Missouri Safety Center				
State and Community Highway Safety	20.600	14-PT-02-017	3,673	-
State and Community Highway Safety	20.600	13-PT-02-029	-	4,908
Alcohol Open Container Requirements	20.607	15-154-AL-071	7,308	-
Alcohol Open Container Requirements	20.607	14-154-AL-016	-	6,001
MODot Equipment Grant	20.XXX	N/A	-	4,750
Highway and Transportation Commission -				
Highway Planning and Construction	20.205	BRO-B012(028)	390,204	59,470
Highway Planning and Construction	20.205	STP-5800(012)	5,714	24,879
Highway Planning and Construction	20.205	STP-DRTDP-5100(007)	8,823	19,210
Total Highway Planning and Construction			404,741	103,559
Total U.S. Department of Transportation			415,722	119,218
Delta Regional Authority				
Direct Program:				
Delta Area Economic Development	90.201	DRA-MO-5349	7,176	-
Delta Area Economic Development	90.201	DRA-MO-10110	22,434	-
Total Delta Area Economic Development			29,610	-
Total Delta Regional Authority			29,610	-
U.S. Department of Health and Human Services				
Passed through state:				
Department of Social Services -				
Child Support Enforcement	93.563	ER10214A003	81,141	-
Child Support Enforcement	93.563	ER102120012	-	305,273
Total U.S. Department of Health and Human Services			81,141	305,273
U.S. Department of Homeland Security				
Passed through state:				
Emergency Management Agency -				
Emergency Management Performance Grants	97.042	EMW-2014-EP-00005-016	37,502	-
Emergency Management Performance Grants	97.042	EMW-2013-EP-00028-015-5597	-	40,692
Total U.S. Department of Homeland Security			37,502	40,692
Total Expenditures of Federal Awards			\$ 964,849	\$ 870,657

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Butler
Poplar Bluff, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of *OMB Circular A-133*. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Butler County, Missouri.

Basis of Presentation

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Subrecipients

The County passed through \$108,277 and \$132,467 of federal funds related to the Schools and Roads - Grants to States (CFDA# 10.665) to local schools and road districts for the years ended December 31, 2014 and 2013, respectively.

The County passed through \$157,847 and \$144,014 of federal funds related to the Community Development Block Grants Program (CFDA #14.228) to other organizations for the years ended December 31, 2014 and 2013, respectively.

The County of Butler
Poplar Bluff, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 510 (a) of Circular A-133?

 X Yes _____ No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.665	Schools and Roads - Grants to States
20.205	Highway Planning and Construction
93.563	Child Support Enforcement

Dollar threshold used to distinguish
between type A and type B programs:

 \$ 300,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**The County of Butler
Poplar Bluff, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings

14/13-001 **Condition:** During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Domestic Violence Fund, Sheriff Commissary Fund, and Sheriff Revolving Fund.

Criteria: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget.

Effect: Due to exceeding budget in certain funds, the County is in violation of Missouri Revised Statutes.

Cause: Lack of oversight by management.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk, Tonyi Deffendall, will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The phone number for the Clerk's office is 573-686-8050.

14/13-002 **Condition:** Documentation of the County's internal controls has not been prepared.

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County Clerk's (Tonyi Deffendall) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is September 30, 2015. The phone number for the Clerk's office is 573-686-8050.

**The County of Butler
Poplar Bluff, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings (continued)

14/13-003 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County Clerk's (Tonyi Deffendall) office is in the process of preparing and documenting the necessary processes to address the County's various risks and to monitor those risks on a routine basis. The expected completion date is September 30, 2015. The phone number for the Clerk's office is 573-686-8050.

14/13 - 004 **Condition:** During our audit, we noted that the three signatures required on checks are being placed on all checks with a stamp and being mailed prior to the Treasurer's review.

Criteria: Strong internal control over financial statements require that there be a process in place to ensure those individuals whose names are being stamped on checks have the opportunity to review the disbursement prior to the check being stamped and mailed.

Effect: Signed cash disbursement checks could be issued without the knowledge of all those authorized to sign checks due to either error or fraud.

Cause: The County Clerk's office is stamping checks with all three signatures and mailing before the Treasurer is able to review the disbursement and ensure the cash within each respective fund is available.

Recommendation: We recommend that the County develop a process in which all signatures cannot be placed on checks without the knowledge of those who are authorized to sign checks.

Management's Response: The County Clerk's (Tonyi Deffendall) office and the Treasurer's (Joe Humphrey) office are currently working on a solution to resolve the issue. The expected completion date is September 30, 2015. The phone number for the Clerk's office is 573-686-8050.

**The County of Butler
Poplar Bluff, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 3 - Federal Award Findings and Questioned Costs

14/13-005 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Criteria: OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: The County Clerk's (Tonyi Deffendall) office will obtain proper training in order to prepare an accurate SEFA. The expected completion date is September 30, 2015. The phone number for the Clerk's office is 573-686-8050.

**The County of Butler
Poplar Bluff, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Butler County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012.

Prior Year Financial Statement Findings

12/11-01 **Criteria:** Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

Context: During the audit planning phase of the audit, the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Tonyi Deffendall) has taken steps to complete the audited financial statements for the next audit period. The Clerk's phone number is 573-686-8050.

Status: This is no longer considered a significant deficiency.

12/11-02 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

The County of Butler
Poplar Bluff, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

Prior Year Financial Statement Findings (continued)

12/11-02 **Recommendation:** We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's (Tonyi Deffendall) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-686-8050.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-002.

12/11-03 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's (Tonyi Deffendall) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is December 31, 2013. The phone number for the Clerk's office is 573-686-8050.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-003.

12/11-04 **Criteria:** SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*, an amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties within the Recorder's, Collector's, and Treasurer's Office.

Context: During our audit, we noted that the Recorder, Collector, Treasurer, and Deputy Treasurer are allowed to write, approve, sign and reconcile expenditures to the bank statement.

**The County of Butler
Poplar Bluff, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

12/11-04 **Effect:** The design of the internal control over financial reporting could adversely affect the ability to record,
(Cont.) process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within each of the corresponding departments.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: We will periodically review the size and budget constraints limiting the number of personnel within each of the departments. We will continue to utilize the other internal controls, such as administrative oversight, to minimize the lack of sufficient segregation of duties.

Status: This is no longer considered a significant deficiency.

12/11-05 **Criteria:** All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities, it was noted that the County was under pledged with a financial institution.

Context: The County holds several bank accounts with a financial institution that was under collateralized for the years ended December 31, 2012 and 2011, respectively.

Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: The County Treasurer should periodically review the cash and investment securities pledged with the bank to ensure the County's deposits are fully collateralized.

Views of responsible officials and planned corrective actions: The County Treasurer repeatedly reviews the collateral for both operating and investment accounts. This under collateralization was the result of the financial institution's misinterpretation of the County investment policy. The Treasurer's Office can be reached at 573-686-8083.

Status: Management has corrected this issue.

**The County of Butler
Poplar Bluff, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

12/11-06 **Criteria:** Reconciliations must be prepared monthly on a timely basis by the Treasurer's Office.

Condition: During our testing, certain revenue items were not recorded by the Treasurer's office for the reimbursement of costs associated with housing County inmates.

Context: This deficiency became apparent through our revenue testing of the Treasurer's office.

Effect: Errors may go undetected if proper controls are not in place to review reimbursements and expenditures for housing County inmates.

Cause: Management does not place adequate emphasis upon tracking the transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Treasurer's Office enter these transactions into the accounting software to reconcile it monthly.

Views of responsible officials and planned corrective actions: The Treasurer's Office will consider the auditor's recommendation and enter the transactions into the accounting software. The Treasurer's office can be reached at 573-686-8083.

Status: Management has corrected this issue.

Federal Award Findings and Questioned Costs

There were no single audit findings noted for the years ended December 31, 2012 and 2011.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Pemiscot County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Pemiscot County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-077

**The County of Pemiscot
Caruthersville, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2014 & 2013**



**The County of Pemiscot
Caruthersville, Missouri
Table of Contents**

<u>Financial Section</u>	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2014.....	3
For the year ended December 31, 2013.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2014 and 2013.....	5
Notes to the Financial Statements.....	26
<u>Federal Compliance Section</u>	
Report on Internal Control over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	39
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	41
Schedule of Expenditures of Federal Awards.....	43
Notes to the Schedule of Expenditures of Federal Awards.....	45
Schedule of Findings and Questioned Costs.....	46
Schedule of Prior Year Audit Findings.....	51

INDEPENDENT AUDITOR'S REPORT



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To the County Commission and
Officeholders of Pemiscot County, Missouri

We have audited the accompanying financial statements of Pemiscot County, Missouri, as of and for the years ended December 31, 2014 and 2013, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Pemiscot County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Pemiscot County,

Missouri, as of December 31, 2014 and 2013, or the changes in its financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

Pemiscot County, Missouri has not adequately tracked cash and fund balances for all funds of the County for the years ended December 31, 2014 and 2013. Although we were able to verify cash and fund balances in total for the years ended December 31, 2014 and 2013, we were unable to verify that cash and fund balances were correct on the fund level. The amounts, by which cash and fund balances are misstated, although not reasonably determinable, are presumed to be material.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the matter described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Pemiscot County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pemiscot County, Missouri's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2015, on our consideration of Pemiscot County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pemiscot County, Missouri's internal control over financial reporting and compliance.

Nichols, Stopp, & VanHay, LLC

Creve Coeur, Missouri
July 13, 2015

**The County of Pemiscot
Caruthersville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2014**

<u>Fund</u>	Cash and Equivalents January 1, 2014	Receipts 2014	Disbursements 2014	Cash and Equivalents December 31, 2014
General Revenue	\$ (931,518)	\$ 2,810,608	\$ 3,306,560	\$ (1,427,470)
Special Road and Bridge	248,512	1,851,759	1,539,846	560,425
Assessment	(114,004)	301,535	235,767	(48,236)
Johnson Grass	132,053	99,300	19,771	211,582
Drainage District #6	24,061	68,012	65,687	26,386
Drainage District #8	8,751	78,077	60,384	26,444
Drainage District #11	361	136	-	497
Drainage District #12	1,461	556	-	2,017
Drainage District #14	908	298	-	1,206
Drainage District #16	4,265	1,409	-	5,674
Drainage District #17	2,300	1,082	-	3,382
Drainage District #19	1,870	782	-	2,652
Emergency 911	(118,064)	253,160	174,450	(39,354)
Law Enforcement Training	18,496	9,253	12,264	15,485
Firing Range	897	6,649	4,738	2,808
Prosecuting Attorney Training	5,062	1,839	3,239	3,662
Solid Waste Transfer Station	44,855	49	7,209	37,695
Federal Forfeiture	514,455	575	120,030	395,000
Deputy Sheriff Supplemental Salary Grant	(3,465)	39,842	38,693	(2,316)
General Revenue Capital	133	-	-	133
Task Force	(10,663)	59,299	55,358	(6,722)
Drug Abuse Resistance Education	25,168	40,070	41,062	24,176
Domestic Violence	12,161	650	-	12,811
County Road and Bridge Capital	12,878	17	-	12,895
Capital Improvement Sales Tax	229,629	764,938	869,925	124,642
Law Enforcement Sales Tax	-	406,046	406,042	4
Emergency Services	-	94,479	94,479	-
Sheriff's Civil Fees	43,075	60,820	47,744	56,151
Juvenile Grant	(5,810)	97,926	135,932	(43,816)
Recorder's	7,375	6,848	9,045	5,178
Election Services	376	4,428	4,102	702
Sheltered Workshop (SB40)	144,760	198,276	192,887	150,149
Prosecuting Attorney Bad Check	11,087	52,113	52,756	10,444
Law Enforcement Restitution	103,587	89,311	147,948	44,950
Missouri Smart Grant	-	-	-	-
Sheriff's Revolving	31,338	14,064	6,628	38,774
Inmate Security	12,489	68,132	41,887	38,734
Collector's Tax Maintenance	67,753	32,501	34,110	66,144
Community Development Block Grant	-	62,751	62,751	-
Total	<u>\$ 526,592</u>	<u>\$ 7,577,590</u>	<u>\$ 7,791,294</u>	<u>\$ 312,888</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2013**

<u>Fund</u>	Cash and Equivalents January 1, 2013 (restated)	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue	\$ (718,445)	\$ 2,819,921	\$ 3,032,994	\$ (931,518)
Special Road and Bridge	454,685	1,217,650	1,423,823	248,512
Assessment	(131,834)	275,513	257,683	(114,004)
Johnson Grass	59,492	95,477	22,916	132,053
Drainage District #6	32,358	44,256	52,553	24,061
Drainage District #8	17,887	56,734	65,870	8,751
Drainage District #11	253	108	-	361
Drainage District #12	802	659	-	1,461
Drainage District #14	603	305	-	908
Drainage District #16	2,616	1,649	-	4,265
Drainage District #17	1,352	948	-	2,300
Drainage District #19	1,041	829	-	1,870
Emergency 911	(74,115)	144,839	188,788	(118,064)
Law Enforcement Training	18,976	12,154	12,634	18,496
Firing Range	(559)	6,077	4,621	897
Prosecuting Attorney Training	5,561	1,965	2,464	5,062
Solid Waste Transfer Station	52,990	157	8,292	44,855
Federal Forfeiture	52,177	702,168	239,890	514,455
Deputy Sheriff Supplemental Salary Grant	(2,693)	29,766	30,538	(3,465)
General Revenue Capital	132	1	-	133
Task Force	(16,359)	108,548	102,852	(10,663)
Drug Abuse Resistance Education	31,679	35,072	41,583	25,168
Domestic Violence	13,477	684	2,000	12,161
County Road and Bridge Capital	12,858	20	-	12,878
Capital Improvement Sales Tax	487,118	698,494	955,983	229,629
Law Enforcement Sales Tax	-	349,078	349,078	-
Emergency Services	-	-	-	-
Sheriff's Civil Fees	47,597	30,637	35,159	43,075
Juvenile Grant	(2,843)	117,523	120,490	(5,810)
Recorder's	2,317	8,782	3,724	7,375
Election Services	1,015	14,102	14,741	376
Sheltered Workshop (SB40)	154,279	190,818	200,337	144,760
Prosecuting Attorney Bad Check	17,366	48,974	55,253	11,087
Law Enforcement Restitution	138,466	146,095	180,974	103,587
Missouri Smart Grant	160	-	160	-
Sheriff's Revolving	19,231	17,847	5,740	31,338
Inmate Security	10,459	14,821	12,791	12,489
Collector's Tax Maintenance	80,659	35,813	48,719	67,753
Community Development Block Grant	4,657	4,238	8,895	-
Total	<u>\$ 775,415</u>	<u>\$ 7,232,722</u>	<u>\$ 7,481,545</u>	<u>\$ 526,592</u>

See Notes to the Financial Statements

The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	General Revenue Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 385,000	\$ 380,328	\$ 383,300	\$ 383,300
Sales Taxes	750,000	764,915	711,000	698,196
Intergovernmental	1,216,494	1,008,557	1,382,705	1,067,413
Charges for Services	126,200	113,274	129,100	120,628
Interest	3,500	-	3,000	3,891
Other Receipts	114,100	95,779	200,950	114,454
Transfers In	413,200	447,755	444,090	432,039
Total Receipts	<u>\$ 3,008,494</u>	<u>\$ 2,810,608</u>	<u>\$ 3,254,145</u>	<u>\$ 2,819,921</u>
Disbursements				
General County Government:				
County Commission	\$ 96,580	\$ 94,369	\$ 96,580	\$ 92,179
County Clerk	75,750	72,789	75,550	73,171
Elections	100,500	117,625	57,630	41,074
Buildings and Grounds	162,150	162,741	172,400	146,846
Employee Fringe Benefits	454,000	462,173	408,800	403,047
County Treasurer	48,700	46,259	47,300	45,844
County Collector	127,150	120,890	126,100	125,995
Recorder of Deeds	76,850	74,398	76,625	73,595
Circuit Clerk	15,400	10,974	19,100	9,380
Court Administration	7,750	190	7,750	3,444
Public Administrator	48,062	45,221	48,062	45,925
Public Safety:				
Sheriff	726,280	732,293	711,333	678,213
Jail	647,000	646,824	594,754	534,771
Prosecuting Attorney	354,100	347,771	346,460	339,691
Juvenile Officer	35,405	34,986	37,400	32,930
County Coroner	37,025	26,293	47,025	41,947
Other:				
Health and Welfare	2,000	900	2,000	1,550
Other Disbursements	266,825	234,864	312,450	268,392
Transfers Out	75,000	75,000	75,000	75,000
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 3,356,527</u>	<u>\$ 3,306,560</u>	<u>\$ 3,262,319</u>	<u>\$ 3,032,994</u>
Receipts Over (Under)				
Disbursements	\$ (348,033)	\$ (495,952)	\$ (8,174)	\$ (213,073)
Cash and Equivalents, Jan 1	<u>(931,518)</u>	<u>(931,518)</u>	<u>(718,445)</u>	<u>(718,445)</u>
Cash and Equivalents, Dec 31	<u><u>\$ (1,279,551)</u></u>	<u><u>\$ (1,427,470)</u></u>	<u><u>\$ (726,619)</u></u>	<u><u>\$ (931,518)</u></u>

See Notes to the Financial Statements

The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Road and Bridge Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 560,000	\$ 588,187	\$ 565,100	\$ 565,097
Sales Taxes	-	-	-	-
Intergovernmental	682,000	928,350	565,200	562,542
Charges for Services	-	-	-	-
Interest	-	721	-	888
Other Receipts	329,100	334,501	90,900	89,123
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,571,100</u>	<u>\$ 1,851,759</u>	<u>\$ 1,221,200</u>	<u>\$ 1,217,650</u>
<u>Disbursements</u>				
Salaries	\$ 250,000	\$ 269,458	\$ 255,000	\$ 246,651
Employee Fringe Benefits	120,000	116,354	130,900	128,637
Supplies	381,250	404,131	367,000	383,871
Insurance	21,500	21,406	26,500	21,949
Road and Bridge Materials	202,500	198,382	219,000	192,299
Equipment Purchases	93,000	109,411	125,000	91,966
Road and Bridge Construction	150,000	410,945	340,000	348,233
Other Expenditures	11,700	9,759	11,900	10,217
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 1,229,950</u>	<u>\$ 1,539,846</u>	<u>\$ 1,475,300</u>	<u>\$ 1,423,823</u>
Receipts Over (Under)				
Disbursements	\$ 341,150	\$ 311,913	\$ (254,100)	\$ (206,173)
Cash and Equivalents, Jan 1	<u>248,512</u>	<u>248,512</u>	<u>454,685</u>	<u>454,685</u>
Cash and Equivalents, Dec 31	<u><u>\$ 589,662</u></u>	<u><u>\$ 560,425</u></u>	<u><u>\$ 200,585</u></u>	<u><u>\$ 248,512</u></u>

See Notes to the Financial Statements

The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Assessment Fund				Johnson Grass Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ 98,612	\$ 94,000	\$ 94,756
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	179,535	209,483	166,535	179,346	-	-	-	-
Charges for Services	31,500	17,024	31,500	21,167	-	-	-	-
Interest	-	-	-	-	100	244	-	186
Other Receipts	30	28	-	-	500	444	800	535
Transfers In	75,000	75,000	75,000	75,000	-	-	-	-
Total Receipts	\$ 286,065	\$ 301,535	\$ 273,035	\$ 275,513	\$ 95,600	\$ 99,300	\$ 94,800	\$ 95,477
<u>Disbursements</u>								
Salaries	\$ 122,848	\$ 114,715	\$ 122,848	\$ 114,662	\$ 25,000	\$ 12,513	\$ 37,000	\$ 16,886
Employee Fringe Benefits	49,100	43,325	49,100	41,759	14,000	7,258	16,200	6,030
Materials and Supplies	14,900	10,109	12,000	17,870	-	-	-	-
Services	50,000	42,990	50,000	41,220	-	-	-	-
Other Expenditures	7,000	4,469	8,000	4,965	10,000	-	25,000	-
Capital Outlay	29,000	20,159	37,500	37,207	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 272,848	\$ 235,767	\$ 279,448	\$ 257,683	\$ 49,000	\$ 19,771	\$ 78,200	\$ 22,916
Receipts Over (Under)								
Disbursements	\$ 13,217	\$ 65,768	\$ (6,413)	\$ 17,830	\$ 46,600	\$ 79,529	\$ 16,600	\$ 72,561
Cash and Equivalents, Jan 1	(114,004)	(114,004)	(131,834)	(131,834)	132,053	132,053	59,492	59,492
Cash and Equivalents, Dec 31	<u>\$ (100,787)</u>	<u>\$ (48,236)</u>	<u>\$ (138,247)</u>	<u>\$ (114,004)</u>	<u>\$ 178,653</u>	<u>\$ 211,582</u>	<u>\$ 76,092</u>	<u>\$ 132,053</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Drainage District #6 Fund				Drainage District #8 Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 50,000	\$ 67,864	\$ 59,000	\$ 44,193	\$ 56,000	\$ 78,044	\$ 56,000	\$ 56,699
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	60	40	-	63	40	33	-	35
Other Receipts	110	108	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 50,170</u>	<u>\$ 68,012</u>	<u>\$ 59,000</u>	<u>\$ 44,256</u>	<u>\$ 56,040</u>	<u>\$ 78,077</u>	<u>\$ 56,000</u>	<u>\$ 56,734</u>
Disbursements								
Salaries	\$ 46,000	\$ 43,643	\$ 30,000	\$ 23,093	\$ 26,000	\$ 25,997	\$ 45,000	\$ 45,410
Employee Fringe Benefits	23,000	19,528	14,000	11,807	14,300	13,817	20,700	20,065
Materials and Supplies	-	-	-	-	-	-	-	-
Services	1,000	997	18,400	16,144	21,400	20,570	400	395
Other Expenditures	1,500	1,519	5,000	1,509	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 71,500</u>	<u>\$ 65,687</u>	<u>\$ 67,400</u>	<u>\$ 52,553</u>	<u>\$ 61,700</u>	<u>\$ 60,384</u>	<u>\$ 66,100</u>	<u>\$ 65,870</u>
Receipts Over (Under)								
Disbursements	\$ (21,330)	\$ 2,325	\$ (8,400)	\$ (8,297)	\$ (5,660)	\$ 17,693	\$ (10,100)	\$ (9,136)
Cash and Equivalents, Jan 1	<u>24,061</u>	<u>24,061</u>	<u>32,358</u>	<u>32,358</u>	<u>8,751</u>	<u>8,751</u>	<u>17,887</u>	<u>17,887</u>
Cash and Equivalents, Dec 31	<u>\$ 2,731</u>	<u>\$ 26,386</u>	<u>\$ 23,958</u>	<u>\$ 24,061</u>	<u>\$ 3,091</u>	<u>\$ 26,444</u>	<u>\$ 7,787</u>	<u>\$ 8,751</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Drainage District #11 Fund				Drainage District #12 Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 110	\$ 135	\$ 110	\$ 107	\$ 600	\$ 554	\$ 500	\$ 657
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	1	1	-	1	2	2	-	2
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 111</u>	<u>\$ 136</u>	<u>\$ 110</u>	<u>\$ 108</u>	<u>\$ 602</u>	<u>\$ 556</u>	<u>\$ 500</u>	<u>\$ 659</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 111	\$ 136	\$ 110	\$ 108	\$ 602	\$ 556	\$ 500	\$ 659
Cash and Equivalents, Jan 1	<u>361</u>	<u>361</u>	<u>253</u>	<u>253</u>	<u>1,461</u>	<u>1,461</u>	<u>802</u>	<u>802</u>
Cash and Equivalents, Dec 31	<u>\$ 472</u>	<u>\$ 497</u>	<u>\$ 363</u>	<u>\$ 361</u>	<u>\$ 2,063</u>	<u>\$ 2,017</u>	<u>\$ 1,302</u>	<u>\$ 1,461</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Drainage District #14 Fund				Drainage District #16 Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 300	\$ 297	\$ 500	\$ 303	\$ 1,600	\$ 1,403	\$ 1,900	\$ 1,644
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	1	1	-	2	5	6	-	5
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 301</u>	<u>\$ 298</u>	<u>\$ 500</u>	<u>\$ 305</u>	<u>\$ 1,605</u>	<u>\$ 1,409</u>	<u>\$ 1,900</u>	<u>\$ 1,649</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 301	\$ 298	\$ 500	\$ 305	\$ 1,605	\$ 1,409	\$ 1,900	\$ 1,649
Cash and Equivalents, Jan 1	<u>908</u>	<u>908</u>	<u>603</u>	<u>603</u>	<u>4,265</u>	<u>4,265</u>	<u>2,616</u>	<u>2,616</u>
Cash and Equivalents, Dec 31	<u>\$ 1,209</u>	<u>\$ 1,206</u>	<u>\$ 1,103</u>	<u>\$ 908</u>	<u>\$ 5,870</u>	<u>\$ 5,674</u>	<u>\$ 4,516</u>	<u>\$ 4,265</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Drainage District #17 Fund				Drainage District #19 Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 900	\$ 1,078	\$ 1,100	\$ 945	\$ 800	\$ 779	\$ 800	\$ 827
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3	4	-	3	2	3	-	2
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 903</u>	<u>\$ 1,082</u>	<u>\$ 1,100</u>	<u>\$ 948</u>	<u>\$ 802</u>	<u>\$ 782</u>	<u>\$ 800</u>	<u>\$ 829</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	1,000	-	-	-	1,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 903	\$ 1,082	\$ 100	\$ 948	\$ 802	\$ 782	\$ (200)	\$ 829
Cash and Equivalents, Jan 1	<u>2,300</u>	<u>2,300</u>	<u>1,352</u>	<u>1,352</u>	<u>1,870</u>	<u>1,870</u>	<u>1,041</u>	<u>1,041</u>
Cash and Equivalents, Dec 31	<u>\$ 3,203</u>	<u>\$ 3,382</u>	<u>\$ 1,452</u>	<u>\$ 2,300</u>	<u>\$ 2,672</u>	<u>\$ 2,652</u>	<u>\$ 841</u>	<u>\$ 1,870</u>

See Notes to the Financial Statements

The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Emergency 911 Fund				Law Enforcement Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	156,000	158,681	145,000	144,839	12,500	9,234	16,000	12,126
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	30	19	-	28
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	95,000	94,479	-	-	-	-	-	-
Total Receipts	<u>\$ 251,000</u>	<u>\$ 253,160</u>	<u>\$ 145,000</u>	<u>\$ 144,839</u>	<u>\$ 12,530</u>	<u>\$ 9,253</u>	<u>\$ 16,000</u>	<u>\$ 12,154</u>
<u>Disbursements</u>								
Salaries	\$ 128,500	\$ 99,648	\$ 128,500	\$ 122,437	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	41,100	30,935	41,400	38,567	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	27,800	27,883	27,800	27,784	12,500	12,264	12,500	12,634
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	15,500	15,984	3,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 212,900</u>	<u>\$ 174,450</u>	<u>\$ 200,700</u>	<u>\$ 188,788</u>	<u>\$ 12,500</u>	<u>\$ 12,264</u>	<u>\$ 12,500</u>	<u>\$ 12,634</u>
Receipts Over (Under)								
Disbursements	\$ 38,100	\$ 78,710	\$ (55,700)	\$ (43,949)	\$ 30	\$ (3,011)	\$ 3,500	\$ (480)
Cash and Equivalents, Jan 1	<u>(118,064)</u>	<u>(118,064)</u>	<u>(74,115)</u>	<u>(74,115)</u>	<u>18,496</u>	<u>18,496</u>	<u>18,976</u>	<u>18,976</u>
Cash and Equivalents, Dec 31	<u><u>\$ (79,964)</u></u>	<u><u>\$ (39,354)</u></u>	<u><u>\$ (129,815)</u></u>	<u><u>\$ (118,064)</u></u>	<u><u>\$ 18,526</u></u>	<u><u>\$ 15,485</u></u>	<u><u>\$ 22,476</u></u>	<u><u>\$ 18,496</u></u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Firing Range Fund				Prosecuting Attorney Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	6,500	6,649	16,000	6,076	2,500	1,525	2,500	1,957
Charges for Services	-	-	-	-	-	-	-	-
Interest	1	-	-	1	-	5	-	8
Other Receipts	-	-	-	-	-	309	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 6,501	\$ 6,649	\$ 16,500	\$ 6,077	\$ 2,500	\$ 1,839	\$ 2,500	\$ 1,965
Disbursements								
Salaries	\$ 3,000	\$ 1,881	\$ 4,000	\$ 1,959	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	1,300	797	420	185	-	-	-	-
Materials and Supplies	-	-	400	-	-	-	-	-
Services	1,800	1,345	2,800	1,362	5,000	3,239	5,000	2,464
Other Expenditures	1,400	715	3,625	1,115	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 7,500	\$ 4,738	\$ 11,245	\$ 4,621	\$ 5,000	\$ 3,239	\$ 5,000	\$ 2,464
Receipts Over (Under)								
Disbursements	\$ (999)	\$ 1,911	\$ 5,255	\$ 1,456	\$ (2,500)	\$ (1,400)	\$ (2,500)	\$ (499)
Cash and Equivalents, Jan 1	897	897	(559)	(559)	5,062	5,062	5,561	5,561
Cash and Equivalents, Dec 31	<u>\$ (102)</u>	<u>\$ 2,808</u>	<u>\$ 4,696</u>	<u>\$ 897</u>	<u>\$ 2,562</u>	<u>\$ 3,662</u>	<u>\$ 3,061</u>	<u>\$ 5,062</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Solid Waste Transfer Station Fund				Federal Forfeiture Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	8,500	-	702,000	701,397
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	49	-	74	800	575	-	771
Other Receipts	-	-	100	83	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 49	\$ 100	\$ 157	\$ 9,300	\$ 575	\$ 702,000	\$ 702,168
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 251	\$ 15,000	\$ 4,624
Employee Fringe Benefits	-	-	-	-	100	19	2,975	803
Materials and Supplies	-	-	-	-	-	-	-	-
Services	3,200	2,817	3,200	3,169	-	-	-	-
Other Expenditures	6,000	4,392	4,900	5,123	250,000	119,760	243,000	234,463
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	7,000	-
Total Disbursements	\$ 9,200	\$ 7,209	\$ 8,100	\$ 8,292	\$ 251,100	\$ 120,030	\$ 267,975	\$ 239,890
Receipts Over (Under)								
Disbursements	\$ (9,200)	\$ (7,160)	\$ (8,000)	\$ (8,135)	\$ (241,800)	\$ (119,455)	\$ 434,025	\$ 462,278
Cash and Equivalents, Jan 1	44,855	44,855	52,990	52,990	514,455	514,455	52,177	52,177
Cash and Equivalents, Dec 31	<u>\$ 35,655</u>	<u>\$ 37,695</u>	<u>\$ 44,990</u>	<u>\$ 44,855</u>	<u>\$ 272,655</u>	<u>\$ 395,000</u>	<u>\$ 486,202</u>	<u>\$ 514,455</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Deputy Sheriff Supplemental Salary Grant			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	45,000	39,842	40,000	29,766
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 45,000</u>	<u>\$ 39,842</u>	<u>\$ 40,000</u>	<u>\$ 29,766</u>
<u>Disbursements</u>				
Salaries	\$ 32,000	\$ 33,159	\$ 31,000	\$ 25,946
Employee Fringe Benefits	6,000	5,534	5,850	4,592
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 38,000</u>	<u>\$ 38,693</u>	<u>\$ 36,850</u>	<u>\$ 30,538</u>
Receipts Over (Under)				
Disbursements	\$ 7,000	\$ 1,149	\$ 3,150	\$ (772)
Cash and Equivalents, Jan 1	<u>(3,465)</u>	<u>(3,465)</u>	<u>(2,693)</u>	<u>(2,693)</u>
Cash and Equivalents, Dec 31	<u>\$ 3,535</u>	<u>\$ (2,316)</u>	<u>\$ 457</u>	<u>\$ (3,465)</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	General Revenue Capital Fund				Task Force Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	30,000	29,299	74,100	62,857
Charges for Services	-	-	-	-	-	-	-	-
Interest	1	-	-	1	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	30,000	57,000	45,691
Total Receipts	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 30,000</u>	<u>\$ 59,299</u>	<u>\$ 131,100</u>	<u>\$ 108,548</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,153	\$ 78,500	\$ 66,679
Employee Fringe Benefits	-	-	-	-	12,100	11,937	26,752	21,239
Materials and Supplies	-	-	-	-	500	268	500	11
Services	-	-	-	-	-	-	5,000	4,956
Other Expenditures	-	-	-	-	-	8,000	5,100	974
Capital Outlay	-	-	-	-	-	-	12,000	8,993
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,600</u>	<u>\$ 55,358</u>	<u>\$ 127,852</u>	<u>\$ 102,852</u>
Receipts Over (Under)								
Disbursements	\$ 1	\$ -	\$ -	\$ 1	\$ (17,600)	\$ 3,941	\$ 3,248	\$ 5,696
Cash and Equivalents, Jan 1	<u>133</u>	<u>133</u>	<u>132</u>	<u>132</u>	<u>(10,663)</u>	<u>(10,663)</u>	<u>(16,359)</u>	<u>(16,359)</u>
Cash and Equivalents, Dec 31	<u>\$ 134</u>	<u>\$ 133</u>	<u>\$ 132</u>	<u>\$ 133</u>	<u>\$ (28,263)</u>	<u>\$ (6,722)</u>	<u>\$ (13,111)</u>	<u>\$ (10,663)</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Drug Abuse Resistance Education Fund				Domestic Violence Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	700	635	700	665
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	20	-	32	20	15	-	19
Other Receipts	42,900	40,050	40,600	35,040	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 42,900	\$ 40,070	\$ 40,600	\$ 35,072	\$ 720	\$ 650	\$ 700	\$ 684
<u>Disbursements</u>								
Salaries	\$ 27,000	\$ 27,000	\$ 27,200	\$ 27,000	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	9,950	9,785	10,550	9,821	-	-	-	-
Materials and Supplies	5,000	4,277	7,000	4,762	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	2,000	2,000
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 41,950	\$ 41,062	\$ 44,750	\$ 41,583	\$ -	\$ -	\$ 2,000	\$ 2,000
Receipts Over (Under)								
Disbursements	\$ 950	\$ (992)	\$ (4,150)	\$ (6,511)	\$ 720	\$ 650	\$ (1,300)	\$ (1,316)
Cash and Equivalents, Jan 1	25,168	25,168	31,679	31,679	12,161	12,161	13,477	13,477
Cash and Equivalents, Dec 31	\$ 26,118	\$ 24,176	\$ 27,529	\$ 25,168	\$ 12,881	\$ 12,811	\$ 12,177	\$ 12,161

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	County Road and Bridge Capital Fund				Capital Improvement Sales Tax Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	700,000	764,835	710,000	698,137
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	20	17	-	20	300	103	-	357
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 700,300</u>	<u>\$ 764,938</u>	<u>\$ 710,000</u>	<u>\$ 698,494</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	131,000	125,325	118,500	119,555
Other Expenditures	-	-	-	-	122,600	114,087	209,500	204,410
Capital Outlay	-	-	-	-	631,000	630,513	632,050	632,018
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 884,600</u>	<u>\$ 869,925</u>	<u>\$ 960,050</u>	<u>\$ 955,983</u>
Receipts Over (Under)								
Disbursements	\$ 20	\$ 17	\$ -	\$ 20	\$ (184,300)	\$ (104,987)	\$ (250,050)	\$ (257,489)
Cash and Equivalents, Jan 1	<u>12,878</u>	<u>12,878</u>	<u>12,858</u>	<u>12,858</u>	<u>229,629</u>	<u>229,629</u>	<u>487,118</u>	<u>487,118</u>
Cash and Equivalents, Dec 31	<u>\$ 12,898</u>	<u>\$ 12,895</u>	<u>\$ 12,858</u>	<u>\$ 12,878</u>	<u>\$ 45,329</u>	<u>\$ 124,642</u>	<u>\$ 237,068</u>	<u>\$ 229,629</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Law Enforcement Sales Tax Fund				Emergency Services Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	350,000	406,042	355,000	349,078	95,000	94,479	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	4	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 350,000	\$ 406,046	\$ 355,000	\$ 349,078	\$ 95,000	\$ 94,479	\$ -	\$ -
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	350,000	406,042	355,000	349,078	95,000	94,479	-	-
Total Disbursements	\$ 350,000	\$ 406,042	\$ 355,000	\$ 349,078	\$ 95,000	\$ 94,479	\$ -	\$ -
Receipts Over (Under)								
Disbursements	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	-	-	-	-	-	-	-	-
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Sheriff's Civil Fees Fund				Juvenile Grant Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	39,000	40,460	34,000	30,567	135,000	97,920	134,189	117,522
Charges for Services	-	-	-	-	-	-	-	-
Interest	70	61	-	70	1	6	-	1
Other Receipts	20,500	20,299	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 59,570</u>	<u>\$ 60,820</u>	<u>\$ 34,000</u>	<u>\$ 30,637</u>	<u>\$ 135,001</u>	<u>\$ 97,926</u>	<u>\$ 134,189</u>	<u>\$ 117,523</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 93,528	\$ 93,528	\$ 93,528	\$ 90,983
Employee Fringe Benefits	-	-	-	-	32,413	30,922	29,863	22,394
Materials and Supplies	-	8,178	-	12,270	-	-	-	-
Services	-	6,610	-	3,802	-	-	-	-
Other Expenditures	45,000	32,956	50,000	19,087	19,798	11,482	12,698	7,113
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 45,000</u>	<u>\$ 47,744</u>	<u>\$ 50,000</u>	<u>\$ 35,159</u>	<u>\$ 145,739</u>	<u>\$ 135,932</u>	<u>\$ 136,089</u>	<u>\$ 120,490</u>
Receipts Over (Under)								
Disbursements	\$ 14,570	\$ 13,076	\$ (16,000)	\$ (4,522)	\$ (10,738)	\$ (38,006)	\$ (1,900)	\$ (2,967)
Cash and Equivalents, Jan 1	<u>43,075</u>	<u>43,075</u>	<u>47,597</u>	<u>47,597</u>	<u>(5,810)</u>	<u>(5,810)</u>	<u>(2,843)</u>	<u>(2,843)</u>
Cash and Equivalents, Dec 31	<u>\$ 57,645</u>	<u>\$ 56,151</u>	<u>\$ 31,597</u>	<u>\$ 43,075</u>	<u>\$ (16,548)</u>	<u>\$ (43,816)</u>	<u>\$ (4,743)</u>	<u>\$ (5,810)</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Recorder's Fund				Election Services Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	8,000	6,838	8,000	8,773	6,500	3,993	19,390	14,010
Charges for Services	-	-	-	-	-	-	-	-
Interest	10	10	-	9	2	1	-	2
Other Receipts	-	-	-	-	500	434	100	90
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,010</u>	<u>\$ 6,848</u>	<u>\$ 8,000</u>	<u>\$ 8,782</u>	<u>\$ 7,002</u>	<u>\$ 4,428</u>	<u>\$ 19,490</u>	<u>\$ 14,102</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	2,000	2,415	2,000	1,620	110	109	800	731
Capital Outlay	4,200	4,110	-	-	-	-	-	-
Transfers Out	3,000	2,520	3,000	2,104	6,500	3,993	19,390	14,010
Total Disbursements	<u>\$ 9,200</u>	<u>\$ 9,045</u>	<u>\$ 5,000</u>	<u>\$ 3,724</u>	<u>\$ 6,610</u>	<u>\$ 4,102</u>	<u>\$ 20,190</u>	<u>\$ 14,741</u>
Receipts Over (Under)								
Disbursements	\$ (1,190)	\$ (2,197)	\$ 3,000	\$ 5,058	\$ 392	\$ 326	\$ (700)	\$ (639)
Cash and Equivalents, Jan 1	<u>7,375</u>	<u>7,375</u>	<u>2,317</u>	<u>2,317</u>	<u>376</u>	<u>376</u>	<u>1,015</u>	<u>1,015</u>
Cash and Equivalents, Dec 31	<u><u>\$ 6,185</u></u>	<u><u>\$ 5,178</u></u>	<u><u>\$ 5,317</u></u>	<u><u>\$ 7,375</u></u>	<u><u>\$ 768</u></u>	<u><u>\$ 702</u></u>	<u><u>\$ 315</u></u>	<u><u>\$ 376</u></u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Sheltered Workshop (SB40) Fund				Prosecuting Attorney Bad Check Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 190,000	\$ 197,134	\$ 185,000	\$ 189,425	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	27,000	27,107	25,000	23,957
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	255	1,000	324	20	6	-	17
Other Receipts	1,001	887	1,010	1,069	-	-	-	-
Transfers In	-	-	-	-	25,000	25,000	25,000	25,000
Total Receipts	<u>\$ 191,001</u>	<u>\$ 198,276</u>	<u>\$ 187,010</u>	<u>\$ 190,818</u>	<u>\$ 52,020</u>	<u>\$ 52,113</u>	<u>\$ 50,000</u>	<u>\$ 48,974</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 36,500	\$ 35,883	\$ 36,500	\$ 37,977
Employee Fringe Benefits	-	-	-	-	14,275	12,923	14,275	13,638
Materials and Supplies	-	-	-	-	-	-	-	-
Services	192,000	192,000	186,000	199,268	-	-	-	-
Other Expenditures	1,000	887	1,000	1,069	4,000	3,950	4,000	3,638
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 193,000</u>	<u>\$ 192,887</u>	<u>\$ 187,000</u>	<u>\$ 200,337</u>	<u>\$ 54,775</u>	<u>\$ 52,756</u>	<u>\$ 54,775</u>	<u>\$ 55,253</u>
Receipts Over (Under)								
Disbursements	\$ (1,999)	\$ 5,389	\$ 10	\$ (9,519)	\$ (2,755)	\$ (643)	\$ (4,775)	\$ (6,279)
Cash and Equivalents, Jan 1	<u>144,760</u>	<u>144,760</u>	<u>154,279</u>	<u>154,279</u>	<u>11,087</u>	<u>11,087</u>	<u>17,366</u>	<u>17,366</u>
Cash and Equivalents, Dec 31	<u>\$ 142,761</u>	<u>\$ 150,149</u>	<u>\$ 154,289</u>	<u>\$ 144,760</u>	<u>\$ 8,332</u>	<u>\$ 10,444</u>	<u>\$ 12,591</u>	<u>\$ 11,087</u>

See Notes to the Financial Statements

The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Restitution Fund				Missouri Smart Grant Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Sales Taxes	-	-	-	-	-	-		-
Intergovernmental	-	-	-	-	-	-		-
Charges for Services	-	-	-	-	-	-		-
Interest	300	138	-	225	-	-		-
Other Receipts	145,000	89,173	150,000	145,870	-	-		-
Transfers In	-	-	-	-	-	-		-
Total Receipts	<u>\$ 145,300</u>	<u>\$ 89,311</u>	<u>\$ 150,000</u>	<u>\$ 146,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	83,500	62,948	86,700	71,465	-	-	-	-
Transfers Out	63,700	85,000	113,700	109,509	-	-	-	160
Total Disbursements	<u>\$ 147,200</u>	<u>\$ 147,948</u>	<u>\$ 200,400</u>	<u>\$ 180,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160</u>
Receipts Over (Under)								
Disbursements	\$ (1,900)	\$ (58,637)	\$ (50,400)	\$ (34,879)	\$ -	\$ -	\$ -	\$ (160)
Cash and Equivalents, Jan 1	<u>103,587</u>	<u>103,587</u>	<u>138,466</u>	<u>138,466</u>	<u>-</u>	<u>-</u>	<u>160</u>	<u>160</u>
Cash and Equivalents, Dec 31	<u><u>\$ 101,687</u></u>	<u><u>\$ 44,950</u></u>	<u><u>\$ 88,066</u></u>	<u><u>\$ 103,587</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 160</u></u>	<u><u>\$ -</u></u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013**

	Sheriff's Revolving Fund				Inmate Security Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	17,000	14,025	17,500	17,805	82,000	68,109	12,000	14,807
Interest	-	39	-	42	10	23	-	14
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 17,000</u>	<u>\$ 14,064</u>	<u>\$ 17,500</u>	<u>\$ 17,847</u>	<u>\$ 82,010</u>	<u>\$ 68,132</u>	<u>\$ 12,000</u>	<u>\$ 14,821</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	42,000	41,887	13,000	12,791
Other Expenditures	10,000	6,628	10,000	5,740	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 6,628</u>	<u>\$ 10,000</u>	<u>\$ 5,740</u>	<u>\$ 42,000</u>	<u>\$ 41,887</u>	<u>\$ 13,000</u>	<u>\$ 12,791</u>
Receipts Over (Under)								
Disbursements	\$ 7,000	\$ 7,436	\$ 7,500	\$ 12,107	\$ 40,010	\$ 26,245	\$ (1,000)	\$ 2,030
Cash and Equivalents, Jan 1	<u>31,338</u>	<u>31,338</u>	<u>19,231</u>	<u>19,231</u>	<u>12,489</u>	<u>12,489</u>	<u>10,459</u>	<u>10,459</u>
Cash and Equivalents, Dec 31	<u>\$ 38,338</u>	<u>\$ 38,774</u>	<u>\$ 26,731</u>	<u>\$ 31,338</u>	<u>\$ 52,499</u>	<u>\$ 38,734</u>	<u>\$ 9,459</u>	<u>\$ 12,489</u>

See Notes to the Financial Statements

The County of Pemiscot
Caruthersville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Collector's Tax Maintenance Fund				Community Development Block Grant Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	62,751	-	4,238
Charges for Services	30,000	32,361	35,000	35,651	-	-	-	-
Interest	-	140	-	162	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 30,000</u>	<u>\$ 32,501</u>	<u>\$ 35,000</u>	<u>\$ 35,813</u>	<u>\$ -</u>	<u>\$ 62,751</u>	<u>\$ -</u>	<u>\$ 4,238</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	2,855	-	-	-	-
Services	20,000	28,910	12,000	17,995	-	-	-	-
Other Expenditures	-	-	-	-	-	62,751	-	8,895
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	15,000	5,200	28,000	27,869	-	-	-	-
Total Disbursements	<u>\$ 35,000</u>	<u>\$ 34,110</u>	<u>\$ 40,000</u>	<u>\$ 48,719</u>	<u>\$ -</u>	<u>\$ 62,751</u>	<u>\$ -</u>	<u>\$ 8,895</u>
Receipts Over (Under)								
Disbursements	\$ (5,000)	\$ (1,609)	\$ (5,000)	\$ (12,906)	\$ -	\$ -	\$ -	\$ (4,657)
Cash and Equivalents, Jan 1	<u>67,753</u>	<u>67,753</u>	<u>80,659</u>	<u>80,659</u>	<u>-</u>	<u>-</u>	<u>4,657</u>	<u>4,657</u>
Cash and Equivalents, Dec 31	<u>\$ 62,753</u>	<u>\$ 66,144</u>	<u>\$ 75,659</u>	<u>\$ 67,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,657</u>	<u>\$ -</u>

See Notes to the Financial Statements

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies

Organized in 1851, the county of Pemiscot was named after the Indian word meaning "liquid mud." It is a third-class county, and the county seat is Caruthersville. Pemiscot County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Pemiscot County, Missouri and the Pemiscot County Senate Bill 40 Board.

Pemiscot County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Pemiscot County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Pemiscot County's legal entity. The Pemiscot County Senate Bill 40 Board is controlled by a separate board and is also included under the control of Pemiscot County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Pemiscot County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If Pemiscot County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Pemiscot County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2014: Special Road and Bridge Fund, Deputy Sheriff Supplemental Salary Grant Fund, Task Force Fund, Law Enforcement Sales Tax Fund, Sheriff's Civil Fees Fund, and Law Enforcement Restitution Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Law Enforcement Training Fund, Solid Waste Transfer Station Fund, Sheltered Workshop (Senate Bill 40) Fund, Prosecuting Attorney Bad Check Fund, Missouri Smart Grant Fund, and Collector's Tax Maintenance Fund. We also noted the County failed to prepare a budget for the Community Development Block Grant Fund in 2014 and 2013.

The following funds were budgeted in deficit in 2014: General Revenue Fund, Assessment Fund, Emergency 911 Fund, Firing Range Fund, Task Force Fund, and Juvenile Grant Fund. The following funds were budgeted in deficit in 2013: General Revenue Fund, Assessment Fund, Emergency 911 Fund, Task Force Fund, and Juvenile Grant Fund.

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

Budget and Budgetary Accounting (continued)

The following funds had deficit ending balances in 2014 and 2013: General Revenue Fund, Assessment Fund, Emergency 911 Fund, Deputy Sheriff Supplemental Salary Grant Fund, Task Force Fund, and Juvenile Grant Fund.

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Pemiscot County's boundaries for the calendar year 2014 and 2013, respectively, for the purposes of County taxation was as follows:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 110,875,590	\$ 109,832,916
Personal Property	51,308,419	51,643,507
Railroad and Utilities	30,954,403	30,555,880
	<u><u>\$ 193,138,412</u></u>	<u><u>\$ 192,032,303</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2014 and 2013, respectively, for the purpose of County taxation, was as follows:

	<u>2014</u>	<u>2013</u>
General Revenue	\$ 0.1942	\$ 0.1767
Special Road and Bridge	0.2977	0.2975
Johnson Grass	0.0500	0.0500
Sheltered Workshop (SB40)	0.1000	0.1000

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Pemiscot County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Pemiscot County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of December 31, 2014, 100% of Pemiscot County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2014, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 743,143	\$ 312,888
Investments	-	-
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2014	<u>\$ 743,143</u>	<u>\$ 312,888</u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2013, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 875,473	\$ 526,592
Investments	-	-
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2013	<u>\$ 875,473</u>	<u>\$ 526,592</u>

Note: Bank balances are inclusive of all funds of Pemiscot County, and as such, include balances of unaudited funds which are not included in the scope of this report.

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Pemiscot County's investment policy does not include custodial credit risk requirements. Pemiscot County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014 and 2013.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Pemiscot County or its agent but not in the government's name. Pemiscot County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Pemiscot County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pemiscot County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Pemiscot County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Pemiscot County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities. Pemiscot County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014 and 2013.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2014 and 2013 are as follows:

<u>Fund</u>	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 447,755	\$ 75,000	\$ 432,039	\$ 75,000
Assessment	75,000	-	75,000	-
Emergency 911	94,479	-	-	-
Task Force	30,000	-	45,691	-
Law Enforcement Sales Tax	-	406,042	-	349,078
Emergency Services	-	94,479	-	-
Recorder's	-	2,520	-	2,104
Election Services	-	3,993	-	14,010
Prosecuting Attorney Bad Check	25,000	-	25,000	-
Law Enforcement Restitution	-	85,000	-	109,509

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 3 - Interfund Transfers (continued)

Missouri Smart Grant	-	-	-	160
Collector's Tax Maintenance	-	5,200	-	27,869
Total	<u>\$ 672,234</u>	<u>\$ 672,234</u>	<u>\$ 577,730</u>	<u>\$ 577,730</u>

Note 4 - Long-Term Debt

Certificates of Participation

In 2010, the County issued \$4,145,000 in original principal lease Certificates of Participation, due in varying annual principal installments ranging from \$105,000 to \$615,000 through March 1, 2018. Interest rate is variable from 1.50% to 3.00%. Two principal payments are made annually. These payments are made/due on March 1 and September 1, and interest is paid semi-annually. The paying agent is The Bank of New York Mellon Trust Company, N.A., offices in St. Louis, Missouri. This was used for the 2010 Justice Center Bond.

<u>Balance at Dec. 31, 2012</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at Dec. 31, 2013</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance at Dec. 31, 2014</u>
<u>\$ 3,030,000</u>	<u>\$ -</u>	<u>\$ (560,000)</u>	<u>\$ 2,470,000</u>	<u>\$ -</u>	<u>\$ (570,000)</u>	<u>\$ 1,900,000</u>

Interest expense for the years ended December 31, 2014 and 2013 was \$60,515 and \$72,050, respectively.

2014 Amortization			
Series 2010 Refunding Certificates of Participation			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 585,000	\$ 47,630	\$ 632,630
2016	595,000	33,235	628,235
2017	615,000	17,025	632,025
2018	105,000	1,575	106,575
	<u>\$ 1,900,000</u>	<u>\$ 99,465</u>	<u>\$ 1,999,465</u>

2013 Amortization			
Series 2010 Refunding Certificates of Participation			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 570,000	\$ 60,515	\$ 630,515
2015	585,000	47,630	632,630
2016	595,000	33,235	628,235
2017	615,000	17,025	632,025
2018	105,000	1,575	106,575
	<u>\$ 2,470,000</u>	<u>\$ 159,980</u>	<u>\$ 2,629,980</u>

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 4 - Long-Term Debt (continued)

Capital Leases

On August 15, 2011, the County entered into a lease-purchase agreement for three Caterpillar Motor Graders in the amount of \$186,298 (net of trade-in). The lease-purchase term is for five years and the interest rate is 3.20% on the unpaid balance. The monthly payment is \$3,364.07. At the end of the five year period, the equipment will be traded-in for new equipment.

On December 31, 2009, the County entered into a lease-purchase agreement for four Caterpillar Motor Graders in the amount of \$274,828 (net of trade-in). The lease-purchase term is for five years and the interest rate is 3.75% on the unpaid balance. The monthly payment is \$2,186.09. At the end of the five year period, the equipment will be traded-in for new equipment.

On June 8, 2010, the County entered into a lease-purchase agreement for one Caterpillar Excavator in the amount of \$105,553 (net of trade-in). The lease-purchase term is for five years and the interest rate is 4.15% on the unpaid balance. The monthly payment is \$1,951.06. At the end of the five year period, the equipment will be traded-in for new equipment.

On September 12, 2014, the County entered into a lease-purchase agreement for four Caterpillar Motor Graders in the amount of \$501,711 (net of trade-in). The lease-purchase term is for five years and the interest rate is 3.75% on the unpaid balance. The monthly payment is \$4,998. At the end of the five year period, the equipment will be traded-in for new equipment.

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014	Interest Paid
2011 Caterpillar Graders	\$ 106,148	\$ -	\$ (37,523)	\$ 68,625	\$ 2,853
2009 Caterpillar Graders	206,782	-	(206,782)	-	6,821
2010 Caterpillar Excavator	30,180	-	(22,485)	7,695	990
2014 Caterpillar Graders	-	501,711	(15,714)	485,997	3,704
Total	<u>\$ 343,110</u>	<u>\$ 501,711</u>	<u>\$ (282,504)</u>	<u>\$ 562,317</u>	<u>\$ 14,368</u>

Future minimum long-term debt payments for the year ended December 31, 2014 is as follows:

Year Ending December 31	Principal	Interest	Total
2015	\$ 96,311	\$ 15,780	\$ 112,091
2016	73,870	13,054	86,924
2017	48,794	11,184	59,978
2018	50,270	9,708	59,978
2019	293,072	6,291	299,363
	<u>\$ 562,317</u>	<u>\$ 56,017</u>	<u>\$ 618,334</u>

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 4 - Long-Term Debt (continued)

	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013	Interest Paid
2011 Caterpillar Graders	\$ 142,483	\$ -	\$ (36,335)	\$ 106,148	\$ 4,034
2009 Caterpillar Graders	225,394	-	(18,612)	206,782	8,116
2010 Caterpillar Excavator	53,219	-	(23,039)	30,180	1,901
2014 Caterpillar Graders	-	-	-	-	-
Total	<u>\$ 421,096</u>	<u>\$ -</u>	<u>\$ (77,986)</u>	<u>\$ 343,110</u>	<u>\$ 14,051</u>

Future minimum long-term debt payments for the year ended December 31, 2013 is as follows:

Year Ending December 31	Principal	Interest	Total
2014	\$ 266,227	\$ 10,664	\$ 276,891
2015	50,339	1,774	52,113
2016	26,544	402	26,946
	<u>\$ 343,110</u>	<u>\$ 12,840</u>	<u>\$ 355,950</u>

Note 5 - Missouri Local Government Employees Retirement System (LAGERS)

Plan Description

Pemiscot County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statutes section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling (800) 447-4334.

Funding Status

Full-time employees of Pemiscot County do not contribute to the pension plan. The June 30th statutorily required contribution rates are 8.3% (General) and 8.4% (Police) of annual covered payroll for the year ended December 31, 2014. The June 30th statutorily required contribution rates are 7.3% (General) and 9.6% (Police) of annual covered payroll for the year ended December 31, 2013. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the year ended December 31, 2014 was as follows:

	2014
Annual required contribution	\$ 181,321
Interest on net pension obligation	4,536
Adjustment to required contribution	(3,670)
Annual pension cost	182,187
Actual contributions	184,585
Increase (decrease) in NPO	(2,398)
NPO beginning of year	62,565
NPO end of year	<u>\$ 60,167</u>

The annual required contribution (ARC) was determined as part of the February 28, 2012 and February 28, 2013 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012 was 9 years for the General division and 15 years for the Police division. The amortization period of February 28, 2013 was 30 years for the General division and 17 years for the Police division.

Three-Year Trend Information			
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 202,574	86.1%	\$ 42,152
2013	193,694	89.5%	62,565
2014	182,187	101.3%	60,167

Schedule of Funding Progress						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2012	\$ 4,536,755	\$ 4,365,087	\$ (171,668)	104%	\$ 2,460,891	n/a
2/28/2013	4,584,807	4,224,500	(360,307)	109%	2,295,164	n/a
2/28/2014	5,241,204	4,434,112	(807,092)	118%	2,376,025	n/a

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the year ended December 31, 2013 was as follows:

	2013
Annual required contribution	\$ 196,687
Interest on net pension obligation	3,056
Adjustment to required contribution	(6,049)
Annual pension cost	193,694
Actual contributions	173,281
Increase (decrease) in NPO	20,413
NPO beginning of year	42,152
NPO end of year	<u>\$ 62,565</u>

The annual required contribution (ARC) was determined as part of the February 28, 2011 and February 29, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011 was 30 years for the General division and 29 years for the Police division. The amortization period of February 29, 2012 was 9 years for the General division and 15 years for the Police division.

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 170,429	96.6%	\$ 13,999
2012	202,574	86.1%	42,152
2013	193,694	89.5%	62,565

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2011	\$ 4,252,986	\$ 4,415,602	\$ 162,616	96%	\$ 2,741,223	6%
2/29/2012	4,536,755	4,365,087	(171,668)	104%	2,460,891	n/a
2/28/2013	4,584,807	4,224,500	(360,307)	109%	2,295,164	n/a

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 6 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-877-632-2373.

Funding Policy

In accordance with Missouri state statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 0% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of \$63,103 and \$58,963, respectively, for the years then ended.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Pemiscot County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Pemiscot County has contributed \$7,106 and \$7,752, respectively, for the years ended December 31, 2014 and 2013.

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 8 - Other Retirement Plan

Pemiscot County has a voluntary 457 plan administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2014 and 2013 for the 457 plan were \$41,897 and \$29,934, respectively.

Note 9 - Post-Employment Benefits

Pemiscot County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Pemiscot County.

Note 10 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

Regular full-time employees who have completed the introductory period are eligible to receive vacation time after one year as follows: 1-2 years of service, 5 days; 2-12 years of services, 10 days; and after 12 years of services, 15 days. Vacation leave must be used in its entirety within one year after being earned. Upon termination of employment, an employee will receive equivalent cash reimbursement for up to one year's accrued vacation leave. Regular full-time employees earn one day of sick leave per calendar month. Sick leave may accrue unlimited. Upon termination of employment, no payment will be made for unused sick leave. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Landfill

The County has a closed solid waste disposal area. At December 31, 2014, the County is not aware of any obligation, however, any future obligations or liabilities related to improper closure of the solid waste disposal area are unknown.

Note 11 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**The County of Pemiscot
Caruthersville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 11 - Risk Management (continued)

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 12 - Subsequent Events

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 13, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Note 13 - Prior Period Adjustments

Beginning cash balances of the County have been restated to include the General Revenue Capital Fund, the Inmate Security Fund, the Collector's Tax Maintenance Fund, and the Community Development Block Grant Fund; it has been restated to exclude a fund reported on the period audit. It has also been restated to correct a misstatement of the beginning cash balance of the General Revenue Fund. The net effect of this adjustment will increase the beginning cash and equivalents of the County. This adjustment will have no material effect on operations of the County.

Total cash and equivalents, as Previously stated - December 31, 2012	\$ 673,993
Prior Period Adjustment 1	95,907
Prior Period Adjustment 2	(1,280)
Prior Period Adjustment 3	<u>6,795</u>
Total cash and equivalents, as Restated - December 31, 2012	<u><u>\$ 775,415</u></u>



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the County Commission and
Officeholders of Pemiscot County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Pemiscot County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Pemiscot County, Missouri's basic financial statements and have issued our report thereon dated July 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pemiscot County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pemiscot County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Pemiscot County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: 14/13-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies: 14/13-002, 14/13-003, and 14/13-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pemiscot County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported

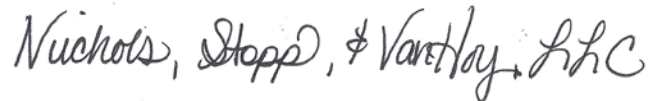
under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items: 14/13-001 and 14/13-004.

Pemiscot County, Missouri's Response to Findings

Pemiscot County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Pemiscot County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Nichols, Stopp, & VanHoy, LLC".

Creve Coeur, Missouri
July 13, 2015



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

To the County Commission and
Officeholders of Pemiscot County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Pemiscot County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Pemiscot County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Pemiscot County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Pemiscot County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pemiscot County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Pemiscot County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Pemiscot County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 14/13-006. Our opinion on each major federal program is not modified with respect to these matters.

Pemiscot County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Pemiscot County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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Report on Internal Control Over Compliance

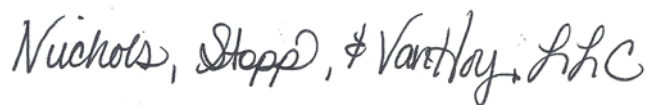
Management of Pemiscot County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Pemiscot County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pemiscot County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 14/13-006 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Pemiscot County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Pemiscot County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Creve Coeur, Missouri
July 13, 2015

**The County of Pemiscot
Caruthersville, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Housing and Urban Development				
Passed through state:				
Department of Economic Development - Community Development Block Grant	14.228	2011-EM-22	\$ 62,751	\$ 8,895
Total U.S. Department of Housing and Urban Development			62,751	8,895
U.S. Department of Justice				
Direct Programs -				
Equitable Sharing Program	16.922	MO0780000	120,029	239,891
Passed through state:				
Department of Public Safety - Juvenile Justice and Delinquency Prevention	16.540	ERS 172-381	97,442	134,189
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-JAG-017	-	73,533
Total U.S. Department of Justice			217,471	447,613
U.S Department of Transportation				
Passed through state:				
Traffic and Highway Safety Division - Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	13-PT-02-048	-	1,800
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	14-PT-02-079	-	2,000
Highway and Transportation Commission - Highway Planning and Construction	20.205	BRO-B078(48)	340,021	-
Total U.S. Department of Transportation			340,021	3,800
General Services Administration				
Passed through state:				
Office of Secretary of State - Election Reform Payments	39.011	231AV140036911	2,013	-
Total General Service Administration			2,013	-
Election Assistance Commission				
Passed through state:				
Office of Secretary of State - Help America Vote Act Requirements Payments	90.401	N/A	-	2,129
Total Election Assistance Commission			-	2,129

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Pemiscot
Caruthersville, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Health and Human Services				
Passed through state:				
Department of Social Services -				
Child Support Enforcement	93.563	2014 IV-D	36,043	-
Child Support Enforcement	93.563	2013 IV-D	-	37,326
Total U.S. Department of Health and Human Services			36,043	37,326
U.S. Department of Homeland Security				
Passed through state:				
Emergency Management Agency -				
Disaster Grants - Public Assistance	97.036	FEMA 1980 DR-MO	238,010	18,040
Total U.S. Department of Homeland Security			238,010	18,040
Total Expenditures of Federal Awards			\$ 896,309	\$ 517,803

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Pemiscot
Caruthersville, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of *OMB Circular A-133*. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Pemiscot County, Missouri.

Basis of Presentation

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Subrecipients

The County passed through \$62,751 and \$8,895 of federal funds related to the Community Development Block Grants Program (CFDA #14.228) to other organizations for the years ended December 31, 2014 and 2013, respectively.

**The County of Pemiscot
Caruthersville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Modified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

 X Yes No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes None Reported

Any noncompliance material to financial
statements noted?

 X Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 510 (a) of Circular A-133?

 X Yes No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
16.922	Equitable Sharing Program
20.205	Highway Planning and Construction
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish
between type A and type B programs:

 \$ 300,000

Auditee qualified as low-risk auditee?

 Yes X No

**The County of Pemiscot
Caruthersville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings

14/13-001 **Condition:** During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2014: Special Road and Bridge Fund, Deputy Sheriff Supplemental Salary Grant Fund, Task Force Fund, Law Enforcement Sales Tax Fund, Sheriff's Civil Fees Fund, and Law Enforcement Restitution Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Law Enforcement Training Fund, Solid Waste Transfer Station Fund, Sheltered Workshop (Senate Bill 40) Fund, Prosecuting Attorney Bad Check Fund, Missouri Smart Grant Fund, and Collector's Tax Maintenance Fund. We also noted the County failed to prepare a budget for the Community Development Block Grant Fund in 2014 and 2013.

The following funds were budgeted in deficit in 2014: General Revenue Fund, Assessment Fund, Emergency 911 Fund, Firing Range Fund, Task Force Fund, and Juvenile Grant Fund. The following funds were budgeted in deficit in 2013: General Revenue Fund, Assessment Fund, Emergency 911 Fund, Task Force Fund, and Juvenile Grant Fund.

Criteria: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Also, Missouri statutes do not allow for Counties to deficit budget funds.

Effect: Due to exceeding budget in certain funds and budgeting a deficit in others, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County adopt a balanced budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk, Pam Treece, will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. Sometimes there are unexpected expenditures that cause the County to exceed the budget. CDBG funds are run through a separate account from the County funds. The phone number for the Clerk's office is (573) 333-4203.

14/13-002 **Condition:** Documentation of the County's internal controls has not been prepared.

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

**The County of Pemiscot
Caruthersville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings (continued)

14/13-002 **Recommendation:** We recommend that the County develop the required internal control documentation. In (cont.) addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County Clerk's (Pam Treece) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The phone number for the Clerk's office is (573) 333-4203.

14/13-003 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County Clerk's (Pam Treece) office is in the process of preparing and documenting the necessary processes to address the County's various risks and to monitor those risks on a routine basis. The phone number for the Clerk's office is (573) 333-4203.

14/13-004 **Condition:** During our audit, we noted the County was not adequately tracking cash and fund balances for all County funds within the accounting system and the Treasurer in not performing semi-annual settlements.

Criteria: Strong internal control over financial statements require that cash and fund balances be tracked for all funds. Also, semi-annual settlements are required to be prepared by Missouri Revised Statutes.

Effect: Because cash and fund balances are not adequately being tracked within the accounting system or by the Treasurer it is possible that cash and fund balances are materially misstated due to error or fraud.

Cause: The County is not properly tracking cash and fund balances within their accounting system. Also, the Treasurer is not performing semi-annual settlements by fund as required by Missouri Revised Statutes.

**The County of Pemiscot
Caruthersville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings (continued)

- 14/13-004 **Recommendation:** We recommend that the County start utilizing their accounting software fully to track cash and fund balances. Due to the nature of corrections that need to be made within the accounting software, it may require the County to engage a qualified accounting firm who is knowledgeable with the software the County uses to fully correct these issues. We also recommend that the Treasurer start performing semi-annual settlements by fund as required by Missouri Revised Statutes.

Management's Response: The County Clerk, Pam Treece, will try to correct issues with QuickBooks so cash and fund balances are more easily accessible. The Treasurer, Frankie Steward, will start running semi-annual settlement on a fund basis again. The phone number for the Clerk's office is (573) 333-4203.

- 14/13-005 **Condition:** During our audit, we noted that no controls were implemented to ensure that the assessed valuation of real estate and personal property is reconciled between the Collector's office and Assessor's office. Due to this lack of reconciliation of assessed valuation being performed, tax abatements have been occurring in the Collector's office without following the proper approval process.

Criteria: Strong internal control over financial statements require that a reconciliation of assessed valuation of real estate and personal property between the Collector's office and Assessor's office be prepared.

Effect: Without a process of reconciliation of assessed valuation between the Collector's office and Assessor's office, erroneous or fraudulent tax abatements may occur and not be caught in a timely manner.

Cause: Because the Collector's and Assessor's software are not integrated, tax abatements can and must be manually entered into the Collector's software. The issue has occurred due to this lack of integrated software and the fact the County has not implemented controls to reconcile the assessed valuation between Collector's office and Assessor's office.

Recommendation: We recommend the County upgrade the software in the Collector's office with software that integrates with the Assessor's software. The software should not allow any changes to be made to assessed valuation by the Collector or Collector's staff. All tax abatements should be initiated by the Assessor, follow the proper approval process, and be electronically transmitted to the Collector's software once approved. If the County does not implement integrated software in the Collector's office, the County must design and implement controls to reconcile the assessed valuation between the Collector's office and Assessor's office on at least a quarterly basis.

Management's Response: County is in the process of switching software programs in the Collector's office. The new software will not allow any changes to be made to assessed valuation by the Collector or Collector's staff. Software will include proper process of initiating and approving the tax abatements. The phone number for the Clerk's office is (573) 333-4203.

**The County of Pemiscot
Caruthersville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 3 - Federal Award Findings and Questioned Costs

14/13-006 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Criteria: *OMB Circular A-133* requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Effect: Federal expenditures reported on the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: The County Clerk's (Pam Treece) office will obtain proper training in order to prepare an accurate SEFA. The phone number for the Clerk's office is (573) 333-4203.

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Pemiscot County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012.

Prior Year Financial Statement Findings

MATERIAL WEAKNESSES IN INTERNAL CONTROL

FS 12/11-01 County Budget Documents Materially Misstated County's Financial Statements

Condition: The County's budget documents for the year ended December 31, 2012 and 2011 materially misstated the various receipt classifications in various county funds as follows:

1. Various items that are charges for services were misclassified as Intergovernmental Revenues in many county funds.
2. Charges for services were misclassified as Other Revenues in many county funds.

Due to the number of numerous misclassifications on the budget documents the financial statements have not been adjusted to properly state receipts and the cash balances for the various funds.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents. It appears that the financial process of preparing the budget document information has continued from prior years without any willingness to change on the part of county officials.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within various county funds. Financial information presented in the published financial statements is also not accurately stated for the general public.

Recommendation:

The County Commission, County Clerk, and respective officials take more care in preparation of the budget document each year to ensure that the classifications of receipts within the various funds are properly stated. We also recommend the County redo the 2013 budget document with proper classifications of financial amounts in order for the 2014 budget to be prepared more accurately.

Auditee Response:

Pemiscot County will work to sort, define and classify each revenue account and each expenditure account categorizing them in order to arrive at a schedule specific to each section of the budget in the categories such as Charges for Services, Intergovernmental Revenue, Other Revenue, and the increase and reduction in cash.

Status: Management has corrected this issue.

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

FS 12/11-02 Accounting for Transfers Need Improvement

Condition: The financial statements of the County as represented in the annual budget document do not present the proper amount of transfers between the various county funds. Total amounts reflected on the budget documents for budgeted transfers in do not agree with total budgeted transfers out for the years ended December 31, 2012 and 2011. In addition, actual amounts for transfers in are not properly reconciled to actual amounts transferred out each year.

The differences in transfers are because the transfers are reflected in the various funds in various revenue and disbursement classifications instead of in the Transfers classification as designated on the budget document.

Criteria: Strong internal controls over financial statements require that transfers in and out are properly reported in the various funds and are in balance.

Cause: The County Commission, County Clerk and the Treasurer did not consider the importance of balancing the budgeted and actual amounts of transfers in and out between the various funds.

Effect: The transfers in and out between various county funds are not in balance on the budget documents filed with the state and materially misstate the financial statements presented by the County.

Recommendation:

The County Commission, County Clerk, and Treasurer should ensure both budgeted and actual transfers to and from other funds are in agreement each year. Also, other types of transactions that are not operating transfers should not be presented in the "Transfers" account category and that transfers should not be shown in other revenue and disbursement categories.

Auditee Response:

Pemiscot County will work to sort, define and classify total receipts and disbursements and balanced out by fund. The total transfers in for all funds will equal the total amount of transfers out for each year and will be shown as such on the budget document under the heading of Transfers In and Transfers Out.

Status: Management has corrected this issue.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

FS 12/11-03 Budgetary Procedures Not in Compliance With State Law

Condition: We noted the following issues with the County's budgeting process during our audit:

1. The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over seven funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

**FS 12/11-03
(continued)**

Budgetary Procedures Not in Compliance With State Law

Fund	Years Ended December 31,
Assessment	2011
Emergency 911	2011
Law Enforcement Training	2011
Federal Forfeiture	2011
Law Enforcement Sales Tax	2011
Sheltered Workshop	2012 and 2011
MO Smart	2011

2. The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over six funds during the audit period. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Budgeted expenditures exceeded budgeted revenues plus anticipated beginning fund balance for the following funds for 2012 and 2011.

Fund	Years Ended December 31,
General Revenue	2011
Assessment	2012 and 2011
Emergency 911	2012 and 2011
Deputy Sheriff Salary Supplement Grant	2012
Bootheel Drug Task	2011
Juvenile Grant	2012

3. The County Commission, County Clerk, and other County officials did not exercise adequate budgetary control over seven funds during the audit period. Chapter 50.610 and Chapter 50.740, RSMo require that counties prepare budgets that balance proposed expenditures with estimated revenues and other sources of financial resources. Accordingly, counties are not authorized to have deficit fund balances. The following funds carried a deficit fund balance.

Fund	Years Ended December 31,
General Revenue	2012 and 2011
Assessment	2012 and 2011
Emergency 911	2012 and 2011
Firing Range	2012 and 2011
Deputy Sheriff Salary Supplement Grant	2012
Bootheel Drug Task	2012 and 2011
Juvenile Grant	2012 and 2011

Criteria:

Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also states the estimated ending fund balance cannot be a deficit balance. Section 50.540.4 RSMo, states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

**FS 12/11-03
(continued)**

Budgetary Procedures Not in Compliance With State Law

Cause: County officials did not consider the importance of preparing proper amended budgets and preparing budget documents in 2011 and 2012 for all applicable County operating funds.

Effect: The County Commission, County Clerk, and other County officials did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendations:

- A. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.
- B. The County Commission, County Clerk, and other county officials properly prepare annual budgets for all county funds in accordance with state law.
- C. The County Commission cease budgeting a deficit cash balance in any county funds.

Auditee Response:

- A. Pemiscot County will work with the County Treasurer using the Treasurer's monthly reconciliation to review the status of each fund with the other responsible county officials and department heads to ensure that the invoices submitted for payment do not exceed the approved expenditures in the budget for any fund.
- B. & C. During the annual budget process, the County Commission will not budget a deficit balance.

Status: Management has not corrected this issue and the finding is repeated in the current year as 14/13-001.

FS 12/11-04

Preparation of Financial Statements

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is as least indicative of significant deficiency.

Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

**FS 12/11-04 Preparation of Financial Statements
(continued)**

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes. Auditors may continue to assist clients in the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors.

Recommendation:
We recommend the County either provide training to current management, hire additional staff that possesses the accounting skills needed to prepare and review the external financial statements.

Auditee Response:
Pemiscot County has prepared the 2012 and 2011 financial statements in compliance with Missouri Revised Statute 50.815.

Status: This is no longer considered a finding.

FS 12/11-05 Documentation of County's Internal Controls

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation:
We recommend the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with the governance have a responsibility to understand the controls and ensure that they are operating effectively.

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

**FS 12/11-05 Documentation of County's Internal Controls
(continued)**

Auditee's Response:

The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is within the next six months from the date of these financial statements.

Status: Management has not corrected this issue and the finding is repeated in the current year as 14/13-002.

FS 12/11-06 Documentation of Antifraud Programs and Controls

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place and we were informed that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation:

We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Auditee's Response:

The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is within the next six months from the date of these financial statements.

Status: Management has not corrected this issue and the finding is repeated in the current year as 14/13-003.

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

FS 12/11-07 Payroll and Timesheets

Condition: Salaries for the County employees represents the single most costly item of the County. Records and procedures regarding timesheets and/or time cards are in need of improvement. For the years ended December 31, 2012 and 2011, the County disbursed approximately \$3.3 million annually for payroll costs. A payroll period was selected for testing. A test of this payroll disclosed the following deficiencies in the payroll processes and procedures:

- Timesheets or timecards are not always signed by the supervisor.
- Timesheets or timecards are not always signed by the employee.
- Numerous timesheets or timecards were not available for the period tested.
- Timesheets or timecards are not prepared by salaried employees.
- Mileage driven by an employee requesting reimbursement was not provided on a monthly basis.
- Some departments do not submit timesheets and/or timecards to the County Clerk's office.
- Overtime was not always approved by supervisor.

Effect: Payroll disbursements are not always fully substantiated or documented.

Cause: Oversight

Recommendation:

We recommend that the County Commission and County Clerk implement procedures to ensure that all County employees comply with the documented personnel policies, and that all wage and salary charges are supported by time records that are complete, accurate, signed, dated and approved. Timesheets and/or timecards are necessary to document hours actually worked, substantiate payroll disbursements, and provide the County with a method to monitor hours worked. The Fair Labor Standards Act (FLSA) requires employers to keep accurate records of actual time worked by employees, including compensatory time earned, taken, or paid. The time records should always be filed with the County Clerk.

Auditee's Response:

The County will implement changes to conform to the audit findings.

Status: Management has corrected this issue.

FS 12/11-08 Published Financial Statements

Criteria: Under Section 50.800 and 50.810 RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts and revenues, disbursements or expenditures, and beginning and ending balances for each fund.

Condition: During the walkthroughs of the County, we noted there were several funds not reported in the published financial statements for the year ended December 31, 2011.

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

**FS 12/11-08 Published Financial Statements
(continued)**

Effect: Lack of reporting the financial information to the public may not provide a clear and accurate financial position of the County.

Cause: Oversight

Recommendation:

We recommend that the County Clerk and the Commission review the materials that will be used for publishing the financial statements. In addition, both should approve the copy provided by the newspapers.

Auditee's Response:

We are in agreement with this recommendation.

Status: Management has corrected this issue.

Prior Year Federal Award Findings and Questioned Costs

SA 12/11-01 Schedule of Expenditures of Federal Awards

Condition: The County does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained material errors and omissions of information required by the federal government.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements. The County is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Cause: The County did not fully understand how to prepare and to take the appropriate time to prepare the SEFA properly. In addition, the County Clerk does not maintain a copy of all grants and awards from all the officeholders.

Effect: The County's SEFA was incorrectly prepared and materially misstated as prepared by the County.

Recommendation:

Compilation of the SEFA requires consulting County financial records and requesting information from other departments and/or officials. The County should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA. Also, the County Clerk should serve as the central location for all grant documentation. The officeholders can maintain a copy of the documentation. The County Clerk should maintain a tracking system for all federal expenditures.

**The County of Pemiscot
Caruthersville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Federal Award Findings and Questioned Costs

SA 12/11-01 Schedule of Expenditures of Federal Awards

Auditee's Response:

Pemiscot County will implement adequate procedures to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA). Procedures such as requiring each county official and all county staff to report to the County Clerk all grants and expenditures related to Federal Awards.

Status: Management has not corrected this issue and the finding is repeated in the current year as 14/13-006.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Phelps County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Phelps County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-078

**The County of Phelps
Rolla, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2014 & 2013**



**The County of Phelps
Rolla, Missouri
Table of Contents**

<u>Financial Section</u>	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2014.....	3
For the year ended December 31, 2013.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2014 and 2013.....	5
Notes to the Financial Statements.....	23
<u>Federal Compliance Section</u>	
Report on Internal Control over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	35
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	37
Schedule of Expenditures of Federal Awards.....	39
Notes to Schedule of Expenditures of Federal Awards.....	42
Schedule of Findings and Questioned Costs.....	43
Schedule of Prior Year Audit Findings.....	48



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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Phelps County, Missouri

We have audited the accompanying financial statements of Phelps County, Missouri, as of and for the years ended December 31, 2014 and 2013, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Phelps County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Phelps County, Missouri, as of December 31, 2014 and 2013, or the changes in its financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Phelps County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Matters

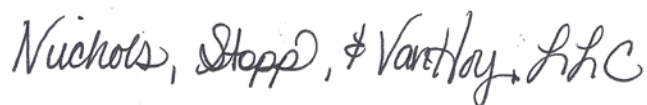
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Phelps County, Missouri’s basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2015, on our consideration of Phelps County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Phelps County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri
July 8, 2015

The County of Phelps
Rolla, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2014

<u>Fund</u>	Cash and Equivalents January 1, 2014	Receipts 2014	Disbursements 2014	Cash and Equivalents December 31, 2014
General Revenue Fund	\$ 663,498	\$ 4,520,190	\$ 4,296,074	\$ 887,614
Special Road and Bridge Fund	854	3,934,715	3,267,849	667,720
Assessment Fund	105,794	609,523	565,493	149,824
Road and Bridge Debt Service Fund	7,355	423,622	-	430,977
Unemployment Fund	250,040	-	32,036	218,004
Use Tax Fund	198,935	103,941	576	302,300
Health Department Fund	178,158	856,695	814,557	220,296
Community Care Clinic Fund	5,377	32,061	37,438	-
Special Election Fund	-	233,864	230,765	3,099
Crisis Intervention Fund	936	1,376	1,545	767
Election Services Fund	37,738	6,572	12,479	31,831
Sheriff's Training Fund	19,502	10,411	3,823	26,090
Sheriff's Drug Enforcement Fund	1,603,980	1,708,548	432,534	2,879,994
Sheriff's Civil Fee Fund	101,907	58,535	27,513	132,929
Sheriff's Revolving Fund	96,503	40,001	44,700	91,804
Law Enforcement Fund	1,319,700	4,172,332	3,632,368	1,859,664
Sheriff's Inmate Security Fund	14,743	45,276	33,195	26,824
Law Enforcement Bldg. Maint. Fund	187,062	25,450	-	212,512
Law Enforcement Restitution Fund	36,017	89,863	90,000	35,880
Prosecuting Attorney Drug Enforcement Fund	272,599	311,932	162,494	422,037
Prosecuting Attorney Training Fund	6,414	1,780	74	8,120
Prosecuting Attorney Delinquent Tax Fund	32,425	3,364	1,161	34,628
Administrative Handling Fund	120,997	18,245	24,339	114,903
Shelter Fund	1,278	11,410	10,200	2,488
Recorder User Fee Fund	39,963	21,574	23,896	37,641
Collector's Tax Maintenance Fund	54,918	52,627	41,994	65,551
Public Facilities Authority Fund	867,152	1,841	5,442	863,551
Jay White Estate Fund	213,822	492	680	213,634
Community Development Block Grant Fund	2	23,415	22,597	820
Developmentally Disabled Fund	288,389	456,273	385,055	359,607
Senior Companions Fund	1,511	336,558	332,625	5,444
Retired and Senior Volunteers Program Fund	-	-	-	-
Senate Bill 40 Board Fund	1,154,565	1,309,561	843,125	1,621,001
Total	<u>\$ 7,882,134</u>	<u>\$ 19,422,047</u>	<u>\$ 15,376,627</u>	<u>\$ 11,927,554</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2013

<u>Fund</u>	Cash and Equivalents January 1, 2013 (Restated)	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue Fund	\$ 667,987	\$ 4,331,658	\$ 4,336,147	\$ 663,498
Special Road and Bridge Fund	217,200	2,925,654	3,142,000	854
Assessment Fund	60,373	567,857	522,436	105,794
Road and Bridge Debt Service Fund	59,148	50,207	102,000	7,355
Unemployment Fund	270,118	-	20,078	250,040
Use Tax Fund	303,041	576	104,682	198,935
Health Department Fund	44,276	1,065,872	931,990	178,158
Community Care Clinic Fund	29,242	85,827	109,692	5,377
Special Election Fund	-	100,216	100,216	-
Crisis Intervention Fund	1,436	4,012	4,512	936
Election Services Fund	33,380	35,776	31,418	37,738
Sheriff's Training Fund	8,774	11,142	414	19,502
Sheriff's Drug Enforcement Fund	1,963,352	301,842	661,214	1,603,980
Sheriff's Civil Fee Fund	73,302	58,446	29,841	101,907
Sheriff's Revolving Fund	84,865	57,984	46,346	96,503
Law Enforcement Fund	989,143	4,102,436	3,771,879	1,319,700
Sheriff's Inmate Security Fund	6,916	19,389	11,562	14,743
Law Enforcement Bldg. Maint. Fund	175,583	45,453	33,974	187,062
Law Enforcement Restitution Fund	41,772	84,245	90,000	36,017
Prosecuting Attorney Drug Enforcement Fund	354,768	85,640	167,809	272,599
Prosecuting Attorney Training Fund	4,495	1,919	-	6,414
Prosecuting Attorney Delinquent Tax Fund	29,507	2,918	-	32,425
Administrative Handling Fund	121,696	23,095	23,794	120,997
Shelter Fund	4,125	12,022	14,869	1,278
Recorder User Fee Fund	23,996	26,349	10,382	39,963
Collector's Tax Maintenance Fund	68,377	69,601	83,060	54,918
Public Facilities Authority Fund	868,123	5,441	6,412	867,152
Jay White Estate Fund	214,526	680	1,384	213,822
Community Development Block Grant Fund	-	58,207	58,205	2
Developmentally Disabled Fund	301,881	386,321	399,813	288,389
Senior Companions Fund	-	340,143	338,632	1,511
Retired and Senior Volunteers Program Fund	-	37,031	37,031	-
Senate Bill 40 Board Fund	699,957	1,204,351	749,743	1,154,565
Total	\$ 7,721,359	\$ 16,102,310	\$ 15,941,535	\$ 7,882,134

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	General Revenue Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 830,000	\$ 995,448	\$ 853,200	\$ 822,918
Sales Taxes	1,654,784	1,727,685	1,654,784	1,626,593
Intergovernmental	1,038,635	924,096	1,067,174	903,755
Charges for Services	714,050	707,281	766,525	708,376
Interest	15,525	9,922	14,329	15,294
Other Receipts	89,755	75,329	106,005	180,243
Transfers In	85,000	80,429	176,000	74,479
Total Receipts	<u>\$ 4,427,749</u>	<u>\$ 4,520,190</u>	<u>\$ 4,638,017</u>	<u>\$ 4,331,658</u>
<u>Disbursements</u>				
County Commission	\$ 200,249	\$ 196,415	\$ 200,170	\$ 199,634
County Clerk	313,528	294,832	370,204	293,806
Elections	217,453	195,517	90,603	47,016
Buildings and Grounds	518,947	505,775	621,256	523,224
County Treasurer	78,373	78,543	80,757	78,658
County Collector	222,629	215,664	228,320	206,056
Recorder of Deeds	153,767	137,744	168,718	139,761
Circuit Clerk	63,790	62,808	121,327	97,551
Court Administration	31,500	28,728	32,500	28,564
Public Administrator	134,340	128,739	129,839	129,262
Prosecuting Attorney	696,677	701,054	713,109	694,331
Juvenile Officer	496,664	438,036	521,410	471,776
County Coroner	48,729	46,959	48,260	48,413
Circuit Judges	170,543	145,052	170,533	137,920
Courthouse Security	261,696	169,548	232,736	149,838
Family Court Program	40,510	34,214	40,510	30,746
Emergency	132,832	-	139,632	-
Transfers Out	783,126	721,628	803,458	803,101
Other Disbursements	230,288	194,818	273,956	256,490
Total Disbursements	<u>\$ 4,795,641</u>	<u>\$ 4,296,074</u>	<u>\$ 4,987,298</u>	<u>\$ 4,336,147</u>
Receipts Over (Under)				
Disbursements	\$ (367,892)	\$ 224,116	\$ (349,281)	\$ (4,489)
Cash and Equivalents, Jan 1	<u>663,498</u>	<u>663,498</u>	<u>667,987</u>	<u>667,987</u>
Cash and Equivalents, Dec 31	<u><u>\$ 295,606</u></u>	<u><u>\$ 887,614</u></u>	<u><u>\$ 318,706</u></u>	<u><u>\$ 663,498</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Road and Bridge Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 651,000	\$ 641,705	\$ 557,500	\$ 534,905
Sales Taxes	923,000	922,952	882,964	868,947
Intergovernmental	1,854,642	1,882,534	1,147,742	1,147,452
Charges for Services	3,000	2,660	-	-
Interest	1,400	961	1,500	1,635
Other Receipts	511,300	483,903	160,250	167,715
Transfers In	-	-	302,000	205,000
Total Receipts	<u>\$ 3,944,342</u>	<u>\$ 3,934,715</u>	<u>\$ 3,051,956</u>	<u>\$ 2,925,654</u>
<u>Disbursements</u>				
Salaries	\$ 640,506	\$ 609,671	\$ 659,606	\$ 599,822
Employee Fringe Benefits	268,293	241,054	251,500	246,902
Supplies	30,800	28,934	28,444	27,844
Insurance	35,000	27,109	35,000	34,368
Road and Bridge Materials	1,355,200	1,180,682	1,471,100	1,468,013
Equipment Repairs	141,000	217,049	124,000	122,819
Equipment Purchases	97,000	95,974	65,100	64,748
Road and Bridge Construction	254,000	15,814	234,511	234,151
Other Expenditures	329,601	324,817	296,900	293,333
Transfers Out	527,100	526,745	50,000	50,000
Total Disbursements	<u>\$ 3,678,500</u>	<u>\$ 3,267,849</u>	<u>\$ 3,216,161</u>	<u>\$ 3,142,000</u>
Receipts Over (Under)				
Disbursements	\$ 265,842	\$ 666,866	\$ (164,205)	\$ (216,346)
Cash and Equivalents, Jan 1	<u>854</u>	<u>854</u>	<u>217,200</u>	<u>217,200</u>
Cash and Equivalents, Dec 31	<u><u>\$ 266,696</u></u>	<u><u>\$ 667,720</u></u>	<u><u>\$ 52,995</u></u>	<u><u>\$ 854</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Assessment Fund				Road and Bridge Debt Service Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	393,116	416,416	389,949	373,490	-	-	-	-
Charges for Services	80,331	82,469	79,631	71,739	-	-	-	-
Interest	500	604	400	483	100	67	150	207
Other Receipts	42,750	35,034	52,500	47,145	-	-	-	-
Transfers In	75,000	75,000	75,000	75,000	-	423,555	50,000	50,000
Total Receipts	<u>\$ 591,697</u>	<u>\$ 609,523</u>	<u>\$ 597,480</u>	<u>\$ 567,857</u>	<u>\$ 100</u>	<u>\$ 423,622</u>	<u>\$ 50,150</u>	<u>\$ 50,207</u>
<u>Disbursements</u>								
Salaries	\$ 309,650	\$ 308,776	\$ 343,693	\$ 304,755	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	88,175	83,195	102,014	96,332	-	-	-	-
Materials and Supplies	8,762	8,761	6,200	6,170	-	-	-	-
Services and Other	164,769	164,761	119,045	115,179	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	102,000	102,000
Total Disbursements	<u>\$ 571,356</u>	<u>\$ 565,493</u>	<u>\$ 570,952</u>	<u>\$ 522,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,000</u>	<u>\$ 102,000</u>
Receipts Over (Under)								
Disbursements	\$ 20,341	\$ 44,030	\$ 26,528	\$ 45,421	\$ 100	\$ 423,622	\$ (51,850)	\$ (51,793)
Cash and Equivalents, Jan 1	<u>105,794</u>	<u>105,794</u>	<u>60,373</u>	<u>60,373</u>	<u>7,355</u>	<u>7,355</u>	<u>59,148</u>	<u>59,148</u>
Cash and Equivalents, Dec 31	<u><u>\$ 126,135</u></u>	<u><u>\$ 149,824</u></u>	<u><u>\$ 86,901</u></u>	<u><u>\$ 105,794</u></u>	<u><u>\$ 7,455</u></u>	<u><u>\$ 430,977</u></u>	<u><u>\$ 7,298</u></u>	<u><u>\$ 7,355</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Unemployment Fund				Use Tax Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	2,000	751	1,700	576
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	103,500	103,190	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,500</u>	<u>\$ 103,941</u>	<u>\$ 1,700</u>	<u>\$ 576</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	40,000	22,036	40,000	10,078	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	576	576	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	10,000	10,000	10,000	10,000	-	-	201,683	104,682
Total Disbursements	<u>\$ 50,000</u>	<u>\$ 32,036</u>	<u>\$ 50,000</u>	<u>\$ 20,078</u>	<u>\$ 576</u>	<u>\$ 576</u>	<u>\$ 201,683</u>	<u>\$ 104,682</u>
Receipts Over (Under)								
Disbursements	\$ (50,000)	\$ (32,036)	\$ (50,000)	\$ (20,078)	\$ 104,924	\$ 103,365	\$ (199,983)	\$ (104,106)
Cash and Equivalents, Jan 1	<u>250,040</u>	<u>250,040</u>	<u>270,118</u>	<u>270,118</u>	<u>198,935</u>	<u>198,935</u>	<u>303,041</u>	<u>303,041</u>
Cash and Equivalents, Dec 31	<u><u>\$ 200,040</u></u>	<u><u>\$ 218,004</u></u>	<u><u>\$ 220,118</u></u>	<u><u>\$ 250,040</u></u>	<u><u>\$ 303,859</u></u>	<u><u>\$ 302,300</u></u>	<u><u>\$ 103,058</u></u>	<u><u>\$ 198,935</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Health Department Fund				Community Care Clinic Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	561,416	583,479	619,800	671,032	-	-	-	-
Charges for Services	134,700	122,804	124,050	136,570	59,508	32,047	108,500	85,791
Interest	200	486	150	265	-	14	20	36
Other Receipts	41,462	36,398	39,075	35,951	-	-	-	-
Transfers In	186,575	113,528	231,813	222,054	-	-	-	-
Total Receipts	<u>\$ 924,353</u>	<u>\$ 856,695</u>	<u>\$ 1,014,888</u>	<u>\$ 1,065,872</u>	<u>\$ 59,508</u>	<u>\$ 32,061</u>	<u>\$ 108,520</u>	<u>\$ 85,827</u>
<u>Disbursements</u>								
Salaries	\$ 531,300	\$ 552,088	\$ 614,700	\$ 609,813	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	191,255	174,873	193,839	189,926	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	155,465	87,596	133,110	132,251	51,138	7,862	109,750	44,531
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	29,576	-	65,161
Total Disbursements	<u>\$ 878,020</u>	<u>\$ 814,557</u>	<u>\$ 941,649</u>	<u>\$ 931,990</u>	<u>\$ 51,138</u>	<u>\$ 37,438</u>	<u>\$ 109,750</u>	<u>\$ 109,692</u>
Receipts Over (Under)								
Disbursements	\$ 46,333	\$ 42,138	\$ 73,239	\$ 133,882	\$ 8,370	\$ (5,377)	\$ (1,230)	\$ (23,865)
Cash and Equivalents, Jan 1	<u>178,158</u>	<u>178,158</u>	<u>44,276</u>	<u>44,276</u>	<u>5,377</u>	<u>5,377</u>	<u>29,242</u>	<u>29,242</u>
Cash and Equivalents, Dec 31	<u><u>\$ 224,491</u></u>	<u><u>\$ 220,296</u></u>	<u><u>\$ 117,515</u></u>	<u><u>\$ 178,158</u></u>	<u><u>\$ 13,747</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 28,012</u></u>	<u><u>\$ 5,377</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Election Fund				Crisis Intervention Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	233,864	-	100,216	5,000	1,376	5,000	4,012
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 233,864</u>	<u>\$ -</u>	<u>\$ 100,216</u>	<u>\$ 5,000</u>	<u>\$ 1,376</u>	<u>\$ 5,000</u>	<u>\$ 4,012</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	141,594	-	48,421	-	-	-	-
Services and Other	-	89,171	-	51,795	5,000	1,545	5,000	4,512
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 230,765</u>	<u>\$ -</u>	<u>\$ 100,216</u>	<u>\$ 5,000</u>	<u>\$ 1,545</u>	<u>\$ 5,000</u>	<u>\$ 4,512</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 3,099	\$ -	\$ -	\$ -	\$ (169)	\$ -	\$ (500)
Cash and Equivalents, Jan 1	-	-	-	-	936	936	1,436	1,436
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 3,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 936</u>	<u>\$ 767</u>	<u>\$ 1,436</u>	<u>\$ 936</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Election Services Fund				Sheriff's Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	34,498	6,485	35,113	35,655	4,000	3,323	4,700	3,949
Charges for Services	-	-	-	-	7,000	7,058	10,000	7,193
Interest	120	83	150	121	-	-	-	-
Other Receipts	-	4	-	-	-	30	300	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 34,618</u>	<u>\$ 6,572</u>	<u>\$ 35,263</u>	<u>\$ 35,776</u>	<u>\$ 11,000</u>	<u>\$ 10,411</u>	<u>\$ 15,000</u>	<u>\$ 11,142</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	16,211	12,479	33,300	31,418	5,000	3,823	16,000	414
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	5,000	-	4,380	-	-	-	-	-
Total Disbursements	<u>\$ 21,211</u>	<u>\$ 12,479</u>	<u>\$ 37,680</u>	<u>\$ 31,418</u>	<u>\$ 5,000</u>	<u>\$ 3,823</u>	<u>\$ 16,000</u>	<u>\$ 414</u>
Receipts Over (Under)								
Disbursements	\$ 13,407	\$ (5,907)	\$ (2,417)	\$ 4,358	\$ 6,000	\$ 6,588	\$ (1,000)	\$ 10,728
Cash and Equivalents, Jan 1	<u>37,738</u>	<u>37,738</u>	<u>33,380</u>	<u>33,380</u>	<u>19,502</u>	<u>19,502</u>	<u>8,774</u>	<u>8,774</u>
Cash and Equivalents, Dec 31	<u><u>\$ 51,145</u></u>	<u><u>\$ 31,831</u></u>	<u><u>\$ 30,963</u></u>	<u><u>\$ 37,738</u></u>	<u><u>\$ 25,502</u></u>	<u><u>\$ 26,090</u></u>	<u><u>\$ 7,774</u></u>	<u><u>\$ 19,502</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Sheriff's Drug Enforcement Fund				Sheriff's Civil Fee Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	500,000	1,692,179	820,000	262,614	20,000	19,357	22,000	19,397
Charges for Services	-	-	-	-	38,000	38,870	42,000	38,815
Interest	7,670	5,060	3,800	7,670	250	308	140	234
Other Receipts	-	11,309	32,000	31,558	-	-	500	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 507,670</u>	<u>\$ 1,708,548</u>	<u>\$ 855,800</u>	<u>\$ 301,842</u>	<u>\$ 58,250</u>	<u>\$ 58,535</u>	<u>\$ 64,640</u>	<u>\$ 58,446</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ 3,180	\$ 2,926	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	298,700	237,474	266,700	275,597	30,600	27,513	30,600	29,841
Capital Outlay	275,500	162,799	395,500	382,691	-	-	-	-
Transfers Out	-	32,261	-	-	-	-	-	-
Total Disbursements	<u>\$ 574,200</u>	<u>\$ 432,534</u>	<u>\$ 665,380</u>	<u>\$ 661,214</u>	<u>\$ 30,600</u>	<u>\$ 27,513</u>	<u>\$ 30,600</u>	<u>\$ 29,841</u>
Receipts Over (Under)								
Disbursements	\$ (66,530)	\$ 1,276,014	\$ 190,420	\$ (359,372)	\$ 27,650	\$ 31,022	\$ 34,040	\$ 28,605
Cash and Equivalents, Jan 1	<u>1,603,980</u>	<u>1,603,980</u>	<u>1,963,352</u>	<u>1,963,352</u>	<u>101,907</u>	<u>101,907</u>	<u>73,302</u>	<u>73,302</u>
Cash and Equivalents, Dec 31	<u><u>\$ 1,537,450</u></u>	<u><u>\$ 2,879,994</u></u>	<u><u>\$ 2,153,772</u></u>	<u><u>\$ 1,603,980</u></u>	<u><u>\$ 129,557</u></u>	<u><u>\$ 132,929</u></u>	<u><u>\$ 107,342</u></u>	<u><u>\$ 101,907</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Sheriff's Revolving Fund				Law Enforcement Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	1,901,853	1,987,966	1,901,853	1,871,649
Intergovernmental	-	-	-	-	1,072,125	1,346,056	1,292,025	1,350,974
Charges for Services	40,000	39,050	60,000	57,730	2,200	2,566	2,700	2,006
Interest	200	251	200	254	2,800	3,708	1,398	2,783
Other Receipts	-	700	-	-	209,000	204,130	313,000	279,379
Transfers In	-	-	-	-	595,645	627,906	659,645	595,645
Total Receipts	<u>\$ 40,200</u>	<u>\$ 40,001</u>	<u>\$ 60,200</u>	<u>\$ 57,984</u>	<u>\$ 3,783,623</u>	<u>\$ 4,172,332</u>	<u>\$ 4,170,621</u>	<u>\$ 4,102,436</u>
<u>Disbursements</u>								
Salaries	\$ 24,200	\$ 23,941	\$ 24,153	\$ 20,275	\$ 2,105,512	\$ 2,053,826	\$ 2,136,723	\$ 2,013,469
Employee Fringe Benefits	10,365	8,913	9,847	5,659	633,060	616,016	702,120	665,491
Materials and Supplies	-	-	-	-	916,939	838,815	1,009,400	997,307
Services and Other	20,700	11,846	20,900	20,412	106,802	98,711	100,880	95,612
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	25,000	25,000	-	-
Total Disbursements	<u>\$ 55,265</u>	<u>\$ 44,700</u>	<u>\$ 54,900</u>	<u>\$ 46,346</u>	<u>\$ 3,787,313</u>	<u>\$ 3,632,368</u>	<u>\$ 3,949,123</u>	<u>\$ 3,771,879</u>
Receipts Over (Under)								
Disbursements	\$ (15,065)	\$ (4,699)	\$ 5,300	\$ 11,638	\$ (3,690)	\$ 539,964	\$ 221,498	\$ 330,557
Cash and Equivalents, Jan 1	<u>96,503</u>	<u>96,503</u>	<u>84,865</u>	<u>84,865</u>	<u>1,319,700</u>	<u>1,319,700</u>	<u>989,143</u>	<u>989,143</u>
Cash and Equivalents, Dec 31	<u><u>\$ 81,438</u></u>	<u><u>\$ 91,804</u></u>	<u><u>\$ 90,165</u></u>	<u><u>\$ 96,503</u></u>	<u><u>\$ 1,316,010</u></u>	<u><u>\$ 1,859,664</u></u>	<u><u>\$ 1,210,641</u></u>	<u><u>\$ 1,319,700</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Sheriff's Inmate Security Fund				Law Enforcement Bldg. Maint. Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	11,500	21,583	10,000	11,246	-	-	-	-
Interest	50	64	150	19	1,000	450	940	1,048
Other Receipts	30,000	23,629	10,000	8,124	-	-	45,000	44,405
Transfers In	-	-	-	-	25,000	25,000	-	-
Total Receipts	<u>\$ 41,550</u>	<u>\$ 45,276</u>	<u>\$ 20,150</u>	<u>\$ 19,389</u>	<u>\$ 26,000</u>	<u>\$ 25,450</u>	<u>\$ 45,940</u>	<u>\$ 45,453</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	41,500	33,195	11,800	11,562	-	-	34,000	33,974
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 41,500</u>	<u>\$ 33,195</u>	<u>\$ 11,800</u>	<u>\$ 11,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,000</u>	<u>\$ 33,974</u>
Receipts Over (Under)								
Disbursements	\$ 50	\$ 12,081	\$ 8,350	\$ 7,827	\$ 26,000	\$ 25,450	\$ 11,940	\$ 11,479
Cash and Equivalents, Jan 1	<u>14,743</u>	<u>14,743</u>	<u>6,916</u>	<u>6,916</u>	<u>187,062</u>	<u>187,062</u>	<u>175,583</u>	<u>175,583</u>
Cash and Equivalents, Dec 31	<u><u>\$ 14,793</u></u>	<u><u>\$ 26,824</u></u>	<u><u>\$ 15,266</u></u>	<u><u>\$ 14,743</u></u>	<u><u>\$ 213,062</u></u>	<u><u>\$ 212,512</u></u>	<u><u>\$ 187,523</u></u>	<u><u>\$ 187,062</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Restitution Fund				Prosecuting Attorney Drug Enforcement Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	40,000	304,944	150,000	51,231
Charges for Services	80,000	89,765	81,000	84,138	-	-	-	-
Interest	100	98	100	107	1,500	873	1,000	1,726
Other Receipts	-	-	-	-	22,000	6,115	33,000	32,683
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 80,100</u>	<u>\$ 89,863</u>	<u>\$ 81,100</u>	<u>\$ 84,245</u>	<u>\$ 63,500</u>	<u>\$ 311,932</u>	<u>\$ 184,000</u>	<u>\$ 85,640</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	169,150	153,187	192,420	167,809
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	90,000	90,000	90,000	90,000	-	9,307	-	-
Total Disbursements	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 169,150</u>	<u>\$ 162,494</u>	<u>\$ 192,420</u>	<u>\$ 167,809</u>
Receipts Over (Under)								
Disbursements	\$ (9,900)	\$ (137)	\$ (8,900)	\$ (5,755)	\$ (105,650)	\$ 149,438	\$ (8,420)	\$ (82,169)
Cash and Equivalents, Jan 1	<u>36,017</u>	<u>36,017</u>	<u>41,772</u>	<u>41,772</u>	<u>272,599</u>	<u>272,599</u>	<u>354,768</u>	<u>354,768</u>
Cash and Equivalents, Dec 31	<u><u>\$ 26,117</u></u>	<u><u>\$ 35,880</u></u>	<u><u>\$ 32,872</u></u>	<u><u>\$ 36,017</u></u>	<u><u>\$ 166,949</u></u>	<u><u>\$ 422,037</u></u>	<u><u>\$ 346,348</u></u>	<u><u>\$ 272,599</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Prosecuting Attorney Training Fund				Prosecuting Attorney Delinquent Tax Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,500	1,780	2,500	1,919	5,000	3,274	9,500	2,839
Interest	-	-	-	-	65	90	60	79
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,500</u>	<u>\$ 1,780</u>	<u>\$ 2,500</u>	<u>\$ 1,919</u>	<u>\$ 5,065</u>	<u>\$ 3,364</u>	<u>\$ 9,560</u>	<u>\$ 2,918</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,000	74	2,000	-	4,000	1,161	2,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 74</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 1,161</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 500	\$ 1,706	\$ 500	\$ 1,919	\$ 1,065	\$ 2,203	\$ 7,560	\$ 2,918
Cash and Equivalents, Jan 1	<u>6,414</u>	<u>6,414</u>	<u>4,495</u>	<u>4,495</u>	<u>32,425</u>	<u>32,425</u>	<u>29,507</u>	<u>29,507</u>
Cash and Equivalents, Dec 31	<u><u>\$ 6,914</u></u>	<u><u>\$ 8,120</u></u>	<u><u>\$ 4,995</u></u>	<u><u>\$ 6,414</u></u>	<u><u>\$ 33,490</u></u>	<u><u>\$ 34,628</u></u>	<u><u>\$ 37,067</u></u>	<u><u>\$ 32,425</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Administrative Handling Fund				Shelter Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	24,000	17,443	20,000	22,248	12,000	11,398	13,000	12,007
Interest	328	319	300	328	15	12	75	15
Other Receipts	-	483	500	519	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 24,328</u>	<u>\$ 18,245</u>	<u>\$ 20,800</u>	<u>\$ 23,095</u>	<u>\$ 12,015</u>	<u>\$ 11,410</u>	<u>\$ 13,075</u>	<u>\$ 12,022</u>
<u>Disbursements</u>								
Salaries	\$ 20,000	\$ 19,000	\$ 17,420	\$ 17,417	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	3,059	2,872	2,665	2,604	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	5,631	2,467	6,915	3,773	12,015	10,200	14,875	14,869
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 28,690</u>	<u>\$ 24,339</u>	<u>\$ 27,000</u>	<u>\$ 23,794</u>	<u>\$ 12,015</u>	<u>\$ 10,200</u>	<u>\$ 14,875</u>	<u>\$ 14,869</u>
Receipts Over (Under)								
Disbursements	\$ (4,362)	\$ (6,094)	\$ (6,200)	\$ (699)	\$ -	\$ 1,210	\$ (1,800)	\$ (2,847)
Cash and Equivalents, Jan 1	<u>120,997</u>	<u>120,997</u>	<u>121,696</u>	<u>121,696</u>	<u>1,278</u>	<u>1,278</u>	<u>4,125</u>	<u>4,125</u>
Cash and Equivalents, Dec 31	<u><u>\$ 116,635</u></u>	<u><u>\$ 114,903</u></u>	<u><u>\$ 115,496</u></u>	<u><u>\$ 120,997</u></u>	<u><u>\$ 1,278</u></u>	<u><u>\$ 2,488</u></u>	<u><u>\$ 2,325</u></u>	<u><u>\$ 1,278</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Recorder User Fee Fund				Collector's Tax Maintenance Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	69,390	51,598	62,000	69,390
Charges for Services	23,650	21,458	23,650	26,256	-	-	-	-
Interest	50	116	50	93	225	167	200	211
Other Receipts	-	-	-	-	-	862	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 23,700</u>	<u>\$ 21,574</u>	<u>\$ 23,700</u>	<u>\$ 26,349</u>	<u>\$ 69,615</u>	<u>\$ 52,627</u>	<u>\$ 62,200</u>	<u>\$ 69,601</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	31,400	23,896	12,000	10,382	83,100	41,994	93,800	83,060
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 31,400</u>	<u>\$ 23,896</u>	<u>\$ 12,000</u>	<u>\$ 10,382</u>	<u>\$ 83,100</u>	<u>\$ 41,994</u>	<u>\$ 93,800</u>	<u>\$ 83,060</u>
Receipts Over (Under)								
Disbursements	\$ (7,700)	\$ (2,322)	\$ 11,700	\$ 15,967	\$ (13,485)	\$ 10,633	\$ (31,600)	\$ (13,459)
Cash and Equivalents, Jan 1	<u>39,963</u>	<u>39,963</u>	<u>23,996</u>	<u>23,996</u>	<u>54,918</u>	<u>54,918</u>	<u>68,377</u>	<u>68,377</u>
Cash and Equivalents, Dec 31	<u><u>\$ 32,263</u></u>	<u><u>\$ 37,641</u></u>	<u><u>\$ 35,696</u></u>	<u><u>\$ 39,963</u></u>	<u><u>\$ 41,433</u></u>	<u><u>\$ 65,551</u></u>	<u><u>\$ 36,777</u></u>	<u><u>\$ 54,918</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Public Facilities Authority Fund				Jay White Estate Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	6,000	1,841	6,000	5,441	1,400	492	1,000	680
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,000</u>	<u>\$ 1,841</u>	<u>\$ 6,000</u>	<u>\$ 5,441</u>	<u>\$ 1,400</u>	<u>\$ 492</u>	<u>\$ 1,000</u>	<u>\$ 680</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	5,442	5,442	6,413	6,412	681	680	1,385	1,384
Total Disbursements	<u>\$ 5,442</u>	<u>\$ 5,442</u>	<u>\$ 6,413</u>	<u>\$ 6,412</u>	<u>\$ 681</u>	<u>\$ 680</u>	<u>\$ 1,385</u>	<u>\$ 1,384</u>
Receipts Over (Under)								
Disbursements	\$ 558	\$ (3,601)	\$ (413)	\$ (971)	\$ 719	\$ (188)	\$ (385)	\$ (704)
Cash and Equivalents, Jan 1	<u>867,152</u>	<u>867,152</u>	<u>868,123</u>	<u>868,123</u>	<u>213,822</u>	<u>213,822</u>	<u>214,526</u>	<u>214,526</u>
Cash and Equivalents, Dec 31	<u><u>\$ 867,710</u></u>	<u><u>\$ 863,551</u></u>	<u><u>\$ 867,710</u></u>	<u><u>\$ 867,152</u></u>	<u><u>\$ 214,541</u></u>	<u><u>\$ 213,634</u></u>	<u><u>\$ 214,141</u></u>	<u><u>\$ 213,822</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Community Development Block Grant Fund				Developmentally Disabled Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 385,000	\$ 453,018	\$ 368,000	\$ 383,645
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	20,220	-	58,125	1,350	989	1,000	1,631
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,000	1,061	800	1,045
Other Receipts	-	3,195	-	82	-	1,205	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 23,415</u>	<u>\$ -</u>	<u>\$ 58,207</u>	<u>\$ 387,350</u>	<u>\$ 456,273</u>	<u>\$ 369,800</u>	<u>\$ 386,321</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	20,220	-	58,125	400,212	385,055	409,499	399,813
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	2,377	-	80	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 22,597</u>	<u>\$ -</u>	<u>\$ 58,205</u>	<u>\$ 400,212</u>	<u>\$ 385,055</u>	<u>\$ 409,499</u>	<u>\$ 399,813</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 818	\$ -	\$ 2	\$ (12,862)	\$ 71,218	\$ (39,699)	\$ (13,492)
Cash and Equivalents, Jan 1	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>288,389</u>	<u>288,389</u>	<u>301,881</u>	<u>301,881</u>
Cash and Equivalents, Dec 31	<u><u>\$ 2</u></u>	<u><u>\$ 820</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 275,527</u></u>	<u><u>\$ 359,607</u></u>	<u><u>\$ 262,182</u></u>	<u><u>\$ 288,389</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Senior Companions Fund				Retired and Senior Volunteers Program Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	332,150	332,150	345,800	332,150	33,138	-	41,422	34,382
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	676	4,408	7,995	7,993	239	-	2,765	2,649
Total Receipts	<u>\$ 332,826</u>	<u>\$ 336,558</u>	<u>\$ 353,795</u>	<u>\$ 340,143</u>	<u>\$ 33,377</u>	<u>\$ -</u>	<u>\$ 44,187</u>	<u>\$ 37,031</u>
<u>Disbursements</u>								
Salaries	\$ 82,300	\$ 81,283	\$ 82,300	\$ 82,267	\$ 25,363	\$ -	\$ 25,363	\$ 24,306
Employee Fringe Benefits	26,461	25,811	24,502	24,209	4,785	-	5,243	4,742
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	225,576	225,531	246,993	232,156	3,229	-	13,581	7,983
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 334,337</u>	<u>\$ 332,625</u>	<u>\$ 353,795</u>	<u>\$ 338,632</u>	<u>\$ 33,377</u>	<u>\$ -</u>	<u>\$ 44,187</u>	<u>\$ 37,031</u>
Receipts Over (Under)								
Disbursements	\$ (1,511)	\$ 3,933	\$ -	\$ 1,511	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>1,511</u>	<u>1,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ 5,444</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,511</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Senate Bill 40 Board Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,142,889	1,308,871	1,005,106	1,202,172
Interest	-	684	-	785
Other Receipts	-	6	-	1,394
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,142,889</u>	<u>\$ 1,309,561</u>	<u>\$ 1,005,106</u>	<u>\$ 1,204,351</u>
<u>Disbursements</u>				
Salaries	\$ 496,463	\$ 528,553	\$ 398,871	\$ 474,318
Employee Fringe Benefits	195,390	155,829	170,807	140,768
Materials and Supplies	-	-	-	-
Services and Other	212,857	156,703	276,299	133,457
Capital Outlay	-	2,040	-	1,200
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 904,710</u>	<u>\$ 843,125</u>	<u>\$ 845,977</u>	<u>\$ 749,743</u>
Receipts Over (Under)				
Disbursements	\$ 238,179	\$ 466,436	\$ 159,129	\$ 454,608
Cash and Equivalents, Jan 1 (restated)	<u>1,154,565</u>	<u>1,154,565</u>	<u>699,957</u>	<u>699,957</u>
Cash and Equivalents, Dec 31	<u>\$ 1,392,744</u>	<u>\$ 1,621,001</u>	<u>\$ 859,086</u>	<u>\$ 1,154,565</u>

See Notes to the Financial Statements

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies

Phelps County, Missouri, which is governed by a three-member board of commissioners, was established in 1857 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Phelps County, Missouri and the Phelps County Senate Bill 40 Board.

Phelps County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of Phelps County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Phelps County's legal entity. The Phelps County Senate Bill 40 Board is controlled by a separate board and is also included under the control of Phelps County.

The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Phelps County Regional Medical Center has issued separate reporting entity financial statements. For information on this component unit, please contact the Phelps County Regional Medical Center at (573) 458-8899 or write to 1000 West Tenth Street, Rolla, MO 65401.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Phelps County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

**The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Phelps County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Phelps County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for his or her office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year, as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Budget and Budgetary Accounting (continued)

During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The County did not prepare a budget for the Special Election Fund and Community Development Block Grant Fund in 2014 and 2013.

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property included within Phelps County's boundaries for the calendar year 2014 and 2013, respectively, for the purposes of County taxation, was:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 433,190,780	\$ 428,839,510
Personal Property	106,793,486	111,041,885
Railroad and Utilities	<u>20,026,390</u>	<u>20,291,015</u>
	<u><u>\$ 560,010,656</u></u>	<u><u>\$ 560,172,410</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2014 and 2013, respectively, for the purpose of County taxation, was as follows:

	<u>2014</u>	<u>2013</u>
General Revenue Fund	\$ 0.1537	\$ 0.1600
Special Road and Bridge Fund	0.0940	0.0981
Developmentally Disabled Fund	0.0717	0.0711

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Phelps County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Phelps County maintains a cash and temporary investment pool that is available for use by applicable funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of December 31, 2014, 100% of Phelps County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2014, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 9,964,035	\$ 9,727,554
Investments	2,200,000	2,200,000
Restricted Cash	<u>-</u>	<u>-</u>
Total Deposits and Investments as of December 31, 2014	<u><u>\$ 12,164,035</u></u>	<u><u>\$ 11,927,554</u></u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2013, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 5,733,755	\$ 5,457,134
Investments	2,200,000	2,425,000
Restricted Cash	<u>-</u>	<u>-</u>
Total Deposits and Investments as of December 31, 2013	<u><u>\$ 7,933,755</u></u>	<u><u>\$ 7,882,134</u></u>

Note: Bank balances are inclusive of all funds of Phelps County, and as such, include balances of unaudited funds which are not included in the scope of this report.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Phelps County's investment policy does include custodial credit risk requirements. Phelps County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014 and 2013.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Phelps County or its agent but not in the government's name. Phelps County does have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Phelps County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Phelps County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Phelps County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Phelps County has a policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities. Phelps County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014 and 2013.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2014 and 2013 are as follows:

<u>Fund</u>	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 80,429	\$ 721,628	\$ 74,479	\$ 803,101
Special Road and Bridge Fund	-	526,745	205,000	50,000
Assessment Fund	75,000	-	75,000	-
Road and Bridge Debt Service Fund	423,555	-	50,000	102,000
Unemployment Fund	-	10,000	-	10,000
Use Tax Fund	103,190	-	-	104,682
Health Department Fund	113,528	-	222,054	-
Community Care Clinic Fund	-	29,576	-	65,161
Sheriff's Drug Enforcement Fund	-	32,261	-	-
Law Enforcement Fund	627,906	25,000	595,645	-

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 3 - Interfund Transfers (continued)

<u>Fund</u>				
Law Enforcement Bldg. Maint. Fund	25,000	-	-	-
Law Enforcement Restitution Fund	-	90,000	-	90,000
Prosecuting Attorney Drug Enforcement Fund	-	9,307	-	-
Public Facilities Authority Fund	-	5,442	-	6,412
Jay White Estate Fund	-	680	-	1,384
Community Development Block Grant Fund	-	2,377	-	80
Senior Companions Fund	4,408	-	7,993	-
Retired and Senior Volunteers Program Fund	-	-	2,649	-
Total	<u>\$ 1,453,016</u>	<u>\$ 1,453,016</u>	<u>\$ 1,232,820</u>	<u>\$ 1,232,820</u>

Note 4 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-877-632-2373.

**The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 4 - County Employees' Retirement Fund (CERF) (continued)

Funding Policy

In accordance with state statutes, the plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002, contribute 0% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of \$234,386 and \$229,995, respectively, for the years then ended.

Note 5 - Missouri Local Government Employees Retirement System (LAGERS)

Plan Description

Phelps County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statutes section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling (800) 447-4334.

Funding Status

Full-time employees of Phelps County contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 10.8% (General) and 9.8% (Police) of annual covered payroll for the year ended December 31, 2014. The June 30th statutorily required contribution rates are 10.9% (General) and 9.8% (Police) of annual covered payroll for the year ended December 31, 2013. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the year ended December 31, 2014 was as follows:

	2014
Annual required contribution	\$ 509,418
Interest on net pension obligation	15,454
Adjustment to required contribution	(17,774)
Annual pension cost	507,098
Actual contributions	508,399
Increase (decrease) in NPO	(1,301)
NPO beginning of year	213,160
NPO end of year	\$ 211,859

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

The annual required contribution (ARC) was determined as part of the February 28, 2012 and February 28, 2013 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012 was 17 years for the General division and 30 years for the Police division. The amortization period of February 28, 2013 was 16 years for the General division and 16 years for the Police division.

Three-Year Trend Information			
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 510,563	90.6%	\$ 200,131
2013	504,189	67.4%	213,160
2014	507,098	100.3%	211,859

Schedule of Funding Progress						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2012	\$ 9,308,669	\$ 10,037,632	\$ 728,963	93%	\$ 4,846,998	15%
2/28/2013	9,268,327	9,879,223	610,896	94%	4,550,588	13%
2/28/2014	10,435,590	10,176,061	(259,529)	103%	4,726,069	-

The subdivision's annual pension cost and net pension obligation for the year ended December 31, 2013 was as follows:

	2013
Annual required contribution	\$ 504,789
Interest on net pension obligation	14,509
Adjustment to required contribution	(15,109)
Annual pension cost	504,189
Actual contributions	491,160
Increase (decrease) in NPO	13,029
NPO beginning of year	200,131
NPO end of year	<u>\$ 213,160</u>

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 5 - Missouri Local Government Employees Retirement System (LAGERS) (continued)

Annual Pension Cost (APC) and Net Pension Obligation (NPO) (continued)

The annual required contribution (ARC) was determined as part of the February 28, 2011 and February 29, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011 was 30 years for the General division and 30 years for the Police division. The amortization period of February 29, 2012 was 17 years for the General division and 30 years for the Police division.

Three-Year Trend Information			
Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 497,135	81.9%	\$ 152,287
2012	510,563	90.6%	200,131
2013	504,189	97.4%	213,160

Schedule of Funding Progress						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2011	\$ 8,840,590	\$ 9,818,403	\$ 977,813	90%	\$ 4,695,782	21%
2/29/2012	9,308,669	10,037,632	728,963	93%	4,846,998	15%
2/28/2013	9,268,327	9,879,223	610,896	94%	4,550,588	13%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Phelps County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Phelps County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2014 and 2013.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 7 - Post-Employment Benefits

Phelps County post-employment benefits include those which are mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA) and retiree participation in the County health insurance plan. The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Phelps County. Also, retirees with more than 15 years may remain on the health insurance plan until they are Medicare eligible. If an employee has over 25 years of service with the County, the County will continue to pay the same portion of health insurance that was paid before the employee retired, until the employee becomes Medicare eligible. The cost of the post-employment benefits to Phelps County was \$33,978 and \$31,974 for the years ended December 31, 2014 and 2013, respectively.

Note 8 - Claims, Commitments and Contingencies

Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service with four weeks being the maximum amount that can be accrued. Sick leave is accumulated at the rate of four hours per month with no limit on the amount that can be accrued. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable but not sick time. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 9 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 10 - Long-Term Debt

In February of 2015, the County entered into a non-cancelable lease purchase agreement to finance the purchase of one 2015 Caterpillar excavator at a cost of \$106,872. The agreement requires two annual payments of \$20,769 and one final payment of \$70,000 ending in 2017, which includes interest payable at 2.98%.

Year Ending December 31	Principal	Interest	Total
2015	20,769	-	20,769
2016	18,164	2,605	20,769
2017	67,939	2,061	70,000
	\$ 106,872	\$ 4,666	\$ 111,538

Note 11 - Operating Leases

On December 30, 2011, the County entered into an operating lease with Gibbs Technology Leasing, LLC, for a copier to be used by the Sheriff's office. Payments of \$840 are paid on a monthly basis for 60 months.

In September of 2014, the County entered into a non-cancelable lease agreement for one 2014 Caterpillar 12M2 AWD Grader. The agreement requires annual payments of \$23,275 ending September of 2016. At the end of the lease, the County has an option to purchase the grader for \$226,380.

In September of 2014, the County entered into a non-cancelable lease agreement for a second 2014 Caterpillar 12M2 AWD Grader. The agreement requires annual payments of \$23,275 ending September of 2016. At the end of the lease, the County has an option to purchase the grader for \$226,380.

Future minimum payments for the year ended December 31, 2014, are as follows:

Year Ending December 31	Sheriff Copier Lease	Caterpillar Grader Lease #1	Caterpillar Grader Lease #2
2015	\$ 10,080	\$ 23,275	\$ 23,275
2016	10,080	-	-
	\$ 20,160	\$ 23,275	\$ 23,275

Future minimum payments for the year ended December 31, 2013, are as follows:

Year Ending December 31	Sheriff Copier Lease
2014	10,080
2015	10,080
2016	10,080
	\$ 30,240

The County of Phelps
Rolla, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 12 - Prior Period Adjustment

Beginning cash balances of the County have been restated to include all operations of the Senate Bill 40 Board. The net effect of this adjustment will increase the beginning cash and equivalents of the County. This adjustment will have no material effect on operations of the County.

Total cash and equivalents, as Previously stated - December 31, 2012	\$ 7,587,382
Prior Period Adjustment 1	<u>133,977</u>
Total cash and equivalents, as Restated - December 31, 2012	<u><u>\$ 7,721,359</u></u>

Note 13 - Subsequent Events

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 8, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Phelps County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Phelps County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Phelps County, Missouri's basic financial statements and have issued our report thereon dated July 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Phelps County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Phelps County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Phelps County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: 14/13-001, 14/13-002, 14/13-004, 14/13-005, and 14/13-006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Phelps County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

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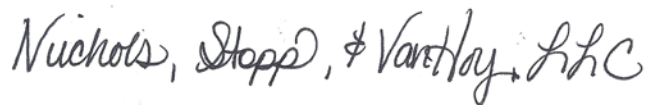
opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 14/13-003.

Phelps County, Missouri's Response to Findings

Phelps County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Phelps County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Creve Coeur, Missouri
July 8, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

To the County Commission and
Officeholders of Phelps County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Phelps County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Phelps County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Phelps County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Phelps County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Phelps County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Phelps County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Phelps County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 14/13-007. Our opinion on each major federal program is not modified with respect to these matters.

Phelps County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Phelps County,

Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Phelps County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Phelps County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Phelps County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 14/13-007 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Phelps County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Phelps County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Nichols, Stopp, & VanHay, LLC

Creve Coeur, Missouri
July 8, 2015

The County of Phelps
Rolla, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Agriculture				
Passed through state:				
Department of Health and Senior Services - Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04515026	\$ 69,681	\$ -
	10.557	ERS04514181	190,823	60,226
	10.557	ERS04513181	-	190,341
Total Special Supplemental Nutrition Program for Women, Infants, and Children			260,504	250,567
Summer Food Services Program for Children	10.559	ERS219-1380i	480	450
Office of Administration - Schools and Roads - Grants to States	10.665	N/A	187,127	241,427
Total Department of Agriculture			448,111	492,444
U.S. Department of Housing and Urban Development				
Passed through state:				
Department of Economic Development - Community Development Block Grant	14.228	08-DI-65	20,220	58,125
Total U.S. Department of Housing and Urban Development			20,220	58,125
U.S. Department of the Interior				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226	N/A	107,859	98,401
Total U.S. Department of the Interior			107,859	98,401
U.S. Department of Justice				
Direct Program:				
Equitable Sharing Program	16.922	MO081013A	595,027	-
Equitable Sharing Program	16.922	MO0810000	-	828,836
Total Equitable Sharing Program			595,027	828,836
Passed through state:				
Missouri Sheriffs' Association Domestic Cannabis Eradication/Suppression Program	16.XXX	N/A	4,000	-
Total U.S. Department of Justice			599,027	828,836

See Notes to the Schedule of Expenditures of Federal Awards

The County of Phelps
Rolla, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S Department of Transportation				
Passed through state:				
Missouri Safety Center				
State and Community Highway Safety	20.600	13-PT-02-050	-	4,500
Alcohol Open Container Requirements	20.607	13-154-AL-058	-	12,000
Highway and Transportation Commission -				
Highway Planning and Construction	20.205	BRO-B081(10)	-	230,138
Highway Planning and Construction	20.205	BRO-B081(12)	15,128	-
Highway Planning and Construction	20.205	14154AL0	4,000	-
Highway Planning and Construction	20.205	14SE02004	4,500	-
Total Highway Planning and Construction			23,628	230,138
Total U.S. Department of Transportation			23,628	246,638
General Services Administration				
Passed through state:				
Office of Secretary of State -				
Election Reform Payments	39.011	N/A	-	5,006
Total General Service Administration			-	5,006
Election Assistance Commission				
Passed through state:				
Office of Secretary of State -				
Help America Vote Act Requirements Payments	90.401	N/A	-	5,674
Total Election Assistance Commission			-	5,674
U.S. Department of Health and Human Services				
Passed through state:				
Department of Social Services -				
Child Support Enforcement	93.563	04MO4005	31,997	49,983
Department of Health and Senior Services -				
Medical Reserve Corps Small Grant Program	93.008	5MRCSG1010050	4,917	2,071
Hospital Preparedness Program and				
Public Health Emergency Preparedness				
Aligned Cooperative Agreements	93.074	N/A	50,459	51,059
Public Health Emergency Preparedness	93.069	AOC12380135	50,459	56,189
Child Care and Development Block Grant	93.575	ERS22013072	13,587	11,326

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Phelps
Rolla, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Health and Human Services (Cont.)				
Passed through state:				
Department of Health and Senior Services - Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	93.919	ERS16113015	7,295	10,260
Maternal and Child Health Services Block Grant	93.994	AOC13380061	74,779	111,432
Community Based Home Visiting Program	94.XXX	1B04MC26677-01	45,480	-
Senior Companion Program	94.016	13SXWMO001	332,150	332,150
Retired and Senior Volunteer Program	94.002	11SRWMO001	-	33,138
Total U.S. Department of Health and Human Services			611,123	657,608
U.S. Department of Homeland Security				
Passed through state:				
Emergency Management Agency - Disaster Grants - Public Assistance	97.036	FEMA-4144-DR-MO	918,801	-
Emergency Management Performance Grants	97.042	EMW-2014-EP-00005-090	8,554	-
Emergency Management Performance Grants	97.042	EMW-2013-EP-00028-086-5675	-	9,070
Total Emergency Management Performance Grants			8,554	9,070
Total U.S. Department of Homeland Security			927,355	9,070
Total Expenditures of Federal Awards			\$ 2,737,323	\$ 2,401,802

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Phelps
Rolla, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of *OMB Circular A-133*. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Phelps County, Missouri.

Basis of Presentation

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Subrecipients

The County passed through \$20,220 and \$58,125 of federal funds related to the Community Development Block Grant (CFDA #14.228) and \$140,344 and \$181,170 of federal funds related to the Schools and Roads Grants to States (CFDA #10.665) to other agencies for the years ended December 31, 2014 and 2013, respectively.

The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 510 (a) of Circular A-133?

 X Yes _____ No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Women, Infants, and Children
16.992	Equitable Sharing Program
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish
between type A and type B programs:

 \$ 300,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings

14/13-001 **Condition:** Documentation of the County's internal controls has not been prepared.

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: Internal control methodology will be reflected across the county as a whole; the written policy maintained by the Treasurer will be inculcated into a county-wide framework. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

14/13-002 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The initial report of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, more than twenty years ago, included as a major component an assessment of risk and elaborated upon organizational strategies for mitigating said risk. These strategies, which included authorizations, verifications, reconciliations, and segregation of duties, are felt by the County to be inextricably linked to internal control. Hence the County feels that proper internal control methodology will inevitably yield extensive and thorough fraud risk assessment, and thus expects written fraud risk guidelines to be a byproduct of the response to Finding 14/13-001. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

**The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings (continued)

14/13-003 **Condition:** During our audit, we noted two funds for which no budget was prepared.

Criteria: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget.

Effect: Due to not preparing a budget in two funds, the County is in violation of Missouri Revised Statutes.

Cause: Lack of oversight.

Recommendation: We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: These funds, Special Elections and Community Development Block Grants (CDBG), do have idiosyncrasies not found in the other funds of the County. Special Elections is dependent on candidate races and ballot issues which are determined by the will of political subdivisions operating independently from the county; thus, the Special Elections fund must respond to the often unpredictable demands of these outside political subdivisions for electoral input, and consists of monies in the form of election deposits from those political subdivisions which the office of the County Clerk—as election authority—must administrate. The County Clerk is, however, willing to prepare a budget for Special Elections to the extent possible. CDBG funds have been included in the budget appendix, in the past, and the County will adhere to this practice. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

14/13-004 **Condition:** During our audit, we noted that the three signatures required on all checks are being imprinted automatically by the accounting system without any formal approval process.

Criteria: Strong internal control over financial statements require that there be a formal approval process over signatures being automatically imprinted by the accounting system.

Effect: Signed cash disbursement checks could be issued without the knowledge of those authorized to sign checks due to either error or fraud.

Cause: Accounting system was setup without limitation on user rights.

Recommendation: We recommend that the County develop a process in which all signatures cannot be imprinted on checks without the knowledge of those who are authorized to sign checks.

Management's Response: The Commission reviews each payment batch register presented with invoices which have check numbers and EFT numbers affixed; this allows not only for Commission oversight but that of the County Clerk as well. Sequential numbering of checks and EFT's can be documented with the invoices they represent. The Commission must sign off on these payment batches, as well as payroll payment batches which are treated essentially the same way. No disbursements are made without these approvals. The County is currently considering a secure log-in approval mechanism with the guidance of its financial management software provider. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

**The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings (continued)

14/13-005 **Condition:** During our audit, we noted that journal entries are being made into the accounting system without the formal approval of the Commission, County Clerk, or Treasurer.

Criteria: Strong internal control over financial statements require that there be a formal approval process over journal entries into the accounting system.

Effect: Entries into the accounting system can be made that affect revenues, expenses, and fund balance without approval due to either error or fraud.

Cause: The County does not have any controls related to entering journal entries into the accounting system.

Recommendation: We recommend that the County develop a process to approve all journal entries being made into the accounting system. This should be part of the documentation of internal controls as discussed in finding 14/13-001.

Management's Response: The monthly journal entries consist in large measure of transfers approved within the annual budget. Salary journal entries requested by the elected official require, as do the monthly transfers, Treasurer approval. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

14/13-006 **Condition:** During our audit, we noted that payroll reports are not being reviewed or approved prior to the disbursement of cash to employees being paid.

Criteria: Strong internal control over financial statements require that there be a formal approval process over payroll prior to the disbursement of cash to employees.

Effect: Payroll could be processed incorrectly either due to error or fraud.

Cause: The County does not have any controls related to the approval of payroll.

Recommendation: We recommend that the County develop a process to approve all payroll reports prior to the disbursement of cash to employees. This should be part of the documentation of internal controls as discussed in finding 14/13 - 001.

Management's Response: This has been corrected; payroll batches and their supporting documentation are presented to the Commission for their review and approval before disbursements can be initiated. The phone number for the Clerk's office is 573-458-6115.

**The County of Phelps
Rolla, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 3 - Federal Award Findings and Questioned Cost

14/13-007 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Criteria: OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Effect: Federal expenditures reported on the SEFA were incorrect.

Cause: Management was unaware of the reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend that management develop internal controls over reporting and consult with outside accountants when needed to ensure an accurate SEFA is prepared.

Management's Response: The County is aware that numerous counties have problems with preparing accurate SEFA reports. Phelps County continues to emphasize accuracy in the SEFA and will continue efforts to identify these expenditures accurately. The expected completion date is December 31, 2015. The phone number for the Clerk's office is 573-458-6115.

**The County of Phelps
Rolla, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Phelps County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2012.

Prior Year Financial Statement Findings

12/11-01 **Criteria:** Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, Statements on Auditing Standards: Clarification and Recodification, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

Context: During the audit planning phase of the audit, the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to the financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of Responsible Officials and Planned Corrective Actions: The County is currently complying with all state statutes relating to the preparation of the financial statements, with the preparation of the County's annual budget document and annual financial statement. The County will pursue a remedy for the SAS 122 compliance if it determined that it is required for a County of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards", which is part of this audit, it was noted, "we did not identify any deficiencies in internal control that we consider to be material weaknesses" and "The results of our tests disclosed not instances of noncompliance or other matters that are required to be reported under Government Auditing Standards". The Clerk's office can be reached at (573) 458-6101.

Status: Management has corrected this issue.

The County of Phelps
Rolla, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

Prior Year Financial Statement Findings (continued)

12/11-02 **Criteria:** Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, Statements on Auditing Standards: Clarification and Recodification, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County is currently complying with all state statutes relating to the preparation of the financial statements, with the preparation of the County's annual budget document and annual financial statement. The County will pursue a remedy for the SAS 122 compliance if it determined that it is required for a County of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards", which is part of this audit, it was noted, "we did not identify any deficiencies in internal control that we consider to be material weaknesses" and "The results of our tests disclosed not instances of noncompliance or other matters that are required to be reported under Government Auditing Standards". The Clerk's office can be reached at (573) 458-6101.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-001.

12/11-03 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**The County of Phelps
Rolla, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Prior Year Financial Statement Findings (continued)

12/11-03 *Cause:* Management has not prepared documentation of risk assessments, including identified risk and mitigating (cont.) controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The Commission will encourage all elected officials to review and document antifraud assessments. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (573) 458-6101.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-002.

12/11-04 *Criteria:* All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities it was noted that the County was under pledged.

Context: The County holds investments with Mid America Bank and Trust that were under collateralized by \$34,126.40 for the year ended December 31, 2011.

Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer repeatedly reviews the collateral for both operating and investment accounts. This under collateralization was the result of the financial institution's misinterpretation of the County investment policy, which states "market value" for purposes of calculating collateral and not "par value" In the future, efforts will be made to assure that the financial institution has a full understanding of the County's investment policy. The Treasurer's office can be reached at (573) 458-6130.

Status: Management has corrected this issue.

Section 3 - Federal Award Findings and Questioned Cost

None



Nicole R. Galloway, CPA
Missouri State Auditor

Grundy County



September 2015
Report No. 2015-079

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Grundy County

Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties or performed supervisory reviews of accounting records. Proper controls or procedures for receipting, depositing, and transmitting monies have also not been established and bank reconciliations are not prepared on a monthly basis. The Prosecuting Attorney's office does not have adequate procedures to ensure charges are filed timely with the court for unresolved bad check complaints, and adequate procedures are not in place to ensure sufficient information is obtained for the prosecution of bad checks. Procedures are not adequate to ensure restitution amounts entered into the accounting system and collected by the Prosecuting Attorney's office agree to court-ordered restitution amounts and there are no established procedures to routinely follow up on outstanding checks.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not perform adequate supervisory reviews of the accounting records. The Sheriff's office does not prepare complete and accurate bank reconciliations for the commissary bank account to ensure accounting records agree with bank records and liabilities are not reconciled to available cash balances. The Sheriff's office has not established procedures to dispose of seized property, and does not conduct periodic physical inventories of seized property. The Sheriff's office does not maintain adequate records to account for net proceeds earned on telephone card sales to inmates in the county jail, and net proceeds are not disbursed timely to the County Collector-Treasurer.
Ambulance Department's Controls and Procedures	The Ambulance Department Director has not adequately segregated accounting duties or performed supervisory reviews of accounting records. The Ambulance Department does not always transmit monies intact or timely. Billings are not prepared timely, accounts receivable are not adequately monitored, and written procedures are not always followed for the collection of past due amounts or for writing off accounts receivable.
County Collector-Treasurer's Controls and Procedures	The County Collector-Treasurer does not account for the numerical sequence of receipt numbers assigned by the computer system, and has not distributed the portion of protested tax payments not under protest to political subdivisions as authorized by the State Tax Commission. An unidentified balance in the County Collector-Treasurer's general bank account was not disposed of in accordance with state law.
Computer Controls	Controls over county computers are not sufficient to prevent unauthorized access by requiring password changes or to restore key systems in the event of a disaster or system failure. The County Collector-Treasurer, Prosecuting Attorney, Sheriff, Ex Officio Recorder of Deeds, County Clerk, County Assessor, Public Administrator, and Ambulance Department have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees are not required to change passwords on a periodic basis, and the County Clerk's office employees do not keep passwords confidential. The Prosecuting Attorney, Public Administrator, and Ambulance Department do not perform periodic testing of backup data and do not store backups at an off-site location. As a result, county records are not adequately protected and are susceptible to unauthorized access or damage.

Senate Bill 40 Board Closed MeetingsS	The Senate Bill 40 Board did not prepare minutes for 3 of the 4 closed meetings held in 2014, in accordance with state law.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Grundy County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Prosecuting Attorney's Controls and Procedures4 2. Sheriff's Controls and Procedures8 3. Ambulance Department's Controls and Procedures 12 4. County Collector-Treasurer's Controls and Procedures 15 5. Computer Controls 17 6. Senate Bill 40 Board Closed Meetings..... 19
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	20
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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Grundy County

We have audited certain operations of Grundy County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, LLC, Certified Public Accountants, has been engaged to audit the financial statements of Grundy County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

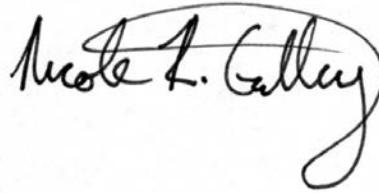
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Grundy County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
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Grundy County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The Prosecuting Attorney's office collects money orders for bad check restitution and fees and these monies are receipted and transmitted to the applicable party. Money orders are also collected for court-ordered restitution and fees, and these monies are receipted, deposited, and disbursed by check to the applicable party. The Prosecuting Attorney's office collected approximately \$90,000 during the year ended December 31, 2014.

Christine Stallings was the Prosecuting Attorney during 2014. Carrie Lamm-Clark took office on January 1, 2015; however, she has been absent due to active military duty since that time. Adam Warren has been serving as the interim Prosecuting Attorney since January 2015.

1.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties or performed supervisory reviews of accounting records. The Bad Check Clerk is responsible for entering all information related to bad check complaints and payments (prior to charges being filed) in the computerized accounting system and for transmitting these payments and fees to the applicable party. The Office Manager is responsible for entering all information related to court-ordered restitution (including bad checks filed with the court) and related payments into the computerized accounting system, depositing monies into the restitution bank account, disbursing these payments to the applicable party, and performing bank reconciliations (see section 1.3). Both employees also have the ability to post adjustments to defendant accounts in the computerized accounting system without independent approval. The Prosecuting Attorney does not perform a documented supervisory review of the accounting records to ensure all monies received are properly recorded and transmitted or disbursed to the appropriate party.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement documented independent or supervisory reviews of accounting records, which would include a review of adjustments made.

1.2 Receipting, depositing, and transmitting monies

The Prosecuting Attorney has not established proper controls or procedures for receipting, depositing, and transmitting monies. We noted the following concerns:

- The Bad Check Clerk does not transmit bad check restitution and fees timely. For example, a cash count performed on January 22, 2015, identified 46 money orders on hand totaling \$4,270, of which 22 money orders totaling \$2,185 had been receipted from December 10 to December 22, 2014.



Grundy County Management Advisory Report - State Auditor's Findings

- The Office Manager does not always deposit court-ordered restitution and fees timely. During 2014, 22 deposits (less than 2 per month) averaging approximately \$2,200 were made to the restitution bank account.
- Office personnel do not account for the numerical sequence of receipt slips. Our review of 49 receipt slips issued for December 2014, identified 2 receipt slip numbers had been skipped. Office personnel could not explain the reason these receipt slip numbers had been skipped.
- Money orders for bad check fees are not restrictively endorsed immediately upon receipt. A cash count performed on January 22, 2015, identified 20 money orders, totaling \$817, were not restrictively endorsed.

To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure all monies received are properly receipted and deposited or transmitted timely.

1.3 Bank reconciliations and liabilities

The Office Manager does not prepare bank reconciliations on a monthly basis. As of January 2015, the Office Manager had not prepared bank reconciliations for the restitution bank account since April 2014. In addition, the Office Manager does not prepare monthly lists of liabilities, and therefore, liabilities are not reconciled to the cash balance in the restitution account. Upon our request, the Office Manager prepared bank reconciliations through February 2015, and prepared a list of liabilities at February 28, 2015. The identified liabilities of \$8,448 at that date exceeded the reconciled bank balance by \$101 indicating the bank account did not contain sufficient funds to pay all liabilities.

Preparing monthly bank reconciliations is necessary to ensure accounting records are in balance and to identify errors timely. In addition, regular identification of liabilities and comparison to the reconciled cash balance is necessary to ensure bank and book records agree, and cash is sufficient to meet liabilities.

1.4 Charges filed

The Prosecuting Attorney has not established adequate procedures to ensure charges are filed timely with the court for unresolved bad check complaints.

We reviewed 10 bad check cases and noted charges were filed on 4 cases. For these 4 cases, charges were not filed until 156 to 1,011 days after the 10-day letter was issued by the office. For example, the Prosecuting Attorney's office received a bad check from a local vendor and issued a 10-day letter on November 11, 2013, notifying the bad check writer he/she has 10 days to pay before charges are filed; however, charges were not filed against the bad check writer until May 15, 2014.



Grundy County Management Advisory Report - State Auditor's Findings

Procedures should be established to ensure charges are timely filed with the court for unresolved bad check complaints. Untimely filing of charges with the court may limit the ability to collect bad check payments for merchants.

1.5 Bad check complaint forms

The Prosecuting Attorney has not established adequate procedures to ensure sufficient information is obtained for the prosecution of bad checks. The office does not require submission of a complaint form when bad checks are turned over to the Prosecuting Attorney for collection; instead, the office obtains a complaint form from the merchant prior to charges being filed. Of the 10 bad check cases we reviewed, the office did not obtain the complaint form until filing charges for 3 cases and no complaint form was on file for 4 cases. By not obtaining these complaint forms when bad checks are submitted for collection, sufficient information may not be available and potentially delay the filing of charges (see section 1.4).

To ensure bad checks are handled and prosecuted properly, the office should require submission of a bad check complaint form along with the bad check. According to the Missouri Bad Check Prosecution Handbook prepared by the Missouri Office of Prosecution Services, the Prosecuting Attorney's office must have an initial complaint form upon which all essential data concerning the original check transaction can be recorded to begin processing the bad check. This form is to contain all necessary factual information as this form may eventually become the basis for the probable cause statement required for filing charges.

1.6 Court-ordered restitution

Procedures are not adequate to ensure restitution amounts entered into the accounting system and collected by the Prosecuting Attorney's office agree to the court-ordered restitution amount.

The Office Manager enters restitution amounts into the accounting system using police reports, insurance estimates, and other case related documents. However, none of this documentation is court approved. For each of the 10 restitution cases we reviewed, the Circuit Clerk provided a court judgment showing restitution had been ordered for all cases reviewed, but the judgment did not include the restitution amount the defendant was ordered to pay.

To ensure the court-ordered restitution amounts are entered into the accounting records, the Prosecuting Attorney should work with the Circuit Clerk to obtain the court-ordered restitution amount for all restitution cases.

1.7 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks. As a result, at February 28, 2015, the restitution bank account had \$4,348 in checks that had been outstanding for over a year. Of this amount, \$4,263 relates to checks issued to 31 payees in 2006 or earlier. The office has not taken any action to reissue or resolve these outstanding checks.



Grundy County Management Advisory Report - State Auditor's Findings

Proper follow-up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise allowed by state law.

Similar conditions
previously reported

Similar conditions to sections 1.1, 1.2, and 1.3 were noted in our 3 prior audit reports and a similar condition to section 1.7 was noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 1.1 Adequately segregate accounting duties or ensure supervisory reviews of accounting records are performed and documented. In addition, the Prosecuting Attorney should require a supervisory review and approval for all accounting adjustments.
- 1.2 Ensure transmittals and deposits are made timely, the numerical sequence of all receipt slip numbers is accounted for, and money orders are restrictively endorsed immediately upon receipt.
- 1.3 Prepare formal bank reconciliations monthly and reconcile bank balances to monthly lists of liabilities ensuring any differences between accounting records and reconciliations are investigated and resolved.
- 1.4 Establish procedures to file charges with the court timely.
- 1.5 Establish procedures to ensure bad check complaint forms are obtained at the time bad checks are submitted for collection.
- 1.6 Work with the Circuit Clerk's office to obtain court-ordered restitution amounts to ensure these are entered into the accounting records.
- 1.7 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Response

Due to the lack of funding from the state and limited funds from the county we will only be able to have one full-time employee in the office effective immediately. Due to lack of funding in bad check collections, our office has no funds to pay for additional full-time or part-time employees.

As noted in three previous audit reports, similar conditions have been reported to sections 1.1, 1.2, and 1.3 as well as 1.7 in one previous audit. Since our last audit, we had new computer systems/programs which had benefited the receipting, recording, and disbursing functions of this office;



Grundy County
Management Advisory Report - State Auditor's Findings

however, we are still finding glitches (such as missing receipt numbers) and have attempted to resolve them although we have been unsuccessful at getting responses from the system vendor.

With respect to all recommendations made:

- 1.1 It is not possible to segregate the duties of collecting bad checks and/or restitution, with only one full-time employee in the office. The Prosecuting Attorney on a monthly basis, will ensure that transactions are accounted for properly and assets are adequately safeguarded by reviewing disbursements and all accounting adjustments.*
- 1.2 We will attempt weekly deposits and transmittals, and monies will be immediately endorsed upon receipt. We will also attempt to account for the numerical sequence of all receipt numbers.*
- 1.3 Formal bank reconciliations are being done monthly and reviewed since we have utilized a QuickBooks program instead of excel which wasn't working during the timeframe the audit was conducted. We will also attempt to maintain a monthly list of liabilities and reconcile the list to the reconciled bank balance.*
- 1.4 Check procedures have been established and enforced. They will be checked by the Prosecuting Attorney periodically to ensure they are being implemented and charging decisions are made timely.*
- 1.5 Since January 2015, all checks that are accepted in the Prosecuting Attorney's office are accompanied with a bad check complaint form.*
- 1.6 Our office will attempt to make sure the Circuit Clerk's office obtains and inserts a restitution amount when ordered by the Judge.*
- 1.7 Outstanding checks have been voided and new ones issued with payments to any payees that could not be located being forwarded to the state in accordance with the law.*

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office deposited approximately \$86,000 into the Sheriff's fee bank account and approximately \$37,000 into the commissary bank account during the year ended December 31, 2014.

2.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not perform adequate supervisory reviews of the accounting records. One office assistant is responsible for the Sheriff's fee bank account and the other office assistant is responsible for the commissary bank account. Each employee is



Grundy County Management Advisory Report - State Auditor's Findings

responsible for receipting, recording, depositing, and disbursing monies for the account assigned. The Sheriff reviews the bank statements and the bank reconciliations for both accounts but does not perform a documented supervisory review of the detailed accounting records to ensure all monies received are properly recorded, deposited, and disbursed to the appropriate party.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement documented independent or supervisory reviews to ensure bank records are in agreement with accounting records.

2.2 Bank reconciliations and liabilities

The Sheriff's office does not prepare complete and accurate bank reconciliations for the commissary bank account to ensure accounting records agree with bank records and does not reconcile liabilities to available cash balances.

Bank reconciliations

Unreconciled differences identified on the bank reconciliations are not properly investigated and resolved. The December 2014 bank reconciliation indicated the reconciled bank balance exceeded the book balance by \$270, although as of January 2015, there was only a \$3 difference, and as of February 2015, there was a \$48 difference. In addition, we noted several errors in the December 2014 bank reconciliation. For example, several outstanding checks were excluded from the reconciliation, several checks issued in the following month were improperly included in the reconciliation, and deposits in transit were not accurately identified.

Liabilities

The office assistant does not prepare monthly lists of liabilities for the commissary bank account, and consequently, liabilities are not compared to the reconciled bank balance. At our request, a list of liabilities for the commissary account was prepared and identified liabilities totaled \$1,463 at December 31, 2014. However, as noted above, the December 31, 2014, reconciled bank balance was not accurate; therefore, liabilities were compared to the book balance. The identified liabilities of \$1,463 exceeded the book balance of \$1,179 by \$284, indicating sufficient funds may not be available to pay all liabilities.

The preparation of complete and accurate monthly bank reconciliations, including investigation and correction of unreconciled amounts, is necessary to ensure accounting records are in balance and to identify errors timely. In addition, regular identification of liabilities and comparison to the reconciled cash balance is necessary to ensure bank and book records agree, and cash is sufficient to meet liabilities.



Grundy County
Management Advisory Report - State Auditor's Findings

2.3 Seized property

The Sheriff's office has not established procedures to dispose of seized property held for long time periods, and does not conduct periodic physical inventories of seized property. According to the inventory listing, several items had been held for years with 2 items dating back to cases from the 1980s.

The Sheriff's office should establish procedures to dispose of property consistent with Section 542.301, RSMo. Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory records should be maintained, and periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

2.4 Telephone net proceeds

The Sheriff's office does not maintain adequate records to account for net proceeds earned on telephone card sales, and net proceeds are not disbursed timely to the County Collector-Treasurer. During the year ended December 31, 2014, net proceeds on telephone card sales totaled approximately \$2,600. However, approximately \$8,100 of net proceeds received over several years were disbursed to the County Collector-Treasurer during the year ended December 31, 2014.

Net proceeds from telephone cards sold to inmates are maintained in the commissary bank account. However, records of these proceeds are not maintained making it difficult to determine the total accumulated in the commissary bank account. These net proceeds are not disbursed timely and only disbursed to the County Collector-Treasurer's Inmate Prisoner Detainee Security Fund when the commissary bank account has an excessive balance. Without adequate records, net proceeds cannot be disbursed timely, fully accounted for, and accurately determined when reconciling liabilities to the available cash balance (see section 2.2).

To reduce the risk of loss, theft, or misuse of funds, detailed records should be maintained to adequately account for net proceeds earned on telephone card sales. In addition, Section 221.102, RSMo (effective August 28, 2013), requires each county jail to keep revenues from its canteen or commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

Similar conditions previously reported

Similar conditions to sections 2.1 and 2.4 were noted in our 3 prior audit reports and a similar condition to section 2.2 was noted in our prior audit report.



Grundy County
Management Advisory Report - State Auditor's Findings

Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties or ensure adequate supervisory reviews of accounting records are performed and documented.
- 2.2 Perform complete and accurate bank reconciliations for the commissary bank account and reconcile bank balances to monthly lists of liabilities ensuring any differences are investigated and resolved.
- 2.3 Ensure a periodic inventory is conducted and reconciled to the records, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property.
- 2.4 Maintain records to adequately account for net proceeds earned on telephone card sales. In addition, net proceeds should be disbursed to the County Collector-Treasurer monthly.

Auditee's Response

- 2.1 *Accounting duties have been segregated to the best of my ability due to staff size and work load. I have performed documented supervisory reviews to the best of my ability and documented independent reviews have been conducted on non-audit years.*

Throughout my 11 year tenure as Grundy County Sheriff, this has been a continuing issue with the State Auditor's office; however, not once has there been a finding of lost, stolen, or misappropriated funds. The practices and procedures of the Grundy County Sheriff's office may not please the State Auditor's office, but my staff and I have always and will always operate in the best manner possible given our size and ability.

- 2.2 *I will work with staff to perform complete and accurate bank reconciliations for the commissary bank account and reconcile that account with our liabilities, then investigate and resolve any differences.*
- 2.3 *I have already begun to work with the Prosecuting Attorney's office and the Courts for a timelier disposition of seized property and I will perform periodic physical inventories of seized property and investigate any differences.*
- 2.4 *Records to more adequately account for net proceeds earned on inmate telephone card sales will be maintained. I will instruct staff to disburse net proceeds to the County Collector-Treasurer (Inmate Security Fund) monthly, if possible; however, a portion of the net*



Grundy County
Management Advisory Report - State Auditor's Findings

proceeds are needed on hand in the commissary account to purchase the inmate telephone cards (upfront cost).

3. Ambulance Department's Controls and Procedures

3.1 Segregation of duties

Controls and procedures in the Ambulance Department need improvement. The Ambulance Department collected approximately \$506,000 in ambulance service and other miscellaneous receipts during the year ended December 31, 2014.

The Ambulance Department Director has not adequately segregated accounting duties or performed supervisory reviews of accounting records. The Billing Director is responsible for preparing billings for ambulance services, receipting and recording monies received, and transmitting these monies to the County Collector-Treasurer. During the year ended December 31, 2014, the Billing Director also made adjustments (charge offs) totaling approximately \$102,000 to ambulance service billings without independent approval. The Ambulance Department Director does not perform a documented supervisory review of the detailed accounting records to ensure billings are properly prepared, and all monies received are properly recorded and transmitted to the County Collector-Treasurer.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Ambulance Department Director should implement documented independent or supervisory reviews of accounting records, including a review of adjustments made.

3.2 Transmitting monies

The Ambulance Department does not always transmit monies intact or timely.

Monies collected between May 13, 2014, and May 29, 2014, totaling \$6,115, were not transmitted until May 30, 2014. However, a receipt for \$10 collected on May 15, 2014, was transmitted on May 23, 2014, and a receipt for \$16,226 collected on May 16, 2014, was transmitted on May 22, 2014. Additionally, a receipt for \$706 collected on March 31, 2014, was held and not transmitted to the County Collector-Treasurer until May 30, 2014. Ambulance Department personnel indicated the delay occurred because this receipt was a potential duplicate payment and they did not want to issue a refund check.

To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure all monies received are transmitted intact and timely.



Grundy County
Management Advisory Report - State Auditor's Findings

3.3 Billing, collection, and write-off procedures

Billings are not prepared timely, accounts receivable are not adequately monitored, and written procedures for the collection of past due amounts and the write-off of accounts receivable are not always followed. Written procedures indicate past due accounts receivable are to be turned over to a collection agency 7 months (payment grace period) after initial patient billing if no payment agreement is in place. In addition, written procedures require the County Commission to approve the write-off of accounts receivable. Ambulance services accounts receivable totaled approximately \$306,000 as of December 31, 2014. We reviewed 25 billings and noted the following:

- Billings are not prepared timely. For 21 of 25 billings reviewed, it took more than 30 days after the date of service to prepare an invoice, and for 3 of these billings, it took approximately 3 months to prepare an invoice.
- Accounts receivable are not adequately monitored. For 9 of the 25 billings reviewed, we noted extended time periods from months to years with no activity or follow-up done by the Ambulance Department.
- Procedures were not followed on 4 billings for turning past due amounts over to a collection agency. Two billings were sent to a collection agency before the payment grace period had ended. Two other billings were never turned over to a collection agency with one billing written off 13 months after the payment grace period and the other written off 6 years after the payment grace period.
- The County Commission did not approve the July 2014 write-offs, totaling \$531, as required by written procedures.
- As of April 15, 2015, over 200 billings totaling approximately \$118,000 had not been turned over to a collection agency even though full payment had not been received in at least 15 months from the date of service.

Billings should be prepared timely to ensure timely collection of amounts owed. In addition, proper and timely monitoring of accounts receivable is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. Also, written procedures should be followed to ensure the consistency and propriety of the collection and write-off of accounts receivable.

Similar conditions previously reported

A similar condition to section 3.3 was noted in our 2 prior audit reports and a similar condition to section 3.2 was noted in our prior audit report.



Grundy County
Management Advisory Report - State Auditor's Findings

Recommendations

The Ambulance Department Director:

- 3.1 Adequately segregate accounting duties or ensure supervisory reviews of accounting records are performed and documented. Additionally, the Ambulance Department Director should require a supervisory review and approval for all accounting adjustments.
- 3.2 Ensure all monies are transmitted intact and timely to the County Collector-Treasurer.
- 3.3 Ensure patients are timely billed and follow the written procedures for the collection and write-off of accounts receivable. In addition, establish procedures to routinely monitor accounts receivable and ensure proper follow-up action is taken on accounts with non-payment.

Auditee's Response

- 3.1 *The Ambulance Department Director as well as the County Commissioners receive a spreadsheet reporting monthly activities; beginning accounts receivable balance, collections, non-allowed/charge offs, bad debt, and the new accounts receivable balance. The Billing Director and the Ambulance Director will review each category monthly.*

We will request billing software modification to add receipt numbers to the billing balance sheet report. The numerical sequence of receipt numbers will be independently reviewed periodically.

Write-offs to bad debt accounts are approved by the County Commissioners before they are written off. We will consider performing independent periodic reviews of charge offs/adjustments.

- 3.2 *The Grundy County Ambulance Department recently hired a part-time clerk for office duties to include: pre-audit trip reports insurance information, mileage checks, correct date, etc. This person will also be contacting patients, hospitals, and the Highway Patrol for additional information needed for billing purposes. Another responsibility will be contacting insurance/patients for follow-up on unpaid balances. The part-time clerk along with the Billing Director and the Ambulance Department Director will be revising all procedures for improvement with current changes in the billing of Medicare, Medicaid, and other insurance companies.*

Our current procedure for transmitting monies to the Grundy County Collector-Treasurer's office: receipts are written daily for



Grundy County Management Advisory Report - State Auditor's Findings

monies received, the monies are posted to accounts as soon as time permits, the County Collector-Treasurer is notified that she can stop by the Ambulance Department to pick monies up or the Ambulance Department Director will take monies to the County Commission meeting held on Tuesday of each week.

3.3 *Billing, collection, and write-off procedures:*

- It is not always possible to bill within 30 days of date of service due to many reasons: tracking down insurance information, quality assurance issues, corrected trip information, and correct transfer information from emergency room, etc. According to Medicare and Medicaid rules, a service has 12 months to bill. The newly hired clerk will help with some of the above mentioned issues.*
- For accounts receivable monitoring, the newly hired clerk will help with follow-up on outstanding accounts.*
- Collection agency: accounts are turned over as soon as all avenues are exhausted. Certain accounts are held open for Medicaid or Medicare qualifying. Other accounts are turned over early because of returned mail with no forwarding address. As stated before, the newly hired clerk will do follow-up on accounts.*
- For the July 2014 write-offs, patients were all deceased with no estates or monies. We failed to get the County Commissioners signatures.*
- We do not send accounts to collections if a person is attempting to make payments or notifying us of the status of case pending. Some patients pay minimal amounts but do pay.*

In summary: with the hiring of a part-time clerk, this will reduce the load on the Billing Director giving more time for follow-up on open accounts, procedures, and general office practices.

4. County Collector-Treasurer's Controls and Procedures

Controls and procedures in the County Collector-Treasurer's office need improvement. The County Collector-Treasurer's office collected property taxes and other revenues of approximately \$8.9 million during the year ended February 28, 2015.



Grundy County Management Advisory Report - State Auditor's Findings

4.1 Computer system controls

The County Collector-Treasurer does not account for the numerical sequence of receipt numbers assigned by the computer system. The 2 collection stations (cash drawers) share the same sequence of receipt numbers; therefore, receipt numbers are not in sequence because receipt numbers are skipped in the receipt number sequence on the daily cash reports generated for each station. Staff in the County Collector-Treasurer's office do not account for the numerical sequence of the receipt numbers when reviewing the daily cash reports and preparing deposits. In addition, receipts can be voided in the tax system after transactions are completed and the property tax system is unable to generate a list of voided receipts. During our review of receipts, we identified receipt numbers unused by both collection stations and the County Collector-Treasurer could not provide documentation to show whether the receipt numbers had been skipped or voided in the property tax system.

To ensure all monies received are properly recorded and deposited and to reduce the risk of loss, theft, or misuse of funds, the County Collector-Treasurer should work with the computer software vendor to ensure adequate controls are in place to track the numerical sequence of all receipt numbers and the identification of voided receipts.

4.2 Protested taxes

The County Collector-Treasurer has not distributed the portion of protested tax payments not under protest to political subdivisions as authorized by the State Tax Commission (STC). The County Collector-Treasurer received letters from the STC in July 2014 notifying her of appeals by 2 taxpayers seeking a reduction in their valuation of state-assessed property. The County Collector-Treasurer received additional letters from the STC in November 2014 identifying the percentage of monies collected from these 2 taxpayers which may be distributed to political subdivisions and stating the remaining balance must be maintained in separate funds pending resolution of the appeals. The County Collector-Treasurer received payment of property taxes from both taxpayers in December 2014, and was still holding these payments in full in separate bank accounts as of March 10, 2015. The portion of taxes held by the County Collector-Treasurer that may be distributed to the political subdivisions totaled approximately \$41,500.

Section 139.031.2, RSMo, requires the County Collector-Treasurer to disburse all portions of taxes not protested or not disputed by the taxpayer and maintain in a separate fund all portions of such taxes that are protested or in dispute. In addition to being required by state law, timely distributions of property tax collections to the political subdivisions are important because most political subdivisions rely heavily on property tax revenues to fund their operations.

4.3 Unidentified monies

The County Collector-Treasurer's general bank account had a \$1,430 unidentified balance as of February 28, 2015. The County Collector-



Grundy County
Management Advisory Report - State Auditor's Findings

Treasurer has been unable to identify to whom these monies should be paid. The unidentified balance has been in the account since December 2013.

Maintaining unidentified bank balances increases the risk of loss, theft, or misuse of such funds. Various statutory provisions address the disposal of unidentified monies.

Recommendations

The County Collector-Treasurer:

- 4.1 Implement procedures to account for the numerical sequence of receipt numbers and work with the computer software vendor to ensure adequate controls are in place to track all receipt numbers, including voided receipts.
- 4.2 Distribute the non-protested portion of protested tax payments.
- 4.3 Dispose of unidentified monies in accordance with state law.

Auditee's Response

- 4.1 *I have talked to the computer software vendor to remedy accounting for the numerical sequence of receipt numbers and identification of voided receipts. We will review the numerical sequence of receipt numbers daily.*
- 4.2 *I was advised to deposit the whole protested amount. In the future, I will distribute the non-protested portion of protested tax payments.*
- 4.3 *I will dispose of unidentified monies in accordance with state law.*

5. Computer Controls

Controls over county computers are not sufficient to prevent unauthorized access by requiring password changes or to restore key systems in the event of a disaster or system failure. As a result, county records are not adequately protected and are susceptible to unauthorized access or damage.

5.1 Password controls

The County Collector-Treasurer, Prosecuting Attorney, Sheriff, Ex Officio Recorder of Deeds, County Clerk, County Assessor, Public Administrator, and Ambulance Department have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees are not required to change passwords on a periodic basis, and the County Clerk's office employees do not keep passwords confidential.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords in these offices do not have to be periodically changed and some are not kept confidential, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to



Grundy County Management Advisory Report - State Auditor's Findings

reduce the risk of a compromised password and unauthorized access to and use of computers and data.

5.2 Backup data

The Prosecuting Attorney, Public Administrator, and Ambulance Department do not perform periodic testing of backup data and do not store backups at an off-site location. Failure to store computer backup data at a secure off-site location results in the data being susceptible to the same damage as the data on the computer.

To help prevent loss of information and ensure essential information and computer systems can be recovered, backups should be tested on a periodic basis and stored at a secure off-site location.

Similar conditions previously reported Recommendations

Similar conditions were noted in our prior audit report.

The County Commission work with other county officials to:

- 5.1 Require unique passwords for each employee that are confidential and periodically changed to prevent unauthorized access to the county's computers and data.
- 5.2 Ensure backup data is tested on a regular, predefined basis, and stored in a secure off-site location.

Auditee's Response

The County Commission provided the following responses:

- 5.1 *We will discuss with the other elected officials the recommendation and encourage timely password changes.*
- 5.2 *We will discuss with the other elected officials options for testing backups and storing backups in off-site locations.*

The Prosecuting Attorney provided the following responses:

- 5.1 *The Prosecuting Attorney's office has a network system that requires access to any computer for use of programs. We cannot have unique confidential passwords for each employee.*
- 5.2 *Without the Prosecuting Attorney's office having a key to an off-site secured location it is impossible to keep our back-up system off-site for storage. We have to have access to our back-up drive. It will be tested monthly. We will consider off-site options.*



Grundy County
Management Advisory Report - State Auditor's Findings

**6. Senate Bill 40
Board Closed
Meetings**

The Senate Bill 40 Board (Board) did not prepare minutes for 3 of the 4 closed meetings held during the year ended December 31, 2014. The Board is responsible for development and operation of services for individuals with developmental disabilities.

Without minutes of closed meetings, it cannot be determined that discussion was limited to the topics cited as the reason for closing the meetings. Section 610.020.7, RSMo, requires minutes be kept for all closed meetings.

Recommendation

The Senate Bill 40 Board ensure minutes are prepared and retained for all closed meetings.

Auditee's Response

This recommendation has been implemented. Minutes are now prepared and maintained for closed meetings.

Grundy County

Organization and Statistical Information

Grundy County is a township-organized, third-class county. The county seat is Trenton.

Grundy County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 49 full-time employees and 19 part-time employees on December 31, 2014. The townships maintain county roads.

In addition, county operations include the Ambulance Department, the Senate Bill 40 Board, and the Senior Citizens' Service Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Rick Hull, Presiding Commissioner	\$	27,080
Gene Wyant, Associate Commissioner		25,080
Joe Brinser, Associate Commissioner		25,080
Charlene Arnold, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Betty Spickard, County Clerk		38,000
Christine Stallings, Prosecuting Attorney		45,000
Rodney Herring, Sheriff		42,000
Dewayne Slater, County Coroner		11,000
Jill Eaton, Public Administrator		38,000
Barbara Harris, County Collector-Treasurer, year ended March 31,	38,000	
Kathy Veatch, County Assessor, year ended August 31,		38,000

(1) Compensation is paid by the state.



Nicole R. Galloway, CPA
Missouri State Auditor

REVENUE

Sales and Use Tax



September 2015
Report No. 2015-080

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Department of Revenue, Sales and Use Tax

Sales Tax Rates	The Department of Revenue (DOR) does not have adequate procedures to ensure proper taxing jurisdiction boundaries are maintained in its computerized mapping system. The DOR does not maintain documentation of political subdivision (PSD) changes sent to the Office of Administration-Information Technology Services Division (OA-ITSD) therefore, the DOR cannot review changes to verify the PSD boundaries are accurately entered into the system by the OA-ITSD. In addition, since the DOR is not ensuring the PSDs provide complete boundary information, the computerized mapping system is not always able to provide accurate tax rate information by geographical location.
Cash Bonds	The DOR has not attempted to return any unclaimed cash bonds held for closed businesses, nor has it considered turning over these monies to the State Treasurer's Office, Unclaimed Property Division. As of June 30, 2014, the DOR held approximately \$19.4 million in cash bonds for closed businesses. In addition, the DOR does not have adequate policies and procedures in place to return bonds to active businesses that have demonstrated satisfactory sales tax compliance.
Timely Discounts	The DOR does not routinely report to the General Assembly for its consideration the amount of timely discounts taken by businesses. Approximately \$105 million, \$101 million, and \$99 million in state and local sales tax revenues were collected from purchasers but retained as timely discounts by businesses remitting sales and use taxes in fiscal years 2014, 2013, and 2012, respectively. The state and local governments are foregoing a significant amount of sales tax revenue because there is not a cap on the amount of timely discounts taken by large vendors.
Individual Consumer Use Tax and Internet Sales	Missouri's individual consumer use tax requirements are not well known by the general public, require extensive taxpayer record keeping, are generally not complied with, and are difficult to enforce and administer. The state could receive millions each year in additional revenue by implementing the Streamlined Sales and Use Tax Agreement. In addition, the DOR does not include a specific line on income tax forms requiring state individual income taxpayers to specify whether they made purchases exceeding \$2,000 for which sales or use tax was not paid.
Sales and Use Tax Exemptions	The DOR does not track and report information regarding some sales and use tax exemptions. As a result, the cost in terms of reduced state revenue for each exemption cannot be determined.

Refunds	Under Missouri law, vendors are not required to return sales and use tax refunds to the original purchaser when applicable, and local funds are not charged a proportionate share of interest paid on refunds of sales and use taxes.
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In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Department of Revenue

Sales and Use Tax

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Sales Tax Rates4 2. Cash Bonds.....6 3. Timely Discounts7 4. Individual Consumer Use Tax and Internet Sales9 5. Sales and Use Tax Exemptions13 6. Refunds.....14
-------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	17
---------------------------------------------	----

Appendixes

Combined Statements of Receipts and Distributions - State Funds, Year Ended -	
A-1	June 30, 201419
A-2	June 30, 201320
A-3	June 30, 201221
Combined Statements of Receipts, Distributions, and Changes in Cash and Investments - Local Funds, Year Ended -	
B-1	June 30, 201422
B-2	June 30, 201323
B-3	June 30, 201224
Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts, Year Ended -	
C-1	June 30, 201425
C-2	June 30, 201326
C-3	June 30, 201227
Combined Schedule of Distributions, Local Funds, Year Ended -	
D-1	June 30, 201428
D-2	June 30, 201361
D-3	June 30, 201293
E	Description of Sales and Use Tax Funds and Accounts124



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Nia Ray, Director
Department of Revenue
Jefferson City, Missouri

We have audited certain operations of the Department of Revenue, sales and use tax collections, as required by Sections 32.087 and 67.525, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014, 2013, and 2012. The objectives of our audit were to:

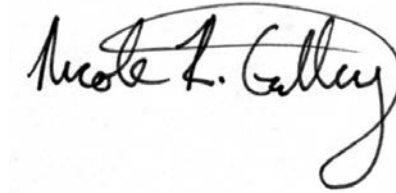
1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; analysis of comparative data obtained from internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) a deficiency in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Revenue, sales and use tax collections.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Corey McComas, M.Acct., CPA
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	Nancy McDowell
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Department of Revenue

Sales and Use Tax

Management Advisory Report State Auditor's Findings

1. Sales Tax Rates

The Department of Revenue (DOR) does not have adequate procedures in place to ensure proper taxing jurisdiction boundaries are maintained in its computerized mapping system. As a result, the DOR cannot ensure it is fully meeting its statutory obligation for the administration, collection, enforcement, and operation of local sales taxes imposed by the law. The DOR processed \$2.84 billion, \$2.68 billion, and \$2.66 billion, during fiscal years 2014, 2013, and 2012, respectively, in local sales and use taxes received from businesses.

Background information

When a sales tax rate is established or changed by a political subdivision (PSD), including counties, cities, Transportation Development Districts (TDDs), Community Improvement Districts (CIDs), etc., the DOR requires the PSD provide the following information (as applicable):

- A certified copy of the ordinance, resolution, or order.
- A copy of the ballot.
- A certified copy of the election results.
- A map of the PSD or newly annexed area to document PSD boundaries.
- A list of all cities/counties located in the PSD.
- A list of all businesses located in the PSD, including name, address, and Missouri sales tax identification number for each business.
- A list of the PSD board members/directors and other officials.
- Whether the PSD overlaps with any other existing PSDs.

The DOR forwards the PSD boundary information from the PSD map (if applicable) and the tax rate information to the Office of Administration - Information Technology Services Division (OA-ITSD) for entry into the DOR's computerized mapping system. This system is used to track sales tax rates by geographical address location and to determine tax rates for new business registrants. If a newly-established PSD does not provide the PSD boundary information, the DOR only sends the business addresses to OA-ITSD for entry into the system and does not require the PSD to provide the detailed boundary information.

There are 15 counties for which the DOR acknowledges its computerized mapping system is not sufficient for determining proper sales tax rates of applicable PSDs. For these counties, the DOR uses other means, such as calling the applicable County Assessor's office or reviewing online maps to determine PSD boundaries. However, these procedures cannot be used for determining boundaries of "taxing district" PSDs, such as TDDs and CIDs, because County Assessors do not track taxing district information and online maps do not contain taxing district boundaries.

Lack of review procedures

The DOR does not maintain documentation of PSD changes sent to the OA-ITSD; therefore, the DOR cannot review PSD changes to verify the PSD boundaries are accurately entered into the system by the OA-ITSD. In



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

addition, since the DOR is not ensuring the PSDs provide complete boundary information, the computerized mapping system does not always contain accurate tax rate information by geographical location. As a result, businesses are not always assigned accurate tax rates.

Washington Avenue TDD

A business located within the Washington Avenue TDD was not properly collecting the TDD sales tax, as explained in Report No. 2014-098, *Washington Avenue Transportation Development District*, issued by our office in October 2014. The business was originally included on the list of affected businesses provided to the DOR when the TDD was formed. However, a sufficient map of the TDD boundaries was not provided to the DOR and the address of this specific business was not entered into the DOR's computerized mapping system by the OA-ITSD. Since the DOR did not maintain documentation of the PSD changes submitted to the OA-ITSD for entry into the computerized mapping system, it is unclear if the omission of the business address information was due to DOR or OA-ITSD.

The business later closed and reopened in 2012 and was assigned a new tax identification number by the DOR. The DOR's computerized mapping system did not show the business address was located in the TDD, so the TDD sales tax was not included in the total sale tax rate the DOR assigned to the new business. As a result of our Washington Avenue TDD audit, the TDD notified the DOR of this inaccuracy. The DOR reviewed the information and determined the business was also in a CID and was also not collecting the CID taxes. In December 2014, the DOR notified the business of the corrected sales tax rates that the business would be responsible for collecting and remitting as of January 2015.

Conclusion

The DOR cannot ensure it is assigning proper tax rates to businesses without enforcing the requirement for newly established PSDs to provide a sufficient PSD map and without verifying PSD changes are properly entered into the mapping system. Section 32.087.6, RSMo, obligates the DOR to perform all functions incident to the administration, collection, enforcement, and operation of local sales taxes imposed by the law. Since the DOR is unable to ensure it is assigning proper tax rates to some businesses, this statutory obligation cannot be fully met.

According to DOR records, Missouri had 1,548 taxing jurisdictions as of fiscal year 2014. In addition, the DOR registered more than 11,000 new sales tax businesses each year during fiscal years 2012 through 2014. More than 81,000 businesses filed sales tax returns in fiscal year 2014. Additional DOR procedures are necessary to ensure taxing boundaries for PSDs are properly recorded in the computerized system and tax rates assigned to businesses are accurate. In addition, since PSDs may annually request a listing of all businesses in the PSD, the DOR should encourage PSDs to obtain and review such documentation for accuracy.



Recommendation

The DOR maintain documentation of required changes sent to the OA-ITSD for updates to the computerized mapping system and periodically review such updates for accuracy. In addition, the DOR should ensure the PSDs submit sufficient boundary information so the DOR can better track addresses within the PSD to ensure new businesses are assigned proper sales tax rates.

Auditee's Response

The DOR began tracking and maintaining documentation of changes submitted to OA-ITSD in the fall of 2014. The DOR works closely with PSDs to try to ensure that businesses in the PSD are properly tracked. There is no statutory mechanism for the DOR to enforce the requirement for PSDs if the information they provide is insufficient or inaccurate. The DOR does ask PSDs for sufficient boundary information to ensure new businesses are assigned proper sales tax rates but there is no statutory penalty to the PSD for not doing so.

2. Cash Bonds

The DOR has not attempted to return any unclaimed cash bonds held for closed businesses, nor has it considered turning over these monies to the State Treasurer's Office, Unclaimed Property Division. As of June 30, 2014, the DOR held approximately \$19.4 million in cash bonds for closed businesses. Approximately \$16.3 million of these bonds were held for businesses closed more than 3 years. In addition, the DOR does not have adequate policies and procedures in place to return bonds to active businesses that have demonstrated satisfactory sales tax compliance.

Section 144.087.1, RSMo, requires all applicants for retail sales tax licenses and all licensees in default in filing a return and paying taxes to post a bond with the DOR. The posted bond can either be a surety bond, a cash bond, an irrevocable letter of credit, or a certificate of deposit pledged to the DOR. According to current DOR policy, the business may request a refund of the bond after 2 years of satisfactory tax compliance or at the time the business closes. The bond is refunded to the business at the time of the refund request if no deficiency of taxes due is identified and the 2-year requirement has been met.

DOR personnel stated refunds of cash bonds are only issued when requested by the business. Personnel believed, based on the statute of limitations, the bonds can be forfeited to the state after 5 years if a refund has not been requested, though the department has never processed any such forfeitures. However, Section 144.087.1, RSMo, requires the DOR to release businesses from the bonding requirement "after a reasonable period of satisfactory tax compliance for two years from the initial date of bonding." In addition, Section 447.532, RSMo, states intangible personal property held for an owner by a state agency or department that remains unclaimed for more than 3 years is deemed abandoned and shall be turned over to the State Treasurer.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

Maintaining cash bonds held on behalf of business owners for an indefinite time period after a business has demonstrated two years of satisfactory compliance or after a business closes is of no benefit to the DOR and increases the record keeping burden. In addition, by not returning these bonds to the owners or turning them over to the State Treasurer's office, Unclaimed Property Division, the DOR is not in compliance with state law.

Recommendation

The DOR develop policies and procedures to return cash bonds held for compliant and closed businesses after a reasonable period of time. If an owner cannot be located, the DOR should turn these monies over to the State Treasurer's office as unclaimed property as required by law.

Auditee's Response

The process of returning bonds to compliant and closed businesses will be automated in Release 2 of the Missouri Integrated Revenue System, currently scheduled for implementation in July 2016. The DOR recently began returning bonds to open businesses after 2 years of satisfactory tax compliance and closed businesses within the statute of limitation. The bond for any of these businesses that cannot be located will be turned over to unclaimed property. The DOR will develop additional policies and procedures for any bonds not addressed by these measures.

3. Timely Discounts

The DOR does not routinely report to the General Assembly for its consideration the amount of timely discounts taken by businesses. This discount was established for businesses to recover a portion of their costs for compliance with state sales tax laws. However, the state and local governments are foregoing a significant amount of sales tax revenue because there is not a cap on the amount of timely discounts taken by large vendors. Approximately \$105 million, \$101 million, and \$99 million in state and local sales tax revenues were collected from purchasers but retained as timely discounts by businesses remitting sales and use taxes in fiscal years 2014, 2013, and 2012, respectively.

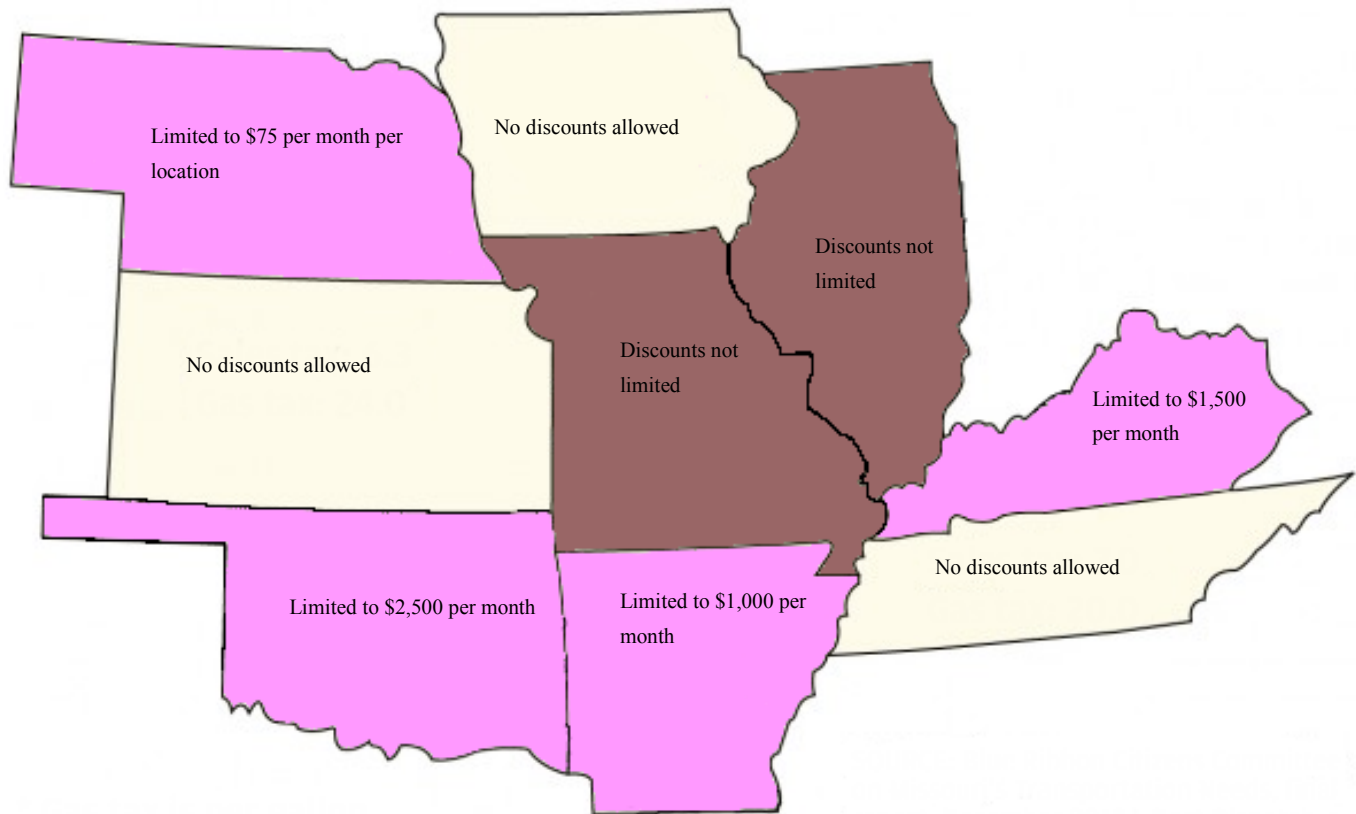
Sales and use tax revenues are used to fund significant portions of state and local government budgets. In fiscal year 2014, sales and use taxes comprised approximately 21 percent of the state's general revenue.

Background information

Sections 144.140 and 144.710, RSMo, allows businesses remitting sales and use taxes to retain 2 percent of taxes payable to the DOR if the business remits payments in a timely manner. These discounts reduce the amount of sales and use taxes received by the state and local governments. Of the eight states contiguous to Missouri, three (Iowa, Kansas, and Tennessee) do not allow businesses to retain any compensation for timely payments, and four (Arkansas, Kentucky, Nebraska, and Oklahoma) have established ceilings to limit the amount of discount and/or compensation retained by businesses. These limits range from \$75 per month for each business location in Nebraska to up to \$2,500 per month in Oklahoma per business, as follows:



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings



Largest businesses retaining majority of timely discounts

If the General Assembly implemented a monthly cap on the timely discount, it could significantly increase state and local revenues. For example, when applying Oklahoma's cap of \$2,500 per month (the largest cap of contiguous states) to Missouri we noted the following:

In fiscal year 2014, 662 sales tax filers received timely discounts in excess of \$2,500 in at least one month during the year. Limiting those filers to Oklahoma's \$2,500 monthly cap would have generated an additional \$26.6 million and \$21.1 million in state and local sales tax revenue, respectively. The 50 largest sales tax collecting businesses claimed approximately 74 percent of these discounts. A monthly timely discount cap similar to Oklahoma's would not affect the majority of sales tax filers. Using the state's average sales tax rate of 7.58 percent¹, we estimate businesses with monthly taxable sales of approximately \$1.65 million or less would continue

¹ Scott Drenkard, "State and Local Sales Tax Rates in 2014," <<http://taxfoundation.org>>, (March 18, 2014). Accessed on May 13, 2015. Calculation regarding the estimated monthly taxable sales was based on this estimated average sales tax rate.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

to receive the full 2 percent timely discount. Without a cap on the timely discount, state and local governments are providing a sizable subsidy to the largest businesses in the state.

New Commission
established

House Bill No. 384, First Regular Session, 98th General Assembly, has recently established the Study Commission on State Tax Policy to, among other things, "make a complete, detailed review and study of the tax structure of the state and its political subdivisions, including tax sources, the impact of taxes, collection procedures, administrative regulations, and all other factors pertinent to the fiscal operation of the state." Review of timely discounts and any possible recommendations for establishing a cap appear to fall under this Commission's purview.

Recommendation

The DOR annually report the reduction of state revenue related to the timely discount to the General Assembly, the Study Commission on State Tax Policy, applicable PSDs, and the general public. In addition, the DOR should work with the General Assembly and the Study Commission on State Tax Policy to conduct a study to determine if a cap should be placed on timely filing discounts provided to businesses.

Auditee's Response

The DOR has provided information regarding the timely filing discount when requested by elected officials from time-to-time, but has not been requested to report this information on a regular basis. The DOR is willing and able to do so. The DOR will work with the General Assembly and the Study Commission on the issue of a cap if they decide to conduct such a study.

4. Individual Consumer Use Tax and Internet Sales

Background information

Missouri's individual consumer use tax requirements are not well known by the general public, require extensive taxpayer record keeping, are generally not complied with, and are difficult to enforce and administer. In addition, the state could receive millions each year in additional revenue by implementing the Streamlined Sales and Use Tax Agreement.

State law imposes an individual consumer use tax on the storage, use, or consumption of tangible personal property in Missouri. The consumer use tax is required to be paid unless sales or use tax is paid to the seller or the property is tax exempt. Also, use tax should be paid on purchases from a seller which is not engaged in business. Section 144.655.5, RSMo, requires a purchaser to file an annual use tax return with the DOR if the cumulative purchases subject to use tax exceed \$2,000 in a calendar year. The use tax is computed on the purchase price of all goods once purchases exceed \$2,000. Consumer use tax information and requirements are posted on the DOR website.

The type of purchases subject to use tax include, but are not limited to, 1) catalog purchases, 2) magazine subscriptions, 3) cross-border purchases



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

of goods, 4) television marketing purchases, 5) computer software and hardware, 6) mail-order supply purchases, 7) furniture and equipment purchases from out-of-state sellers, 8) purchases of goods over the Internet (e-commerce) and by phone, and 9) purchases of goods from outside the United States. Currently, state law requires local businesses to collect sales tax, even if they have an online business, because these businesses have a physical presence (nexus) in the state. However, under a 1992 U.S. Supreme Court ruling², states cannot require companies that do not have nexus to collect state and local sales taxes. As a result, Missouri cannot require businesses without nexus to collect sales tax on goods sold to Missouri residents. Federal legislation has been proposed that would enable states to require online retailers to collect and remit sales taxes, while also providing businesses with an effective means to comply. Such legislation includes the Market Place Fairness Act of 2015 (U.S. Congress Senate Bill No. 698) and the Remote Transaction Parity Act of 2015 (U.S. Congress House Bill No. 2775). If implemented, these bills would allow states to collect sales tax on products sold by out of state businesses with no nexus.

With the increasing popularity and usage of the Internet, e-commerce sales have grown significantly in recent years. A university study³ estimated Missouri state and local governments have lost and will continue to lose sales/use tax revenue of approximately \$210.7 million annually by not collecting taxes on these sales. The study also noted local vendors face a competitive disadvantage because consumers who make purchases online avoid paying sales/use taxes. However, it is possible if taxes were collected on e-commerce sales, consumer purchasing habits could change resulting in less revenue for the state than forecasted. The issues of revenue, consumer spending habits, and the economic effect of increased taxation are beyond the scope of this report.

Streamlined Sales and Use
Tax Agreement

The Streamlined Sales and Use Tax Agreement (Agreement) is a cooperative effort among states, local governments, and businesses to simplify sales and use tax collection and administration by retailers and states. The Agreement aims to minimize costs and administrative burdens on retailers that collect sales tax, while also encouraging out-of-state sellers to collect tax on sales to customers in the Streamlined states. Forty-four states, including Missouri, signed the Agreement, originally adopted in November 2002 (advisory states), and 24 of these states have passed legislation to conform to at least part of the Agreement (member states). In addition, one state not in the original 44 is working toward joining the

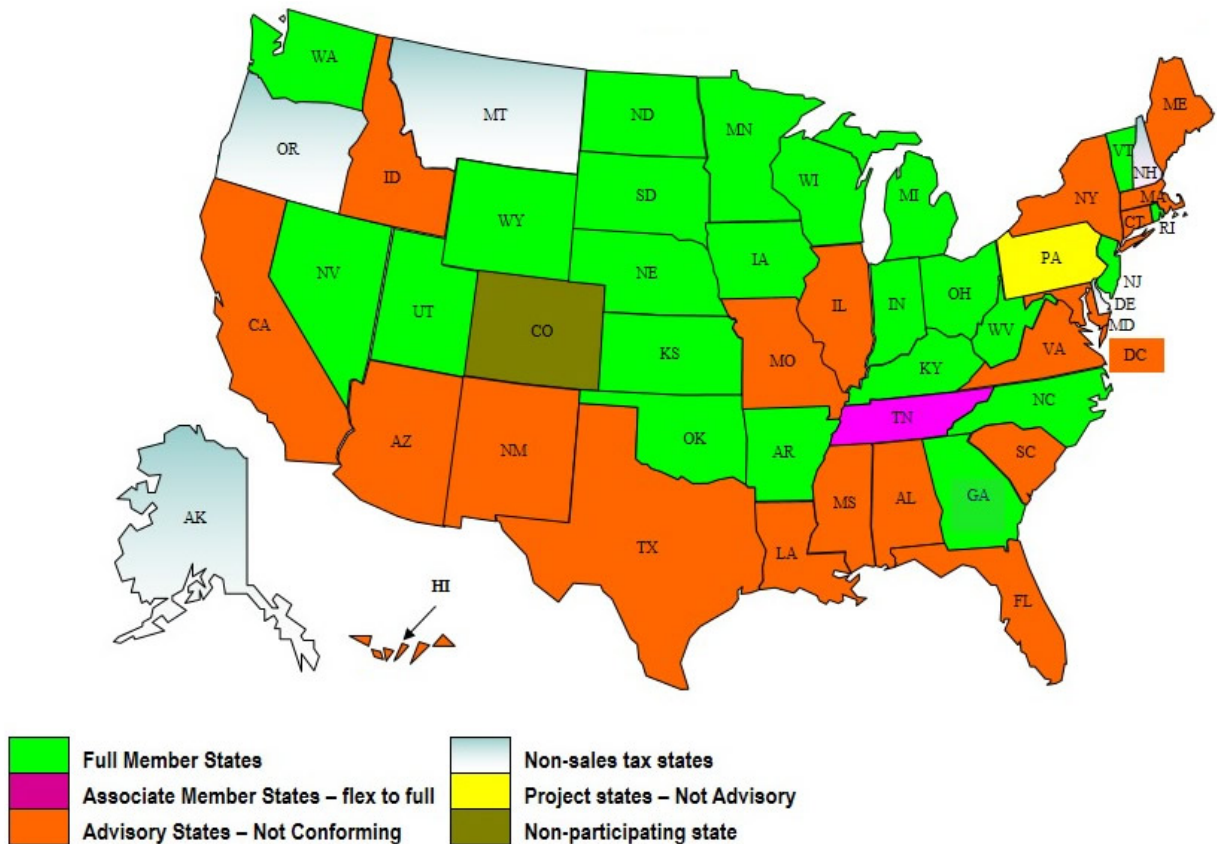
² Quill Corp v, North Dakota, 504 U.S.298 (1992)

³ Bruce, Donald, William F. Fox, LeAnn Luna, "State and Local Government Sales Tax Revenue Losses from Electronic Commerce," University of Tennessee, Center for Business and Economic Research, <<http://cber.bus.utk.edu/ecom.htm>>, accessed on March 3, 2015.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

Agreement (project state). The following map shows the breakdown of the states:



Source: Streamlined Sales Tax Governing Board, Inc., <http://www.streamlinedsalestax.org>, Accessed on June 29, 2015.

Legislation was introduced in Missouri during the 2015 legislative session and in prior years to implement the provisions of the Agreement; however, such legislation has not passed. Participation in the Agreement is voluntary for businesses; therefore, Missouri cannot require out-of-state sellers without nexus to collect sales taxes on purchases made by Missouri residents. However, according to Streamlined Sales Tax Governing Board, Inc., states surrounding Missouri that have joined the Agreement have received millions in additional sales tax revenues, as follows:



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

Member State	2014	2013	2012
Arkansas	\$ 14,491,964	\$ 9,501,601	\$ 9,721,779
Iowa	12,425,000	11,125,000	9,472,000
Kansas	16,596,695	15,187,980	13,584,979
Kentucky	12,761,999	11,719,715	11,998,536
Nebraska	10,768,089	10,564,111	16,099,029
Oklahoma	52,569,077	47,392,219	34,827,796
Tennessee ¹	--	--	20,848,454

¹ Annual data for Tennessee was not available for 2014 or 2013.

In addition, the average member state collected \$13.2 million in additional sales tax revenues in 2014. These amounts provide an idea of the additional tax revenues Missouri could expect to receive by implementing the Agreement.

Individual income tax forms The DOR does not include a specific line on income tax forms requiring state individual income taxpayers to specify whether they made purchases exceeding \$2,000 for which sales or use tax was not paid. As a result, most taxpayers are likely not aware of the consumer use tax requirements.

If the state continues to impose the individual consumer use tax, there are additional enforcement procedures the DOR should consider. Our review of other states' procedures noted some states, such as Illinois, include a specific line on individual income tax forms to report purchases made for which sales or use tax was not paid. In addition, to reduce taxpayer recordkeeping burden, some states provide an optional use tax reporting table which bases the consumer's use tax liability on a percentage of adjusted gross income rather than actual purchases.

To increase taxpayer compliance with existing individual consumer use tax laws, the DOR should consider revising individual income tax forms to include a specific line regarding purchases made for which sales or use tax was not paid. In addition, an optional use tax reporting table, which bases consumer use tax liability on a percentage of adjusted gross income rather than actual purchases, may be warranted.

A similar condition was noted in our prior audit report.

Recommendation

The DOR revise the individual income tax forms to increase taxpayer compliance with existing individual consumer use tax laws.

Auditee's Response

The DOR offers a use tax form to file a use tax return as part of the Individual Income Tax return package and on its website. In addition, on page 5 of the individual income tax instructions, we include the following information:



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

Consumer's Use Tax

Use tax is imposed on the storage, use or consumption of tangible personal property in this state. The state use tax rate is 4.225 percent. Cities and counties may impose an additional local use tax. Use tax does not apply if the purchase is subject to Missouri sales tax or otherwise exempt. A purchaser is required to file a use tax return if the cumulative purchases on which tax was not paid to the state exceeds \$2,000 in a calendar year. You can use the Form 4340, Consumer's Use Tax Return, located on page 39. The due date for Form 4340 is April 15, 2015.

We also offer more information about Consumer Use Tax on our website at <http://dor.mo.gov/personal/consumer/>

Auditor's Comment

The DOR's response does not address the recommendation. As explained above, the DOR does not include a specific line on individual income tax forms related to use tax. Our recommendation stands.

5. Sales and Use Tax Exemptions

The DOR does not track and report information regarding some sales and use tax exemptions. As a result, the cost in terms of reduced state revenue for each exemption cannot be determined.

According to DOR records, as of June 30, 2014, there were 204 sales and use tax exemptions provided by state law. The DOR only tracks the 3 percent state general revenue sales tax reduction on food sales and the exemptions related to textbook and manufacturing sales.

Vendors remit monthly, quarterly, or annual sales and use tax returns to the DOR. The returns include gross sales receipts, adjustments to gross sales receipts, and taxable sales. The adjustment amounts include, but are not limited to, exempt sales for the period of the sales tax return (file period), and corrections of errors from previous file periods.

During fiscal years 2014, 2013, and 2012, DOR records indicate adjustments to gross sales receipts totaled over \$165 billion, \$160 billion, and \$163 billion, respectively. The DOR does not require vendors to provide detailed information or explanation of the adjustment total on returns, and according to DOR personnel, only taxable sales are reported on some returns, with the gross sales receipts or adjustment amounts not included.

DOR personnel indicated the current computerized system is not equipped to track the adjustment information. In addition, the DOR does not plan to include adjustment tracking in the computerized system currently in development because DOR personnel believe most businesses would not adequately track and report exemptions. However, by not requiring businesses to track these adjustments, the DOR is unable to determine the



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

cost of the various sales tax exemptions. Without this information the legislature is unable to make informed decisions regarding the effectiveness and cost of the various exemptions.

A similar condition was noted in our prior audit report.

Recommendation

Begin tracking of exemption information so the reductions of state revenue related to each exemption can be determined and reported to the General Assembly and the Study Commission on State Tax Policy.

Auditee's Response

Tracking and reporting exemptions is an appropriate goal. Reporting exemptions would substantially increase the burden on businesses. Also, based on prior attempts to track limited exemptions, the data collected is likely to be highly inaccurate due to businesses' errors in reporting. In addition, to track and report exemptions, the DOR would require a substantial increase in full-time employees, which the current budget does not support. The DOR is in the process of implementing an integrated revenue system that may be able to track at least some exemptions, but tracking and reporting the data will still be a significant burden on businesses and the data collected will still likely be inaccurate.

6. Refunds

Under Missouri law, vendors are not required to return sales and use tax refunds to the original purchaser when applicable, and local funds are not charged a proportionate share of interest paid on refunds of sales and use taxes.

6.1 Refunds to the original purchaser

State law does not require vendors to return sales and use tax refunds and related interest to the original purchaser when applicable, resulting in a windfall for the vendor. In addition, in many instances, the vendor may not be able to identify the original purchasers to whom the refunds are due, further increasing the likelihood of a windfall. The DOR distributed sales and use tax refunds, including interest, of approximately \$45 million, \$26 million, and \$28 million during fiscal years 2014, 2013, and 2012, respectively.

Vendors collect sales and use taxes from their customers and remit the taxes to the DOR. Section 144.190, RSMo, authorizes the DOR to issue sales and use tax refunds due to an overpayment of sales or use taxes. For some refunds the vendor is the original purchaser and some refunds are the result of taxpayer errors, incorrect quarter-monthly filer estimates, or other circumstances in which sales and use taxes were not collected from a purchaser, and as a result, should be retained by the vendor. However, in many cases, the refund is the result of an over collection of sales tax by the vendor and the refund is due back to the original purchaser.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

Section 144.190, RSMo, allows for various refunds to be issued on sales taxes paid to the DOR. However, this section does not state refunds must be returned to the original purchaser when the refund is the result of the original purchaser overpaying sales tax due. In addition, a vendor may not be able to identify the original purchaser in some cases, such as cash transactions or other point of sale settings where purchaser name or contact information is not captured. In these situations, the vendor would be unable to forward the refund to the original purchaser and would receive the windfall refund.

The legislature partially addressed this issue in 2012 by updating Section 144.190.4, RSMo, to allow the original purchaser to submit a refund claim directly to the DOR for sales or use taxes paid to a vendor and remitted to the DOR. However, if both the vendor and the original purchaser file for the refund, the DOR will pay the refund to the first filer, and vendors are not required to distribute any refunds to the original purchasers.

Additional legislation is needed to ensure sales taxes refunds are returned to the original purchaser. This legislation should address how the refund should be handled when the original purchasers cannot be identified.

6.2 Interest paid on refunds from local funds

The General Revenue Fund (GRF) does not receive reimbursement from local funds for their proportionate share of interest paid on refunds of sales and use taxes.

Based on the percentage of distributions to local funds to total distributions to state and local funds (exclusive of the GRF), interest payments of approximately \$286,000, \$40,000, and \$538,000 should have been allocated to local funds during fiscal years 2014, 2013, and 2012, respectively, and are due to the GRF from local funds. The amounts due to the GRF have decreased from prior years because of a reduction in the market interest rates. Therefore, these amounts will fluctuate from year to year based on the market interest rate.

Sales and use tax refunds are issued from the GRF. To reimburse the GRF, adjustments are automatically made in the DOR tax system for the principal and interest amount of the refunds due from other state funds and the principal amount of the refunds due from local funds. However, adjustments are not automatically made to local funds for the interest paid on sales tax refunds.

Although the DOR has previously agreed local funds should pay their proportionate share of interest paid on refunds, the DOR has been unable to develop any alternatives for recovering interest from local governments without the acquisition of a new system. DOR personnel indicated the new computerized system will have the capability to calculate the reimbursement



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

to the GRF for the local funds' proportionate share of interest paid on sales and use tax refunds. This portion of the new system should be fully operational in 2016, according to DOR personnel.

Similar conditions
previously reported

Similar conditions to points 6.1 and 6.2 were noted in our prior audit report.

Recommendations

- 6.1 Continue to support legislation that would require sales and use tax refunds and related interest to be returned to the original purchaser. Such legislation should also address whether a refund should be made when the original purchaser is not known.
- 6.2 Ensure the new computerized system has the capability to calculate the reimbursement to the GRF for local funds' proportionate share of interest paid on sales and use tax refunds.

Auditee's Response

- 6.1 *The DOR reviews and makes recommendations with respect to existing law and proposed legislation every year. Section 144.190.4, RSMo, does allow the original purchaser to submit a refund claim directly to the DOR for sales or use taxes paid to a vendor and remitted to DOR.*
- 6.2 *This was a requirement in the request for proposal and is scheduled to be implemented when the sales and use tax portion of the integrated system is implemented, currently scheduled for July 2016.*

Department of Revenue

Sales and Use Tax

Organization and Statistical Information

The Department of Revenue (DOR) was created by Article IV, Section 12, Missouri Constitution as the central collection agency for state revenues. The Director of Revenue is appointed by the Governor, with the advice and consent of the Senate, and is responsible for all operations and policies. DOR responsibilities include:

- 1) Administering and collecting state taxes and fees, including sales and use tax, motor vehicle sales tax, and highway use tax.
- 2) Collecting certain taxes and fees for local governments, including local sales and use tax.
- 3) Titling and licensing motor vehicles, trailers, and boats.
- 4) Licensing motor vehicle operators.

The DOR consists of four divisions and the Director's office.

Motor Vehicle and Driver Licensing Division: This division consists of three bureaus. 1) The Motor Vehicle Bureau issues titles and registers motor vehicles, trailers, all-terrain vehicles, manufactured homes, and marine craft. In addition, the bureau issues registration certificates to motor vehicle and salvage dealers and leasing companies. 2) The Driver Licensing Bureau issues, renews, suspends, revokes, and reinstates driver and nondriver licenses and driving permits. The bureau also processes and maintains records regarding license issuance, traffic violation point assessments, and failure to appear in court for traffic violations, and administers the alcohol and abuse laws for alcohol/drug offenders. 3) The License Offices Bureau manages the operations of the contract license offices throughout the state. These local offices provide driver licensing and motor vehicle services. This division collects motor vehicles sales and use taxes.

Taxation Division: This division consists of four bureaus which collect taxes and administer state tax law. 1) The Business Tax Bureau administers sales and use, financial institutions, insurance premiums, franchise, cigarette and other tobacco products, motor fuel, corporate income, withholding, and county taxes and fees. 2) The Personal Tax Bureau administers individual income, partnership, fiduciary, and estate taxes, plus the property tax credit and homestead preservation tax credit. 3) The Collections Bureau⁴ handles unpaid tax liabilities. 4) The Field Compliance Bureau audits businesses both in-state and out-of-state to ensure compliance with the state's tax laws.

Administration Division: This division consists of two bureaus. 1) Personnel Services Bureau is responsible for the DOR personnel matters, policies and

⁴ Prior to July 2014, this bureau was known as the Collections and Tax Assistance Bureau. In addition to handling unpaid tax liabilities, this bureau provided tax assistance to individuals and businesses until the July 2014 closure of the state's Tax Assistance Centers.



Department of Revenue
Sales and Use Tax
Organization and Statistical Information

procedures, training, and written communications. 2) The Financial and General Services Bureau is responsible for accounting, procurement, banking, and general services such as telecommunications, safety issues, and maintenance.

Legal Services Division: This division ensures DOR compliance with law and internal policies. The General Counsel's Office advises the director and divisions on legal matters and represents the DOR in court. The Criminal Tax Investigation Bureau investigates and develops information for local prosecution of individuals and businesses suspected of violating laws the DOR administers. The Compliance and Investigation Bureau investigates illegal motor vehicle titling and registration, odometer fraud, and tax fraud involving motor fuel sales tax. The bureau also reviews and evaluates the DOR administrative, operations, and internal accounting controls and contract license offices.

Director's Office: This office includes the Director, Deputy Director and key administrative staff. The Director of Communications works with the news media and acts as the DOR spokesperson. The legislative liaison manages the DOR relationship with the General Assembly and other governmental branches. This office also develops fiscal and revenue estimates on proposed legislation.

The Directors of Revenue from July 2011 to March 2015 include:

Alana M. Barragan-Scott, (Acting) July 2009 to November 2012 (officially appointed Director in October 2009)

Brian K. Long, December 2012 to April 2013

John R. Mollenkamp, (Acting) April 2013 to November 2014

In December 2014, Nia Ray was appointed Director.

Appendix A-1

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts and Distributions - State Funds
Year Ended June 30, 2014

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	State Highways and Transportation Department Fund	Parks Sales Tax Fund	School District Trust Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Highway use tax	\$ 0	0	242,723	6,280,558	97,089	0	97,091	0	1,456,395	0	8,173,856
Marine and ATV sales and use tax	6,409,898	0	263,261	0	105,305	2,105,619	105,306	0	0	0	8,989,389
Motor vehicle sales tax	3,089,417	0	11,680,779	0	4,672,317	46,724,122	4,672,317	140,172,364	136,434,433	3,737,929	351,183,678
Sales and use tax	1,958,492,847	5,533,829	94,889,677	0	37,955,362	755,896,362	37,955,363	9,620,943	9,363,986	255,900	2,909,964,269
Total Receipts	<u>1,967,992,162</u>	<u>5,533,829</u>	<u>107,076,440</u>	<u>6,280,558</u>	<u>42,830,073</u>	<u>804,726,103</u>	<u>42,830,077</u>	<u>149,793,307</u>	<u>147,254,814</u>	<u>3,993,829</u>	<u>3,278,311,192</u>
DISTRIBUTIONS											
Transmitted to State Treasurer	<u>1,967,992,162</u>	<u>5,533,829</u>	<u>107,076,440</u>	<u>6,280,558</u>	<u>42,830,073</u>	<u>804,726,103</u>	<u>42,830,077</u>	<u>149,793,307</u>	<u>147,254,814</u>	<u>3,993,829</u>	<u>3,278,311,192</u>
Total Distributions	<u>1,967,992,162</u>	<u>5,533,829</u>	<u>107,076,440</u>	<u>6,280,558</u>	<u>42,830,073</u>	<u>804,726,103</u>	<u>42,830,077</u>	<u>149,793,307</u>	<u>147,254,814</u>	<u>3,993,829</u>	<u>3,278,311,192</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Appendix A-2

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts and Distributions - State Funds
Year Ended June 30, 2013

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	State Highways and Transportation Department Fund	Parks Sales Tax Fund	School District Trust Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Highway use tax	\$ 0	0	2,331,521	57,019,325	932,611	0	932,612	0	13,989,578	0	75,205,647
Marine and ATV sales and use tax	5,870,341	0	241,998	0	96,799	1,935,679	96,800	0	0	0	8,241,617
Motor vehicle sales tax	2,042,653	0	8,731,211	0	3,492,487	34,925,333	3,492,488	104,776,000	101,981,972	2,794,026	262,236,170
Sales and use tax	1,887,781,005	5,141,623	91,227,532	0	36,489,718	726,884,943	36,489,718	8,666,552	8,436,115	230,515	2,801,347,721
Total Receipts	<u>1,895,693,999</u>	<u>5,141,623</u>	<u>102,532,262</u>	<u>57,019,325</u>	<u>41,011,615</u>	<u>763,745,955</u>	<u>41,011,618</u>	<u>113,442,552</u>	<u>124,407,665</u>	<u>3,024,541</u>	<u>3,147,031,155</u>
DISTRIBUTIONS											
Transmitted to State Treasurer	<u>1,895,693,999</u>	<u>5,141,623</u>	<u>102,532,262</u>	<u>57,019,325</u>	<u>41,011,615</u>	<u>763,745,955</u>	<u>41,011,618</u>	<u>113,442,552</u>	<u>124,407,665</u>	<u>3,024,541</u>	<u>3,147,031,155</u>
Total Distributions	<u>1,895,693,999</u>	<u>5,141,623</u>	<u>102,532,262</u>	<u>57,019,325</u>	<u>41,011,615</u>	<u>763,745,955</u>	<u>41,011,618</u>	<u>113,442,552</u>	<u>124,407,665</u>	<u>3,024,541</u>	<u>3,147,031,155</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Appendix A-3

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts and Distributions - State Funds
Year Ended June 30, 2012

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	State Highways and Transportation Department Fund	Parks Sales Tax Fund	School District Trust Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Highway use tax	\$ 0	0	2,172,765	53,256,018	869,109	0	869,110	0	13,037,017	0	70,204,019
Marine and ATV sales and use tax	5,523,573	0	227,423	0	90,969	1,819,056	90,970	0	0	0	7,751,991
Motor vehicle sales tax	1,597,962	0	8,174,037	0	3,269,618	32,696,641	3,269,619	98,088,683	95,474,205	2,615,715	245,186,480
Sales and use tax	1,864,316,363	5,600,265	89,991,774	0	35,996,374	717,140,810	35,996,374	8,362,305	8,137,932	222,422	2,765,764,619
Total Receipts	<u>1,871,437,898</u>	<u>5,600,265</u>	<u>100,565,999</u>	<u>53,256,018</u>	<u>40,226,070</u>	<u>751,656,507</u>	<u>40,226,073</u>	<u>106,450,988</u>	<u>116,649,154</u>	<u>2,838,137</u>	<u>3,088,907,109</u>
DISTRIBUTIONS											
Transmitted to State Treasurer	<u>1,871,437,898</u>	<u>5,600,265</u>	<u>100,565,999</u>	<u>53,256,018</u>	<u>40,226,070</u>	<u>751,656,507</u>	<u>40,226,073</u>	<u>106,450,988</u>	<u>116,649,154</u>	<u>2,838,137</u>	<u>3,088,907,109</u>
Total Distributions	<u>1,871,437,898</u>	<u>5,600,265</u>	<u>100,565,999</u>	<u>53,256,018</u>	<u>40,226,070</u>	<u>751,656,507</u>	<u>40,226,073</u>	<u>106,450,988</u>	<u>116,649,154</u>	<u>2,838,137</u>	<u>3,088,907,109</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Appendix B-1

Department of Revenue

Sales and Use Tax

Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds

Year Ended June 30, 2014

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 206,780,939	0	206,780,939
Sales tax	46,721,120	2,827,254,519	2,873,975,639
Use tax	485,465	122,631,839	123,117,304
Miscellaneous tax	0	2,194,725	2,194,725
Protested tax	0	330,030	330,030
Motor fuel bond	4,500	0	4,500
Motor fuel pool bond	39,342	0	39,342
Interest income	144	3,173	3,317
Total Receipts	<u>254,031,510</u>	<u>2,952,414,286</u>	<u>3,206,445,796</u>
DISTRIBUTIONS			
Political subdivisions	252,553,163	2,836,449,017	3,089,002,180
General Revenue Fund	0	27,652,871	27,652,871
Refunds to taxpayers	15,451	0	15,451
Forfeitures to state	0	0	0
Protest settlements	0	99,131	99,131
Total Distributions	<u>252,568,614</u>	<u>2,864,201,019</u>	<u>3,116,769,633</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	1,462,896	88,213,267	89,676,163
CASH AND INVESTMENTS, JULY 1	21,650,390	286,063,727	307,714,117
CASH AND INVESTMENTS, JUNE 30	<u>\$ 23,113,286</u>	<u>374,276,994</u>	<u>397,390,280</u>

Appendix B-2

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds
Year Ended June 30, 2013

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 185,850,837	0	185,850,837
Sales tax	34,925,333	2,596,912,170	2,631,837,503
Use tax	4,663,192	113,048,653	117,711,845
Miscellaneous tax	0	18,745,023	18,745,023
Protested tax	0	134,809	134,809
Motor fuel bond	4,500	0	4,500
Motor fuel pool bond	47,100	0	47,100
Interest income(1)	(677)	(38,613)	(39,290)
Total Receipts	<u>225,490,285</u>	<u>2,728,802,042</u>	<u>2,954,292,327</u>
DISTRIBUTIONS			
Political subdivisions	247,526,626	2,683,000,867	2,930,527,493
General Revenue Fund	0	26,227,235	26,227,235
Refunds to taxpayers	4,960	12,197	17,157
Forfeitures to state	0	0	0
Protest settlements	0	1,980,058	1,980,058
Total Distributions	<u>247,531,586</u>	<u>2,711,220,357</u>	<u>2,958,751,943</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	(22,041,301)	17,581,685	(4,459,616)
CASH AND INVESTMENTS, JULY 1	43,691,691	268,482,042	312,173,733
CASH AND INVESTMENTS, JUNE 30	<u>\$ 21,650,390</u>	<u>286,063,727</u>	<u>307,714,117</u>

(1) Negative numbers are due to bank service charges exceeding interest earnings.

Appendix B-3

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds
Year Ended June 30, 2012

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 235,240,726	0	235,240,726
Sales tax	32,696,640	2,559,250,766	2,591,947,406
Use tax	4,345,672	98,262,315	102,607,987
Miscellaneous tax	0	10,238,675	10,238,675
Protested tax	0	123,010	123,010
Motor fuel bond	6,000	0	6,000
Motor fuel pool bond	60,472	0	60,472
Interest income(1)	(282)	(138,113)	(138,395)
Total Receipts	<u>272,349,228</u>	<u>2,667,736,653</u>	<u>2,940,085,881</u>
DISTRIBUTIONS			
Political subdivisions	246,134,734	2,656,966,339	2,903,101,073
General Revenue Fund	0	26,039,364	26,039,364
Refunds to taxpayers	23,315	71,714	95,029
Forfeitures to state	0	0	0
Protest settlements	0	1,346,563	1,346,563
Total Distributions	<u>246,158,049</u>	<u>2,684,423,980</u>	<u>2,930,582,029</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	26,191,179	(16,687,327)	9,503,852
CASH AND INVESTMENTS, JULY 1	17,500,512	285,169,369	302,669,881
CASH AND INVESTMENTS, JUNE 30	<u>\$ 43,691,691</u>	<u>268,482,042</u>	<u>312,173,733</u>

(1) Negative numbers are due to bank service charges exceeding interest earnings.

Appendix C-1

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2014

	Compliance Clearing Account (1)	Motor Vehicle Clearing Account (1)	Protested Sales Tax General Revenue Account (2)	Sales Tax Bond Account (2)	Total (Memorandum Only)
ADDITIONS					
Miscellaneous tax collections	\$ 23,016,939	935,558,990	0	0	958,575,929
Protested tax collections	0	0	216,316	0	216,316
Bond collections	0	0	0	8,627,346	8,627,346
Interest income (3)	(4,855)	54	5,755	0	954
Total Additions	<u>23,012,084</u>	<u>935,559,044</u>	<u>222,071</u>	<u>8,627,346</u>	<u>967,420,545</u>
DEDUCTIONS					
Miscellaneous taxes and interest	30,450,587	934,578,861	0	0	965,029,448
Protested taxes and interest	0	0	210,572	0	210,572
Bonds and interest	0	0	0	6,466,325	6,466,325
Total Deductions	<u>30,450,587</u>	<u>934,578,861</u>	<u>210,572</u>	<u>6,466,325</u>	<u>971,706,345</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	(7,438,503)	980,183	11,499	2,161,021	(4,285,800)
CASH AND INVESTMENTS, JULY 1	<u>12,661,166</u>	<u>17,402,439</u>	<u>951,486</u>	<u>54,599,765</u>	<u>85,614,856</u>
CASH AND INVESTMENTS, JUNE 30	\$ <u>5,222,663</u>	<u>18,382,622</u>	<u>962,985</u>	<u>56,760,786</u>	<u>81,329,056</u>

(1) Held by the department in trust.

(2) Held by the state treasurer in trust.

(3) Negative number is due to bank service charges exceeding interest earnings.

Appendix C-2

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2013

	Compliance Clearing Account (1)	Motor Vehicle Clearing Account (1)	Protested Sales Tax General Revenue Account (2)	Sales Tax Bond Account (2)	Total (Memorandum Only)
ADDITIONS					
Miscellaneous tax collections	\$ 32,471,278	846,766,525	0	0	879,237,803
Protested tax collections	0	0	138,240	0	138,240
Bond collections	0	0	0	9,072,014	9,072,014
Interest income(3)	(2,452)	(444)	(17,653)	0	(20,549)
Total Additions	<u>32,468,826</u>	<u>846,766,081</u>	<u>120,587</u>	<u>9,072,014</u>	<u>888,427,508</u>
DEDUCTIONS					
Miscellaneous taxes and interest	36,014,109	841,631,113	0	0	877,645,222
Protested taxes and interest	0	0	2,504,718	0	2,504,718
Bonds and interest	0	0	0	6,305,224	6,305,224
Total Deductions	<u>36,014,109</u>	<u>841,631,113</u>	<u>2,504,718</u>	<u>6,305,224</u>	<u>886,455,164</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	<u>(3,545,283)</u>	<u>5,134,968</u>	<u>(2,384,131)</u>	<u>2,766,790</u>	<u>1,972,344</u>
CASH AND INVESTMENTS, JULY 1	<u>16,206,449</u>	<u>12,267,471</u>	<u>3,335,617</u>	<u>51,832,975</u>	<u>83,642,512</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 12,661,166</u>	<u>17,402,439</u>	<u>951,486</u>	<u>54,599,765</u>	<u>85,614,856</u>

(1) Held by the department in trust.

(2) Held by the state treasurer in trust.

(3) Negative numbers are due to bank service charges exceeding interest earnings.

Appendix C-3

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2012

	Compliance Clearing Account (1)	Motor Vehicle Clearing Account (1)	Protested Sales Tax General Revenue Account (2)	Sales Tax Bond Account (2)	Total (Memorandum Only)
ADDITIONS					
Miscellaneous tax collections	\$ 30,954,092	824,805,836	0	0	855,759,928
Protested tax collections	0	0	118,018	0	118,018
Bond collections	0	0	0	8,789,806	8,789,806
Interest income(3)	(6,302)	(7,392)	61,677	0	47,983
Total Additions	<u>30,947,790</u>	<u>824,798,444</u>	<u>179,695</u>	<u>8,789,806</u>	<u>864,715,735</u>
DEDUCTIONS					
Miscellaneous taxes and interest	28,936,619	824,890,612	0	0	853,827,231
Protested taxes and interest	0	0	1,647,788	0	1,647,788
Bonds and interest	0	0	0	5,709,312	5,709,312
Total Deductions	<u>28,936,619</u>	<u>824,890,612</u>	<u>1,647,788</u>	<u>5,709,312</u>	<u>861,184,331</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	2,011,171	(92,168)	(1,468,093)	3,080,494	3,531,404
CASH AND INVESTMENTS, JULY 1	14,195,278	12,359,639	4,803,710	48,752,481	80,111,108
CASH AND INVESTMENTS, JUNE 30	<u>\$ 16,206,449</u>	<u>12,267,471</u>	<u>3,335,617</u>	<u>51,832,975</u>	<u>83,642,512</u>

(1) Held by the department in trust.

(2) Held by the state treasurer in trust.

(3) Negative numbers are due to bank service charges exceeding interest earnings.

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
CITIES:											
Adrian	\$ 197,160	128,991	68,166	0	0	0	0	0	61,619	0	455,936
Advance	178,207	172,614	0	23,225	0	0	0	0	49,493	0	423,539
Agency	0	0	0	0	0	0	0	0	25,132	0	25,132
Airport Drive	259,888	126,300	0	0	0	0	0	0	25,647	0	411,835
Alba	7,780	0	0	0	0	0	0	0	20,393	0	28,173
Albany	170,978	170,979	0	0	0	0	0	0	63,566	0	405,523
Aldrich	0	0	0	0	0	0	0	0	2,939	0	2,939
Alexandria	6,854	0	0	0	0	0	0	0	5,842	0	12,696
Allendale	6,327	0	0	0	0	0	0	0	1,947	0	8,274
Allenville	0	0	0	0	0	0	0	0	4,262	0	4,262
Alma	0	0	0	0	0	0	0	0	14,771	0	14,771
Altamont	0	0	0	0	0	0	0	0	7,496	0	7,496
Altenburg	0	0	0	0	0	0	0	0	12,934	0	12,934
Alton	126,518	120,956	0	0	0	0	0	0	32,004	0	279,478
Amazonia	0	0	0	0	0	0	0	0	11,464	0	11,464
Amity	0	0	0	0	0	0	0	0	1,984	0	1,984
Amoret	0	0	0	0	0	0	0	0	6,981	0	6,981
Amsterdam	11,480	0	0	0	0	0	0	0	8,892	0	20,372
Anderson	219,892	0	103,794	0	0	0	0	0	72,054	0	395,740
Annada	0	0	0	0	0	0	0	0	1,066	0	1,066
Annapolis	37,378	18,689	18,689	0	0	0	0	0	12,676	0	87,432
Anniston	0	0	0	0	0	0	0	0	8,524	0	8,524
Appleton City	194,408	51,842	0	0	0	0	0	0	41,410	0	287,660
Arbela	0	0	0	0	0	0	0	0	1,506	0	1,506
Arbyrd	45,064	0	0	0	0	0	0	0	18,702	0	63,766
Arcadia	68,097	15,925	0	0	0	0	0	0	22,340	0	106,362
Archie	69,687	0	34,382	0	0	0	0	0	42,990	0	147,059
Arcola	0	0	0	0	0	0	0	0	2,021	0	2,021
Argyle	10,007	0	0	0	0	0	0	0	5,952	0	15,959
Arkoe	0	0	0	0	0	0	0	0	2,498	0	2,498
Armstrong	0	0	0	0	0	0	0	0	10,435	0	10,435
Arnold	5,361,660	1,298,000	0	0	0	0	0	0	764,559	0	7,424,219
Arrow Point Village	0	0	0	0	0	0	0	0	3,160	0	3,160
Arrow Rock	17,248	4,313	0	0	0	0	0	0	2,058	0	23,619
Asbury	12,432	0	0	0	0	0	0	0	7,606	0	20,038
Ash Grove	130,447	58,724	0	14,658	0	0	0	0	54,086	0	257,915
Ashland	349,856	159,321	46,574	0	0	0	0	0	136,208	0	691,959
Atlanta	21,278	0	0	0	0	0	0	0	14,146	0	35,424
Augusta	31,812	15,906	0	0	0	0	0	0	9,296	0	57,014
Aurora	1,037,622	518,516	518,653	80,573	0	0	0	0	275,870	0	2,431,234
Auxvasse	80,362	18,233	36,497	0	0	0	0	0	36,119	0	171,211
Ava	338,500	677,001	0	38,648	0	0	0	0	109,973	0	1,164,122
Avilla	0	0	0	0	0	0	0	0	4,593	0	4,593
Avondale	18,962	0	0	0	0	0	0	0	16,167	0	35,129
Bagnell	9,302	0	0	0	0	0	0	0	3,417	0	12,719
Bakersfield	18,034	0	0	0	0	0	0	0	9,039	0	27,073
Baldwin Park	0	0	0	0	0	0	0	0	3,380	0	3,380

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Ballwin	0	1,606,200	0	0	0	0	0	0	1,117,150	1,384,361	4,107,711
Baring	0	0	0	0	0	0	0	0	4,850	0	4,850
Barnard	0	0	0	0	0	0	0	0	8,120	0	8,120
Barnett	0	0	0	0	0	0	0	0	7,459	0	7,459
Bates City	53,784	26,892	0	12,939	0	0	0	0	8,047	0	101,662
Battlefield	236,970	0	97,924	0	0	0	0	0	205,396	0	540,290
Bell City	15,327	3,832	0	0	0	0	0	0	16,461	0	35,620
Bella Villa	0	0	0	8,591	0	0	0	0	26,786	43,725	79,102
Belle	123,586	61,793	57,019	0	0	0	0	0	56,769	0	299,167
Bellefontaine Neighbors	0	0	0	0	0	0	0	0	399,035	651,376	1,050,411
Bellerive	0	0	0	0	0	0	0	0	6,908	42,962	49,870
Bellflower	14,019	5,511	5,510	0	0	0	0	0	14,440	0	39,480
Bel-Nor	0	0	0	17,666	0	0	0	0	55,078	89,909	162,653
Bel-Ridge	0	243,068	0	0	0	0	0	0	100,567	239,606	583,241
Belton	2,725,964	3,407,244	1,362,983	0	0	0	0	0	849,363	0	8,345,554
Benton	72,109	0	0	0	0	0	0	0	31,710	0	103,819
Benton City	0	0	0	0	0	0	0	0	3,821	0	3,821
Berger	5,204	0	0	0	0	0	0	0	8,120	0	13,324
Berkeley	0	1,203,566	0	0	0	0	0	0	329,883	554,007	2,087,456
Bernie	122,286	61,143	0	0	0	0	0	0	71,944	0	255,373
Bertrand	15,471	0	0	0	0	0	0	0	30,166	0	45,637
Bethany	669,758	381,558	0	0	0	0	0	0	120,960	0	1,172,276
Bethel	7,093	0	0	0	0	0	0	0	4,483	0	11,576
Beverly Hills	0	23,580	0	0	0	0	0	0	21,091	20,043	64,714
Bevier	46,554	0	20,040	0	0	0	0	0	26,382	0	92,976
Big Lake	0	0	0	0	0	0	0	0	5,842	0	5,842
Bigelow	0	0	0	0	0	0	0	0	992	0	992
Billings	64,764	0	0	0	0	0	0	0	38,029	0	102,793
Birch Tree	42,576	19,039	18,985	0	0	0	0	0	24,949	0	105,549
Birmingham	9,724	0	0	0	0	0	0	0	6,724	0	16,448
Bismarck	79,980	0	33,666	0	0	0	0	0	56,805	0	170,451
Blackburn	8,685	0	0	0	0	0	0	0	9,149	0	17,834
Black Jack	0	0	0	81,660	0	0	0	0	254,596	415,597	751,853
Blackwater	10,051	5,026	5,025	0	0	0	0	0	5,952	0	26,054
Blairstown	3,559	0	0	0	0	0	0	0	3,564	0	7,123
Bland	24,827	26,789	0	0	0	0	0	0	19,805	0	71,421
Blodgett	0	0	0	0	0	0	0	0	7,826	0	7,826
Bloomfield	133,843	19,121	0	22,852	0	0	0	0	71,025	0	246,841
Bloomsdale	100,149	0	0	0	0	0	0	0	19,143	0	119,292
Blue Eye	26,573	0	0	0	0	0	0	0	6,136	0	32,709
Blue Springs	7,488,823	3,507,709	3,509,123	0	0	0	0	0	1,931,790	0	16,437,445
Blythedale	0	0	0	0	0	0	0	0	7,091	0	7,091
Bogard	0	0	0	0	0	0	0	0	6,026	0	6,026
Bolckow	0	0	0	0	0	0	0	0	6,871	0	6,871
Bolivar	1,787,782	1,735,650	843,957	0	0	0	0	0	379,377	0	4,746,766
Bonne Terre	425,542	197,372	197,372	0	0	0	0	0	252,207	0	1,072,493
Boonville	1,429,095	1,274,781	0	0	0	0	0	0	305,669	0	3,009,545
Bosworth	0	0	0	0	0	0	0	0	11,207	0	11,207

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Bourbon	173,175	0	81,226	0	0	0	0	0	59,965	0	314,366
Bowling Green	802,483	190,732	381,464	0	0	0	0	0	195,990	0	1,570,669
Bragg City	0	0	0	0	0	0	0	0	5,475	0	5,475
Brandsville	0	0	0	0	0	0	0	0	5,916	0	5,916
Branson	10,338,093	0	5,115,824	0	0	0	0	0	386,542	0	15,840,459
Branson West	790,996	395,498	395,493	0	0	0	0	0	17,563	0	1,599,550
Brashear	8,873	0	0	0	0	0	0	0	10,031	0	18,904
Braymer	56,154	0	0	0	0	0	0	0	32,261	0	88,415
Breckenridge	5,760	0	0	0	0	0	0	0	14,073	0	19,833
Breckenridge Hills	0	0	0	55,933	0	0	0	0	174,385	126,555	356,873
Brentwood	0	4,300,796	0	0	0	0	0	0	295,969	2,506,442	7,103,207
Bridgeton	0	2,875,357	0	0	0	0	0	0	424,388	2,462,858	5,762,603
Brimson	0	0	0	0	0	0	0	0	2,315	0	2,315
Bronaugh	0	0	0	0	0	0	0	0	9,149	0	9,149
Brookfield	750,361	187,590	349,804	75,572	0	0	0	0	166,889	0	1,530,216
Brookline Station	0 *	0	0	0	0	0	0	0	0	0	0
Brooklyn Heights	0	0	0	0	0	0	0	0	3,674	0	3,674
Browning	14,403	0	0	1,239	0	0	0	0	9,737	0	25,379
Brownington	0	0	0	0	0	0	0	0	3,931	0	3,931
Brumley	4,371	0	0	0	0	0	0	0	3,344	0	7,715
Brunswick	137,741	0	0	0	0	0	0	0	31,526	0	169,267
Bucklin	32,290	0	0	3,253	0	0	0	0	17,159	0	52,702
Buckner	182,515	91,258	78,521	32,953	0	0	0	0	113,023	0	498,270
Buffalo	626,422	285,444	286,765	0	0	0	0	0	113,317	0	1,311,948
Bull Creek Village	14,701	0	0	0	0	0	0	0	22,156	0	36,857
Bunceton	8,514	0	0	0	0	0	0	0	13,007	0	21,521
Bunker	44,757	0	0	0	0	0	0	0	14,955	0	59,712
Burgess	0	0	0	0	0	0	0	0	703	0	703
Burlington Junction	0	0	0	0	0	0	0	0	19,731	0	19,731
Butler	695,348	630,047	347,674	0	0	0	0	0	155,021	0	1,828,090
Butterfield	3,619	0	0	0	0	0	0	0	17,269	0	20,888
Byrnes Mill	185,709	0	0	0	0	0	0	0	102,184	0	287,893
Cabool	306,157	153,078	0	0	0	0	0	0	78,852	0	538,087
Cainsville	0	0	5,460	0	0	0	0	0	10,656	0	16,116
Cairo	0	0	0	0	0	0	0	0	10,729	0	10,729
Caledonia	20,847	0	0	0	0	0	0	0	4,777	0	25,624
Calhoun	20,632	8,152	8,113	0	0	0	0	0	17,233	0	54,130
California	529,041	240,207	0	0	0	0	0	0	157,189	0	926,437
Callao	39,016	0	0	0	0	0	0	0	10,729	0	49,745
Calverton Park	0	0	0	0	0	0	0	0	47,509	77,553	125,062
Camden	0	0	0	0	0	0	0	0	7,018	0	7,018
Camden Point	0	0	0	0	0	0	0	0	17,416	0	17,416
Camdenton	1,461,734	730,833	714,541	0	0	0	0	0	136,612	0	3,043,720
Cameron	1,250,463	934,970	619,484	0	0	0	0	0	364,973	0	3,169,890
Campbell	145,718	0	0	0	0	0	0	0	73,193	0	218,911
Canalou	0	0	0	0	0	0	0	0	12,419	0	12,419
Canton	229,813	86,180	57,301	0	0	0	0	0	87,339	0	460,633
Cape Girardeau	9,518,875	11,810,417	4,605,482	0	0	0	0	0	1,394,086	0	27,328,860

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Cardwell	22,668	0	0	0	0	0	0	0	26,198	0	48,866
Carl Junction	293,556	218,726	109,100	0	0	0	0	0	273,555	0	894,937
Carrollton	593,011	0	100,323	0	0	0	0	0	139,037	0	832,371
Cartersville	79,836	39,918	31,393	13,332	0	0	0	0	69,482	0	233,961
Carthage	2,142,526	1,908,650	1,018,753	0	0	0	0	0	528,298	0	5,598,227
Caruthersville	534,266	267,063	0	0	0	0	0	0	226,634	0	1,027,963
Carytown	0	0	0	0	0	0	0	0	9,957	0	9,957
Cassville	828,176	828,175	0	0	0	0	0	0	120,004	0	1,776,355
Catron	0	0	0	0	0	0	0	0	2,462	0	2,462
Cedar Hill Lakes	0	0	0	0	0	0	0	0	8,708	0	8,708
Center	52,387	0	17,038	0	0	0	0	0	18,666	0	88,091
Centertown	21,327	0	0	0	0	0	0	0	10,215	0	31,542
Centerview	0	0	0	0	0	0	0	0	9,810	0	9,810
Centerville	6,018	0	0	0	0	0	0	0	7,018	0	13,036
Centralia	384,953	192,476	192,476	0	0	0	0	0	147,966	0	917,871
Chaffee	203,212	146,340	0	0	0	0	0	0	108,577	0	458,129
Chain of Rocks	0	0	0	0	0	0	0	0	3,417	0	3,417
Chain-O-Lakes	0	0	0	0	0	0	0	0	4,630	0	4,630
Chamois	23,700	0	0	0	0	0	0	0	14,550	0	38,250
Champ	0	0	0	0	0	0	0	0	478	0	478
Charlack	0	0	0	0	0	0	0	0	50,081	81,752	131,833
Charleston	547,372	0	256,794	0	0	0	0	0	218,514	0	1,022,680
Chesterfield	0	6,550,859	0	0	0	0	0	0	1,744,729	5,568,913	13,864,501
Chilhowee	14,680	0	0	0	0	0	0	0	11,942	0	26,622
Chillicothe	1,849,203	1,313,433	875,629	0	0	0	0	0	349,615	0	4,387,880
Chula	0	0	0	0	0	0	0	0	7,716	0	7,716
Clarence	76,730	7,325	0	0	0	0	0	0	29,872	0	113,927
Clark	7,956	3,978	3,978	4,046	0	0	0	0	10,950	0	30,908
Clarksburg	8,150	0	0	0	0	0	0	0	12,272	0	20,422
Clarksdale	0	0	0	0	0	0	0	0	9,957	0	9,957
Clarkson Valley	0	0	0	0	0	0	0	0	96,709	0	96,709
Clarksville	33,336	0	0	0	0	0	0	0	16,241	0	49,577
Clarkton	71,286	0	0	0	0	0	0	0	47,326	0	118,612
Claycomo	356,441	59,403	0	0	0	0	0	0	52,543	0	468,387
Clayton	0	1,391,847	0	0	0	0	0	0	585,655	1,183,071	3,160,573
Clearmont	0	0	0	0	0	0	0	0	6,246	0	6,246
Cleveland	97,252	0	0	0	0	0	0	0	24,287	0	121,539
Clever	145,877	72,939	0	0	0	0	0	0	78,594	0	297,410
Cliff Village	0	0	0	0	0	0	0	0	1,470	0	1,470
Clifton Hill	0	0	0	0	0	0	0	0	4,189	0	4,189
Climax Springs	5,957	0	0	0	0	0	0	0	4,556	0	10,513
Clinton	1,732,606	1,682,452	408,033	258,434	0	0	0	0	330,986	0	4,412,511
Clyde	0	0	0	0	0	0	0	0	3,013	0	3,013
Cobalt City	0	0	0	0	0	0	0	0	8,304	0	8,304
Coffey	0	0	0	0	0	0	0	0	6,099	0	6,099
Cole Camp	134,778	0	54,815	13,221	0	0	0	0	41,189	0	244,003
Collins	39,180	22,337	0	4,783	0	0	0	0	5,842	0	72,142
Columbia	22,542,550	10,762,828	10,763,429	0	0	0	0	0	3,986,671	0	48,055,478

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Commerce	0	0	0	0	0	0	0	0	2,462	0	2,462
Conception Junction	0	0	0	0	0	0	0	0	7,275	0	7,275
Concordia	296,517	280,541	73,415	0	0	0	0	0	90,022	0	740,495
Coney Island	0	0	0	0	0	0	0	0	2,756	0	2,756
Conway	90,126	45,064	0	0	0	0	0	0	28,954	0	164,144
Cool Valley	0	0	0	0	0	0	0	0	43,945	74,221	118,166
Cooter	0	0	0	0	0	0	0	0	17,233	0	17,233
Corder	8,705	4,353	0	8,554	0	0	0	0	14,844	0	36,456
Corning	0	0	0	0	0	0	0	0	551	0	551
Cosby	0	0	0	0	0	0	0	0	4,556	0	4,556
Cottleville	624,860	483,744	0	0	0	0	0	0	112,986	0	1,221,590
Country Club Village	52,992	0	0	0	0	0	0	0	89,985	0	142,977
Country Club Hills	0	48,594	0	0	0	0	0	0	46,811	79,721	175,126
Country Life Acres	0	0	0	0	0	0	0	0	2,719	0	2,719
Cowgill	0	0	0	0	0	0	0	0	6,908	0	6,908
Craig	14,701	0	0	0	0	0	0	0	9,112	0	23,813
Crane	120,378	0	55,354	19,100	0	0	0	0	53,719	0	248,551
Creighton	13,145	0	0	0	0	0	0	0	12,823	0	25,968
Crestwood	0	1,806,593	0	0	0	0	0	0	437,689	1,028,080	3,272,362
Creve Coeur	0	0	0	0	0	0	0	0	655,247	1,914,216	2,569,463
Crocker	117,214	0	49,740	0	0	0	0	0	40,785	0	207,739
Cross Timbers	0	0	0	0	0	0	0	0	7,937	0	7,937
Crystal City	801,312	591,370	0	0	0	0	0	0	178,390	0	1,571,072
Crystal Lake Park	0	0	0	0	0	0	0	0	17,269	28,190	45,459
Crystal Lakes	6,714	0	0	0	0	0	0	0	13,154	0	19,868
Cuba	699,482	349,297	349,703	0	0	0	0	0	123,311	0	1,521,793
Curryville	10,105	0	0	0	0	0	0	0	8,267	0	18,372
Dadeville	0	0	0	0	0	0	0	0	8,598	0	8,598
Dalton	0	0	0	0	0	0	0	0	625	0	625
Dardenne Prairie	1,039,202	519,967	0	0	0	0	0	0	422,330	0	1,981,499
Darlington	0	0	0	0	0	0	0	0	4,446	0	4,446
Dearborn	56,224	0	0	0	0	0	0	0	18,225	0	74,449
Deepwater	8,234	4,118	4,118	0	0	0	0	0	15,910	0	32,380
Deerfield	0	0	0	0	0	0	0	0	2,976	0	2,976
DeKalb	0	0	0	0	0	0	0	0	8,084	0	8,084
Dellwood	0	162,692	0	0	0	0	0	0	184,636	310,554	657,882
Delta	23,998	9,979	0	0	0	0	0	0	16,094	0	50,071
Dennis Acres	0	0	0	0	0	0	0	0	2,792	0	2,792
Denver	0	0	0	0	0	0	0	0	1,433	0	1,433
Des Arc	0	0	0	0	0	0	0	0	6,504	0	6,504
Desloge	1,100,635	1,012,512	506,422	0	0	0	0	0	185,702	0	2,805,271
De Soto	1,174,501	561,267	0	0	0	0	0	0	235,158	0	1,970,926
Des Peres	0	4,323,185	0	586,334	0	0	0	0	307,653	2,449,819	7,666,991
De Witt	0	0	0	0	0	0	0	0	4,556	0	4,556
Dexter	1,409,250	1,522,363	0	114,108	0	0	0	0	288,951	0	3,334,672
Diamond	126,322	39,285	39,316	0	0	0	0	0	33,143	0	238,066
Diehlstadt	0	0	0	0	0	0	0	0	5,916	0	5,916
Diggins	5,621	0	2,158	0	0	0	0	0	10,986	0	18,765

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Dixon	177,657	0	79,272	0	0	0	0	0	56,916	0	313,845
Doniphan	511,828	15,067	239,532	0	0	0	0	0	73,377	0	839,804
Doolittle	69,593	0	0	0	0	0	0	0	23,148	0	92,741
Dover	0	0	0	0	0	0	0	0	3,785	0	3,785
Downing	0	0	0	0	0	0	0	0	12,309	0	12,309
Drexel	97,342	91,901	0	0	0	0	0	0	35,457	0	224,700
Dudley	39,758	0	0	0	0	0	0	0	8,524	0	48,282
Duenweg	121,690	88,383	0	0	0	0	0	0	41,189	0	251,262
Duquesne	328,199	87,522	0	0	0	0	0	0	64,779	0	480,500
Dutchtown	3,664	0	0	0	0	0	0	0	3,454	0	7,118
Eagleville	135,068	84,417	33,767	0	0	0	0	0	11,611	0	264,863
East Lynne	11,994	5,997	0	0	0	0	0	0	11,133	0	29,124
Easton	11,789	0	0	0	0	0	0	0	8,598	0	20,387
East Prairie	275,819	242,703	121,316	0	0	0	0	0	116,697	0	756,535
Edgar Springs	24,929	0	0	0	0	0	0	0	7,643	0	32,572
Edgerton	16,903	0	0	0	0	0	0	0	20,062	0	36,965
Edina	139,293	0	0	0	0	0	0	0	43,210	0	182,503
Edmundson	0	380,494	0	49,359	0	0	0	0	30,644	161,708	622,205
Eldon	834,714	762,468	305,029	0	0	0	0	0	167,808	0	2,070,019
El Dorado Springs	388,203	388,180	0	0	0	0	0	0	132,019	0	908,402
Ellington	281,198	133,635	0	0	0	0	0	0	36,266	0	451,099
Ellisville	0	1,260,279	0	0	0	0	0	0	335,578	1,076,578	2,672,435
Ellsinore	83,967	40,796	0	0	0	0	0	0	16,388	0	141,151
Elmer	0	0	0	0	0	0	0	0	2,939	0	2,939
Elmira	0	0	0	0	0	0	0	0	1,837	0	1,837
Elmo	0	0	0	0	0	0	0	0	6,173	0	6,173
Elsberry	146,545	0	64,778	26,829	0	0	0	0	71,062	0	309,214
Emerald Beach	0	0	0	0	0	0	0	0	8,377	0	8,377
Eminence	89,053	42,125	42,125	0	0	0	0	0	22,046	0	195,349
Emma	11,058	0	0	0	0	0	0	0	8,561	0	19,619
Eolia	32,490	0	0	0	0	0	0	0	19,180	0	51,670
Essex	11,544	0	0	2,745	0	0	0	0	17,343	0	31,632
Ethel	0	0	0	0	0	0	0	0	2,278	0	2,278
Eureka	0	1,207,117	0	0	0	0	0	0	374,380	1,026,819	2,608,316
Everton	29,083	0	0	0	0	0	0	0	11,721	0	40,804
Ewing	26,998	6,728	0	0	0	0	0	0	16,755	0	50,481
Excelsior Estates	0	0	0	0	0	0	0	0	5,401	0	5,401
Excelsior Springs	1,635,367	1,592,644	775,642	463,429	0	0	0	0	407,265	0	4,874,347
Exeter	18,116	0	0	0	0	0	0	0	28,366	0	46,482
Fairfax	35,712	0	0	5,446	0	0	0	0	23,442	0	64,600
Fair Grove	129,141	96,854	64,571	0	0	0	0	0	51,184	0	341,750
Fair Play	26,001	13,850	12,151	0	0	0	0	0	17,453	0	69,455
Fairview	11,161	0	0	0	0	0	0	0	14,073	0	25,234
Farber	7,816	0	0	0	0	0	0	0	11,831	0	19,647
Farley	0	0	0	0	0	0	0	0	9,884	0	9,884
Farmington	3,339,064	2,428,448	807,560	0	0	0	0	0	596,715	0	7,171,787
Fayette	219,232	24,748	0	13,743	0	0	0	0	98,766	0	356,489
Fenton	0	3,702,759	0	0	0	0	0	0	147,782	0	3,850,541

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Ferguson	0	2,031,957	0	0	0	0	0	0	779,073	1,161,495	3,972,525
Ferrelview	13,537	0	0	0	0	0	0	0	16,571	0	30,108
Festus	2,908,128	1,404,729	1,406,255	0	0	0	0	0	426,298	0	6,145,410
Fidelity	0	0	0	0	0	0	0	0	9,443	0	9,443
Fillmore	0	0	0	0	0	0	0	0	6,761	0	6,761
Fisk	21,429	9,254	0	0	0	0	0	0	12,566	0	43,249
Fleming	0	0	0	0	0	0	0	0	4,703	0	4,703
Flemington	0	0	0	0	0	0	0	0	5,438	0	5,438
Flint Hill	74,682	0	0	0	0	0	0	0	19,290	0	93,972
Flordell Hills	0	0	0	9,688	0	0	0	0	30,203	49,303	89,194
Florissant	0	3,182,849	0	0	0	0	0	0	1,916,468	3,269,378	8,368,695
Foley	3,712	0	0	0	0	0	0	0	5,916	0	9,628
Fordland	24,127	0	0	0	0	0	0	0	29,395	0	53,522
Forest City	10,270	0	0	0	0	0	0	0	9,847	0	20,117
Foristell	331,066	110,853	0	51,536	0	0	0	0	18,555	0	512,010
Forsyth	312,105	337,821	0	0	0	0	0	0	82,857	0	732,783
Fortescue	0	0	0	0	0	0	0	0	1,176	0	1,176
Foster	0	0	0	0	0	0	0	0	4,299	0	4,299
Fountain N' Lakes	0	0	0	0	0	0	0	0	6,063	0	6,063
Frankford	10,309	0	0	0	0	0	0	0	11,868	0	22,177
Franklin	1,591	796	796	0	0	0	0	0	3,491	0	6,674
Fredericktown	994,409	0	318,258	0	0	0	0	0	146,423	0	1,459,090
Freeburg	114,392	0	0	0	0	0	0	0	16,057	0	130,449
Freeman	32,461	0	0	0	0	0	0	0	17,710	0	50,171
Freistatt	0	0	0	0	0	0	0	0	5,989	0	5,989
Fremont Hills	30,697	0	0	7,470	0	0	0	0	30,350	0	68,517
Frohna	0	0	0	0	0	0	0	0	9,333	0	9,333
Frontenac	0	1,464,179	0	0	0	0	0	0	127,941	829,702	2,421,822
Fulton	1,514,088	757,044	757,045	0	0	0	0	0	469,949	0	3,498,126
Gainesville	174,651	87,340	0	0	0	0	0	0	28,403	0	290,394
Galena	13,936	0	8,426	0	0	0	0	0	16,167	0	38,529
Gallatin	134,149	0	76,637	25,376	0	0	0	0	65,624	0	301,786
Galt	0	0	0	0	0	0	0	0	9,296	0	9,296
Garden City	118,443	51,912	51,912	0	0	0	0	0	60,333	0	282,600
Gasconade	1,866	0	0	0	0	0	0	0	8,194	0	10,060
Gentry	0	0	0	0	0	0	0	0	2,645	0	2,645
Gerald	199,187	0	48,899	0	0	0	0	0	49,420	0	297,506
Gerster	275	0	0	0	0	0	0	0	919	0	1,194
Gibbs	0	0	0	0	0	0	0	0	3,931	0	3,931
Gideon	39,851	0	0	0	0	0	0	0	40,161	0	80,012
Gilliam	7,488	935	0	0	0	0	0	0	7,238	0	15,661
Gilman City	14,159	0	7,055	0	0	0	0	0	14,073	0	35,287
Ginger Blue	54	0	0	0	0	0	0	0	0	0	54
Gladstone	3,305,529	3,066,759	1,533,948	504,385	0	0	0	0	933,653	0	9,344,274
Glasgow	108,591	27,136	48,933	9,960	0	0	0	0	40,528	0	235,148
Glenaire	0	0	0	0	0	0	0	0	20,025	0	20,025
Glenallen	0	0	0	0	0	0	0	0	3,123	0	3,123
Glendale	0	131,250	0	69,828	0	0	0	0	217,705	355,378	774,161

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Glen Echo Park	0	0	0	0	0	0	0	0	5,879	0	5,879
Glenwood	0	0	0	0	0	0	0	0	7,202	0	7,202
Golden City	36,789	21,022	21,022	0	0	0	0	0	28,109	0	106,942
Goodman	69,334	0	0	0	0	0	0	0	45,856	0	115,190
Gordonville	0	6,273	0	0	0	0	0	0	14,367	0	20,640
Gower	84,887	21,222	0	14,200	0	0	0	0	56,071	0	176,380
Graham	0	0	0	0	0	0	0	0	6,283	0	6,283
Grain Valley	775,242	657,536	329,172	0	0	0	0	0	472,301	0	2,234,251
Granby	196,883	36,908	0	0	0	0	0	0	78,411	0	312,202
Grand Falls Plaza	0	0	0	0	0	0	0	0	4,189	0	4,189
Grandin	10,989	0	0	0	0	0	0	0	8,929	0	19,918
Grand Pass	0	0	0	0	0	0	0	0	2,425	0	2,425
Grandview	2,429,763	2,317,500	1,102,649	0	0	0	0	0	899,298	0	6,749,210
Granger	0	0	0	0	0	0	0	0	1,249	0	1,249
Grant City	167,523	0	0	0	0	0	0	0	31,563	0	199,086
Grantwood	0	41,961	0	10,171	0	0	0	0	31,710	51,762	135,604
Gravois Mills	18,796	9,246	0	0	0	0	0	0	5,291	0	33,333
Green Castle	0	0	3,119	0	0	0	0	0	10,104	0	13,223
Green City	42,193	21,098	0	0	0	0	0	0	24,140	0	87,431
Greendale	0	6,453	0	0	0	0	0	0	23,920	39,047	69,420
Greenfield	120,186	34,347	0	0	0	0	0	0	50,375	0	204,908
Green Park	0	0	0	0	0	0	0	0	96,341	431,187	527,528
Green Ridge	39,224	0	0	0	0	0	0	0	17,490	0	56,714
Greentop	23,968	0	10,151	0	0	0	0	0	16,241	0	50,360
Greenville	51,023	47,697	0	0	0	0	0	0	18,776	0	117,496
Greenwood	234,735	92,752	92,751	0	0	0	0	0	191,838	0	612,076
Guilford	0	0	0	0	0	0	0	0	3,123	0	3,123
Gunn City	0	0	0	0	0	0	0	0	4,336	0	4,336
Hale	31,764	15,882	15,881	0	0	0	0	0	15,395	0	78,922
Half Way	8,700	0	0	0	0	0	0	0	6,357	0	15,057
Hallsville	86,795	0	0	0	0	0	0	0	54,785	0	141,580
Halltown	0	0	0	0	0	0	0	0	6,357	0	6,357
Hamilton	132,380	66,695	66,190	0	0	0	0	0	66,469	0	331,734
Hanley Hills	0	0	0	0	0	0	0	0	77,198	126,017	203,215
Hannibal	2,832,656	3,540,818	0	0	0	0	0	0	658,297	0	7,031,771
Hardin	23,126	0	0	0	0	0	0	0	20,907	0	44,033
Harris	0	0	0	0	0	0	0	0	2,241	0	2,241
Harrisburg	22,108	0	0	0	0	0	0	0	9,774	0	31,882
Harrisonville	2,092,417	1,748,228	0	0	0	0	0	0	368,133	0	4,208,778
Hartsburg	4,717	0	0	0	0	0	0	0	3,785	0	8,502
Hartville	69,329	34,665	0	0	0	0	0	0	22,524	0	126,518
Harwood	0	0	0	0	0	0	0	0	1,727	0	1,727
Hawk Point	45,793	0	0	0	0	0	0	0	24,581	0	70,374
Hayti	381,723	279,888	178,053	0	0	0	0	0	107,989	0	947,653
Hayti Heights	10,659	3,297	0	0	0	0	0	0	23,001	0	36,957
Haywood City	0	0	0	0	0	0	0	0	7,569	0	7,569
Hazelwood	0	4,164,776	0	1,603,760	0	0	0	0	944,419	1,992,550	8,705,505
Henrietta	26,663	0	0	0	0	0	0	0	13,558	0	40,221

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Herculaneum	514,481	514,475	258,222	0	0	0	0	0	127,426	0	1,414,604
Hermann	486,602	233,208	233,120	0	0	0	0	0	89,323	0	1,042,253
Hermitage	123,714	60,263	0	10,191	0	0	0	0	17,159	0	211,327
Higbee	23,460		11,730	0	0	0	0	0	20,870	0	56,060
Higginsville	607,366	436,207	286,208	0	0	0	0	0	176,259	0	1,506,040
High Hill	8,560	0	0	0	0	0	0	0	7,165	0	15,725
Highlandville	48,079	0	24,132	0	0	0	0	0	33,473	0	105,684
Hillsboro	311,405	116,777	0	0	0	0	0	0	103,653	0	531,835
Hillsdale	0	0	0	0	0	0	0	0	54,307	88,650	142,957
Hoberg	0	0	0	0	0	0	0	0	2,058	0	2,058
Holcomb	40,991	0	0	0	0	0	0	0	23,332	0	64,323
Holden	253,978	0	113,755	34,802	0	0	0	0	82,746	0	485,281
Holland	0	0	0	0	0	0	0	0	8,414	0	8,414
Holliday	0	0	0	0	0	0	0	0	5,034	0	5,034
Hollister	989,559	494,764	479,091	0	0	0	0	0	162,627	0	2,126,041
Holt	46,284	44,185	21,043	0	0	0	0	0	16,424	0	127,936
Holts Summit	649,259	155,059	155,059	104,263	0	0	0	0	119,306	0	1,182,946
Homestead	0	0	0	0	0	0	0	0	6,797	0	6,797
Homestown	1,635	0	0	0	0	0	0	0	5,548	0	7,183
Hopkins	32,296	0	0	0	0	0	0	0	19,547	0	51,843
Hornersville	30,141	0	0	0	0	0	0	0	24,361	0	54,502
Houston	665,674	239,240	159,577	0	0	0	0	0	76,463	0	1,140,954
Houston Lake	0	0	0	0	0	0	0	0	8,635	0	8,635
Houstonia	0	0	0	0	0	0	0	0	8,084	0	8,084
Howardville	3,801	0	0	563	0	0	0	0	14,073	0	18,437
Hughesville	0	0	0	0	0	0	0	0	6,724	0	6,724
Humansville	46,096	13,144	30,444	0	0	0	0	0	38,507	0	128,191
Hume	16,026	4,004	0	0	0	0	0	0	12,346	0	32,376
Humphreys	0	0	0	0	0	0	0	0	4,336	0	4,336
Hunnewell	4,000	0	0	0	0	0	0	0	6,761	0	10,761
Huntleigh	0	0	0	0	0	0	0	0	12,272	0	12,272
Huntsdale	0	479	0	0	0	0	0	0	1,140	0	1,619
Huntsville	72,258	0	36,130	6,056	0	0	0	0	57,467	0	171,911
Hurdland	0	0	0	0	0	0	0	0	5,989	0	5,989
Hurley	4,721	0	0	0	0	0	0	0	6,540	0	11,261
Iatan	0	0	0	0	0	0	0	0	1,653	0	1,653
Iberia	102,106	48,581	48,499	0	0	0	0	0	27,043	0	226,229
Independence	17,668,112	12,636,352	8,339,755	0	0	0	0	0	4,292,745	0	42,936,964
Indian Point	204,091	102,046	0	0	0	0	0	0	19,401	0	325,538
Innsbrook	30,186	0	0	0	0	0	0	0	20,282	0	50,468
Ionia	0	0	0	0	0	0	0	0	3,233	0	3,233
Irondale	13,625	0	0	0	0	0	0	0	16,351	0	29,976
Iron Mountain Lake	14,326	0	0	0	0	0	0	0	27,080	0	41,406
Ironton	228,826	106,953	106,958	0	0	0	0	0	53,645	0	496,382
Jackson	2,113,100	986,965	987,831	0	0	0	0	0	505,517	0	4,593,413
Jacksonville	0	0	0	0	0	0	0	0	5,548	0	5,548
Jameson	0	0	0	0	0	0	0	0	4,887	0	4,887
Jamesport	51,225	25,601	0	0	0	0	0	0	19,254	0	96,080

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Jamestown	0	0	0	0	0	0	0	0	14,183	0	14,183
Jane	13,138	0	0	0	0	0	0	0	0	0	13,138
Jasper	65,486	32,744	29,205	0	0	0	0	0	34,208	0	161,643
Jefferson City	9,699,977	9,370,570	68	0	0	0	0	0	1,582,874	0	20,653,489
Jennings	0	771,572	0	0	0	0	0	0	540,571	964,030	2,276,173
Jerico Springs	0	0	0	0	0	0	0	0	8,377	0	8,377
Jonesburg	66,600	30,219	0	0	0	0	0	0	28,219	0	125,038
Joplin	18,735,166	7,802,132	6,250,725	0	0	0	0	0	1,865,578	0	34,653,601
Josephville	10,967	0	0	0	0	0	0	0	13,816	0	24,783
Junction City	0	0	0	0	0	0	0	0	12,015	0	12,015
Kahoka	263,587	0	0	0	0	0	0	0	76,353	0	339,940
Kansas City	71,539,827	70,626,116	62,257,894	34,935,357	0	0	0	0	16,894,191	0	256,253,385
Kearney	1,044,097	469,606	473,427	0	0	0	0	0	307,947	0	2,295,077
Kelso	138,841	0	0	0	0	0	0	0	21,532	0	160,373
Kennett	2,968,452	371,592	741,197	0	0	0	0	0	401,680	0	4,482,921
Keytesville	29,245	0	0	0	0	0	0	0	17,306	0	46,551
Kidder	7,140	0	0	0	0	0	0	0	11,868	0	19,008
Kimberling City	328,551	306,616	0	42,513	0	0	0	0	88,184	0	765,864
Kimmswick	46,560	0	23,280	0	0	0	0	0	5,769	0	75,609
King City	103,956	51,756	0	0	0	0	0	0	37,221	0	192,933
Kingdom City	273,930	136,965	136,965	0	0	0	0	0	4,703	0	552,563
Kingston	0	0	0	0	0	0	0	0	12,787	0	12,787
Kingsville	0	0	0	0	0	0	0	0	9,884	0	9,884
Kinloch	0	472	0	0	0	0	0	0	10,950	17,874	29,296
Kirbyville	14,536	0	0	0	0	0	0	0	7,606	0	22,142
Kirksville	2,643,382	1,886,268	1,257,538	427,872	0	0	0	0	643,195	0	6,858,255
Kirkwood	0	2,435,056	0	324,567	0	0	0	0	1,011,916	2,078,680	5,850,219
Knob Noster	209,046	94,176	94,176	49,526	0	0	0	0	99,538	0	546,462
Knox City	0	0	0	0	0	0	0	0	7,937	0	7,937
Koshkonong	40,616	0	0	0	0	0	0	0	7,790	0	48,406
La Belle	35,832	0	0	0	0	0	0	0	24,251	0	60,083
Laclede	0	9,036	9,033	0	0	0	0	0	12,676	0	30,745
Laddonia	54,181	27,079	27,079	0	0	0	0	0	18,849	0	127,188
Ladue	0	929,320	0	0	0	0	0	0	313,091	789,923	2,032,334
La Grange	44,253	0	0	0	0	0	0	0	34,208	0	78,461
Lake Annette	0	0	0	0	0	0	0	0	3,674	0	3,674
Lake Lafayette	0	0	0	0	0	0	0	0	12,015	0	12,015
Lake Lotawana	217,229	27,154	24,218	0	0	0	0	0	71,246	0	339,847
Lake Mykee	0	0	0	0	0	0	0	0	12,860	0	12,860
Lake Ozark	1,331,571	658,729	436,072	0	0	0	0	0	58,275	0	2,484,647
Lake St. Louis	2,766,828	398,186	1,383,414	0	0	0	0	0	534,434	0	5,082,862
Lakeshire	0	0	0	0	0	0	0	0	52,617	85,891	138,508
Lakeside	0	0	0	0	0	0	0	0	0	0	0
Lake Tapawingo	0	0	0	0	0	0	0	0	26,823	0	26,823
Lake Tekakwitha	0	0	0	0	0	0	0	0	9,333	0	9,333
Lake Waukomis	0	0	0	0	0	0	0	0	31,967	0	31,967
Lake Winnebago	0	23,556	0	0	0	0	0	0	41,557	0	65,113
Lamar	678,968	339,444	339,444	0	0	0	0	0	166,522	0	1,524,378

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Lamar Heights	80,353	0	0	0	0	0	0	0	6,540	0	86,893
La Monte	90,051	0	0	0	0	0	0	0	41,888	0	131,939
Lanagan	10,774	0	0	0	0	0	0	0	15,395	0	26,169
Lancaster	70,916	0	0	0	0	0	0	0	26,749	0	97,665
La Plata	101,759	44,485	0	0	0	0	0	0	50,192	0	196,436
Laredo	0	0	0	0	0	0	0	0	7,275	0	7,275
La Russell	0	0	0	0	0	0	0	0	4,189	0	4,189
Lathrop	132,760	66,385	0	0	0	0	0	0	76,647	0	275,792
Laurie	365,099	182,537	179,490	0	0	0	0	0	34,723	0	761,849
Lawson	187,873	172,389	0	0	0	0	0	0	90,867	0	451,129
Leadington	154,890	154,835	77,417	40,269	0	0	0	0	15,506	0	442,917
Leadwood	58,066	0	0	0	0	0	0	0	47,105	0	105,171
Leasburg	0	0	0	0	0	0	0	0	12,419	0	12,419
Leawood	0	0	0	0	0	0	0	0	25,059	0	25,059
Lebanon	3,208,642	1,535,794	1,536,047	0	0	0	0	0	531,826	0	6,812,309
Lee's Summit	13,723,030	10,081,038	6,440,667	0	0	0	0	0	3,357,035	0	33,601,770
Leeton	29,025	14,513	0	0	0	0	0	0	20,797	0	64,335
Leonard	0	0	0	0	0	0	0	0	2,241	0	2,241
Leslie	0	0	0	0	0	0	0	0	6,283	0	6,283
Levasy	1,640	0	0	0	0	0	0	0	3,050	0	4,690
Lewis and Clark Village	0	0	0	0	0	0	0	0	4,850	0	4,850
Lewistown	62,742	0	0	0	0	0	0	0	19,621	0	82,363
Lexington	356,796	334,525	156,176	0	0	0	0	0	173,650	0	1,021,147
Liberal	35,943	0	0	0	0	0	0	0	27,888	0	63,831
Liberty	4,203,766	3,945,159	1,972,783	0	0	0	0	0	1,071,037	0	11,192,745
Licking	239,220	239,184	0	0	0	0	0	0	114,787	0	593,191
Lilbourn	66,295	0	0	2,345	0	0	0	0	43,725	0	112,365
Lincoln	95,197	42,942	0	15,028	0	0	0	0	43,725	0	196,892
Linn	227,047	0	0	0	0	0	0	0	53,609	0	280,656
Linn Creek	121,235	100,501	39,841	28,573	0	0	0	0	8,965	0	299,115
Linneus	0	0	0	0	0	0	0	0	10,215	0	10,215
Livonia	0	0	0	0	0	0	0	0	2,719	0	2,719
Loch Lloyd Village	0	0	0	0	0	0	0	0	22,046	0	22,046
Lock Springs	0	0	0	0	0	0	0	0	2,094	0	2,094
Lockwood	89,066	0	0	11,757	0	0	0	0	34,392	0	135,215
Lohman	0	0	0	0	0	0	0	0	5,989	0	5,989
Loma Linda	34,291	0	0	0	0	0	0	0	26,639	0	60,930
Lone Jack	74,392	67,759	0	0	0	0	0	0	38,581	0	180,732
Longtown	0	0	0	0	0	0	0	0	3,748	0	3,748
Louisburg	0	0	0	0	0	0	0	0	4,483	0	4,483
Louisiana	528,177	0	0	81,785	0	0	0	0	123,605	0	733,567
Lowry City	105,969	12,021	0	6,724	0	0	0	0	23,516	0	148,230
Lucerne	0	0	0	0	0	0	0	0	3,123	0	3,123
Ludlow	0	0	0	0	0	0	0	0	5,034	0	5,034
Lupus	0	0	0	0	0	0	0	0	1,212	0	1,212
Luray	0	0	0	0	0	0	0	0	3,638	0	3,638
Lutesville	0 *	0	0	0	0	0	0	0	0	0	0
MacKenzie	0	0	0	0	0	0	0	0	4,924	0	4,924

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Macks Creek	0 *	0	0	0	0	0	0	0	0	0	0
Macon	921,517	459,880	0	0	0	0	0	0	201,024	0	1,582,421
Madison	23,652	0	0	0	0	0	0	0	20,356	0	44,008
Maitland	18,114	0	0	0	0	0	0	0	12,603	0	30,717
Malden	594,991	426,533	0	0	0	0	0	0	157,078	0	1,178,602
Malta Bend	27,959	0	0	0	0	0	0	0	9,186	0	37,145
Manchester	0	2,014,405	0	0	0	0	0	0	664,837	1,795,661	4,474,903
Mansfield	125,605	71,775	0	0	0	0	0	0	47,620	0	245,000
Maplewood	0	2,447,035	0	124,143	0	0	0	0	295,638	1,408,074	4,274,890
Marble Hill	262,513	257,012	0	0	0	0	0	0	54,270	0	573,795
Marceline	214,784	0	94,805	0	0	0	0	0	82,048	0	391,637
Marionville	239,540	79,847	79,847	0	0	0	0	0	81,754	0	480,988
Marlborough	0	110,340	0	0	0	0	0	0	80,064	93,789	284,193
Marquand	20,745	0	0	0	0	0	0	0	7,459	0	28,204
Marshall	1,574,893	787,430	0	112,791	0	0	0	0	480,054	0	2,955,168
Marshfield	1,210,676	605,338	570,021	0	0	0	0	0	243,720	0	2,629,755
Marston	70,292	105,436	0	3,151	0	0	0	0	18,482	0	197,361
Marthasville	0	106,253	53,127	27,439	0	0	0	0	41,741	0	228,560
Martinsburg	39,916	0	0	0	0	0	0	0	11,170	0	51,086
Maryland Heights	0	3,824,470	0	0	0	0	0	0	1,009,418	0	4,833,888
Maryville	1,800,111	2,184,682	0	0	0	0	0	0	439,893	0	4,424,686
Matthews	414,335	105,006	0	0	0	0	0	0	23,075	0	542,416
Maysville	77,059	19,265	38,530	0	0	0	0	0	40,932	0	175,786
Mayview	0	0	0	0	0	0	0	0	7,790	0	7,790
McBaine	0	0	0	0	0	0	0	0	367	0	367
McCord Bend	0	0	0	0	0	0	0	0	10,913	0	10,913
McFall	0	0	0	0	0	0	0	0	3,417	0	3,417
McKittrick	0	0	0	0	0	0	0	0	2,241	0	2,241
Meadville	0	0	0	0	0	0	0	0	16,975	0	16,975
Memphis	330,006	0	0	0	0	0	0	0	66,947	0	396,953
Mendon	0	0	0	0	0	0	0	0	6,283	0	6,283
Mercer	0	0	0	0	0	0	0	0	11,684	0	11,684
Merriam Woods	26,815	0	13,407	0	0	0	0	0	64,705	0	104,927
Merwin	0	0	0	0	0	0	0	0	2,131	0	2,131
Meta	31,077	0	0	0	0	0	0	0	8,414	0	39,491
Metz	0	0	0	0	0	0	0	0	1,800	0	1,800
Mexico	1,664,421	1,574,974	0	0	0	0	0	0	424,130	0	3,663,525
Miami	0	0	0	0	0	0	0	0	6,430	0	6,430
Middletown	15,238	0	0	0	0	0	0	0	6,136	0	21,374
Milan	203,361	0	0	0	0	0	0	0	72,017	0	275,378
Milford	0	0	0	0	0	0	0	0	955	0	955
Millard	0	0	0	0	0	0	0	0	3,270	0	3,270
Miller	77,170	11,263	22,525	0	0	0	0	0	25,684	0	136,642
Mill Spring	4,371	0	0	0	0	0	0	0	6,944	0	11,315
Milo	0	0	0	0	0	0	0	0	3,307	0	3,307
Mindenmines	0	0	0	0	0	0	0	0	13,411	0	13,411
Miner	553,165	544,833	0	33,359	0	0	0	0	36,156	0	1,167,513
Mineral Point	0	0	0	0	0	0	0	0	12,897	0	12,897

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Miramiquoa Park	0	0	0	0	0	0	0	0	4,409	0	4,409
Missouri City	0	0	0	0	0	0	0	0	9,810	0	9,810
Moberly	2,326,095	2,199,513	1,100,428	931,947	0	0	0	0	513,454	0	7,071,437
Mokane	10,564	0	0	0	0	0	0	0	6,797	0	17,361
Moline Acres	0	0	0	0	0	0	0	0	89,728	175,612	265,340
Monett	1,780,846	1,315,728	0	0	0	0	0	0	326,025	0	3,422,599
Monroe City	508,703	159,845	0	74,155	0	0	0	0	92,998	0	835,701
Montgomery City	310,832	0	144,662	0	0	0	0	0	104,131	0	559,625
Monticello	0	0	0	0	0	0	0	0	3,601	0	3,601
Montrose	25,233	12,617	0	0	0	0	0	0	14,109	0	51,959
Mooresville	0	0	0	0	0	0	0	0	3,344	0	3,344
Morehouse	32,102	0	0	0	0	0	0	0	35,751	0	67,853
Morley	10,611	10,638	0	0	0	0	0	0	25,610	0	46,859
Morrison	4,554	0	0	0	0	0	0	0	5,107	0	9,661
Morrisville	15,015	0	0	0	0	0	0	0	14,256	0	29,271
Mosby	70,362	0	0	0	0	0	0	0	6,981	0	77,343
Moscow Mills	262,460	0	122,630	0	0	0	0	0	92,189	0	477,279
Mound City	83,260	83,229	83,220	0	0	0	0	0	42,586	0	292,295
Mountain Grove	902,552	451,261	432,296	0	0	0	0	0	175,965	0	1,962,074
Mountain View	806,983	0	246,629	0	0	0	0	0	99,906	0	1,153,518
Moundville	0	0	0	0	0	0	0	0	4,556	0	4,556
Mount Leonard	0	0	0	0	0	0	0	0	3,197	0	3,197
Mount Moriah	0	0	0	0	0	0	0	0	3,197	0	3,197
Mount Vernon	532,260	269,844	262,451	0	0	0	0	0	168,102	0	1,232,657
Napoleon	0	0	0	0	0	0	0	0	8,157	0	8,157
Naylor	20,665	8,618	8,618	4,250	0	0	0	0	23,222	0	65,373
Neck City	0	0	0	0	0	0	0	0	6,834	0	6,834
Neelyville	19,257	0	0	0	0	0	0	0	17,747	0	37,004
Nelson	0	0	0	0	0	0	0	0	7,055	0	7,055
Neosho	2,219,750	2,121,568	1,060,746	0	0	0	0	0	434,859	0	5,836,923
Nevada	1,521,332	1,520,418	760,209	0	0	0	0	0	308,131	0	4,110,090
Newark	0	0	0	0	0	0	0	0	3,454	0	3,454
New Bloomfield	24,005	12,002	0	0	0	0	0	0	24,581	0	60,588
Newburg	12,324	4,652	4,651	0	0	0	0	0	17,269	0	38,896
New Cambria	9,491	0	0	3,971	0	0	0	0	7,165	0	20,627
New Florence	85,273	40,061	40,061	0	0	0	0	0	28,256	0	193,651
New Franklin	53,302	26,651	19,572	0	0	0	0	0	40,014	0	139,539
New Hampton	0	0	0	0	0	0	0	0	10,692	0	10,692
New Haven	225,681	157,050	104,597	0	0	0	0	0	76,757	0	564,085
New London	121,827	0	36,047	0	0	0	0	0	35,788	0	193,662
New Madrid	221,471	222,153	111,405	110,240	0	0	0	0	114,493	0	779,762
New Melle	47,809	23,904	23,905	6,698	0	0	0	0	17,453	0	119,769
Newtonia	0	0	0	0	0	0	0	0	7,312	0	7,312
Newtown	0	0	0	0	0	0	0	0	6,724	0	6,724
Niangua	11,952	0	6,148	0	0	0	0	0	14,881	0	32,981
Nixa	2,166,755	0	1,083,377	0	0	0	0	0	698,935	0	3,949,067
Noel	172,798	108,141	80,344	0	0	0	0	0	67,314	0	428,597
Norborne	31,818	0	15,858	0	0	0	0	0	26,014	0	73,690

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Normandy	0	153,984	0	59,021	0	0	0	0	184,011	65,856	462,872
North Kansas City	3,121,610	0	1,538,260	0	0	0	0	0	154,654	0	4,814,524
North Lilbourn	0	0	0	0	0	0	0	0	1,800	0	1,800
Northmoor	90,629	0	0	0	0	0	0	0	11,942	0	102,571
Northwoods	0	101,776	0	0	0	0	0	0	155,315	253,533	510,624
Norwood	38,726	12,907	0	0	0	0	0	0	24,434	0	76,067
Norwood Court	0	0	0	0	0	0	0	0	35,237	34,135	69,372
Novelty	0	0	0	0	0	0	0	0	5,107	0	5,107
Novinger	18,013	0	0	0	0	0	0	0	16,755	0	34,768
Oak Grove	1,015,599	491,560	491,644	0	0	0	0	0	286,416	0	2,285,219
Oak Grove Village	201,322	100,632	0	0	0	0	0	0	18,702	0	320,656
Oakland	0	47,358	0	0	0	0	0	0	50,743	82,832	180,933
Oak Ridge	0	0	0	0	0	0	0	0	8,929	0	8,929
Oaks	1,557	391	778	0	0	0	0	0	4,740	0	7,466
Oakview	85,324	52,713	0	4,433	0	0	0	0	13,779	0	156,249
Oakwood	0	0	0	0	0	0	0	0	6,797	0	6,797
Oakwood Park	0	0	0	0	0	0	0	0	6,908	0	6,908
Odessa	477,476	477,343	238,689	0	0	0	0	0	194,741	0	1,388,249
O'Fallon	10,848,492	5,120,904	5,121,363	0	0	0	0	0	2,914,826	0	24,005,585
Old Appleton	0	0	0	0	0	0	0	0	3,123	0	3,123
Old Monroe	32,311	7,473	7,474	0	0	0	0	0	9,737	0	56,995
Olean	0	0	0	0	0	0	0	0	4,703	0	4,703
Olivette	0	770,463	0	165,671	0	0	0	0	284,285	436,954	1,657,373
Olympian Village	0	0	0	0	0	0	0	0	28,439	0	28,439
Oran	70,712	35,356	0	0	0	0	0	0	47,546	0	153,614
Oregon	0	0	0	0	0	0	0	0	31,489	0	31,489
Oronogo	110,026	45,680	45,478	0	0	0	0	0	87,486	0	288,670
Orrick	39,959	0	16,078	0	0	0	0	0	30,754	0	86,791
Osage Beach	4,378,039	2,154,421	2,154,421	0	0	0	0	0	159,871	0	8,846,752
Osborn	0	0	0	0	0	0	0	0	15,542	0	15,542
Osceola	85,581	48,902	0	0	0	0	0	0	34,796	0	169,279
Osgood	0	0	0	0	0	0	0	0	1,764	0	1,764
Otterville	35,977	0	0	0	0	0	0	0	16,681	0	52,658
Overland	0	0	0	0	0	0	0	0	590,174	863,976	1,454,150
Owensville	666,524	486,627	324,786	0	0	0	0	0	98,326	0	1,576,263
Ozark	2,529,716	2,528,666	0	0	0	0	0	0	654,769	0	5,713,151
Pacific	747,698	387,543	0	0	0	0	0	0	257,278	0	1,392,519
Pagedale	0	108,840	0	0	0	0	0	0	121,401	198,174	428,415
Palmyra	451,989	323,095	0	184,441	0	0	0	0	132,093	0	1,091,618
Paris	127,549	56,396	56,395	0	0	0	0	0	44,827	0	285,167
Park Hills	733,843	673,112	336,558	0	0	0	0	0	321,836	0	2,065,349
Parkdale	0	0	0	0	0	0	0	0	6,246	0	6,246
Parkville	1,038,204	0	492,714	0	0	0	0	0	204,073	0	1,734,991
Parkway	48,426	0	0	0	0	0	0	0	16,130	0	64,556
Parma	25,402	12,701	7,736	6,285	0	0	0	0	26,198	0	78,322
Parnell	0	0	0	0	0	0	0	0	7,018	0	7,018
Pasadena Hills	0	0	0	10,960	0	0	0	0	34,171	55,781	100,912
Pasadena Park	0	0	0	0	0	0	0	0	17,269	28,190	45,459

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Pascola	0	0	0	0	0	0	0	0	3,968	0	3,968
Passaic	0	0	0	0	0	0	0	0	1,249	0	1,249
Pattonsburg	15,901	0	0	3,876	0	0	0	0	12,787	0	32,564
Paynesville	0	0	0	0	0	0	0	0	2,829	0	2,829
Peculiar	405,508	385,128	182,374	95,175	0	0	0	0	169,314	0	1,237,499
Penermon	0	0	0	0	0	0	0	0	2,352	0	2,352
Perry	86,976	0	39,684	0	0	0	0	0	25,463	0	152,123
Perryville	1,577,666	591,624	788,833	151,827	0	0	0	0	302,215	0	3,412,165
Pevely	570,362	281,740	281,963	0	0	0	0	0	201,501	0	1,335,566
Phillipsburg	16,210	0	0	0	0	0	0	0	7,422	0	23,632
Pickering	0	0	0	0	0	0	0	0	5,879	0	5,879
Piedmont	442,359	425,269	212,988	0	0	0	0	0	72,642	0	1,153,258
Pierce City	101,136	59,029	36,786	0	0	0	0	0	47,473	0	244,424
Pierpont Village	3,035	0	0	0	0	0	0	0	0	0	3,035
Pilot Grove	31,855	15,783	16,130	11,101	0	0	0	0	28,219	0	103,088
Pilot Knob	67,404	33,702	31,223	0	0	0	0	0	27,411	0	159,740
Pine Lawn	0	38,745	0	0	0	0	0	0	120,335	196,433	355,513
Pineville	87,243	43,621	0	301,345	0	0	0	0	29,064	0	461,273
Plato	4,124	0	0	0	0	0	0	0	0	0	4,124
Platte City	893,726	893,728	335,121	0	0	0	0	0	172,364	0	2,294,939
Platte Woods	82,535	0	41,267	0	0	0	0	0	14,146	0	137,948
Plattsburg	163,445	163,384	0	36,105	0	0	0	0	85,208	0	448,142
Pleasant Hill	685,583	741,585	307,677	0	0	0	0	0	298,100	0	2,032,945
Pleasant Hope	36,030	7,795	7,795	3,798	0	0	0	0	22,560	0	77,978
Pleasant Valley	572,610	357,746	71,557	0	0	0	0	0	108,797	0	1,110,710
Pocahontas	0	0	0	0	0	0	0	0	4,189	0	4,189
Pollock	0	0	0	0	0	0	0	0	3,270	0	3,270
Polo	33,923	31,902	31,902	0	0	0	0	0	21,127	0	118,854
Poplar Bluff	4,413,164	5,314,670	0	0	0	0	0	0	625,485	0	10,353,319
Portage Des Sioux	17,557	0	0	0	0	0	0	0	12,052	0	29,609
Portageville	340,468	153,062	0	0	0	0	0	0	118,608	0	612,138
Potosi	807,763	0	0	0	0	0	0	0	97,738	0	905,501
Powersville	0	0	0	0	0	0	0	0	2,205	0	2,205
Prairie Home	0	0	0	0	0	0	0	0	10,288	0	10,288
Prathersville	0	0	0	0	0	0	0	0	4,556	0	4,556
Preston	14,003	0	0	0	0	0	0	0	8,194	0	22,197
Princeton	91,499	0	0	0	0	0	0	0	42,843	0	134,342
Purcell	7,422	0	0	0	0	0	0	0	14,991	0	22,413
Purdin	0	0	0	0	0	0	0	0	6,981	0	6,981
Purdy	54,669	27,458	27,458	0	0	0	0	0	40,344	0	149,929
Puxico	127,642	31,926	0	0	0	0	0	0	32,371	0	191,939
Queen City	47,058	31,707	20,888	0	0	0	0	0	21,973	0	121,626
Qulin	37,636	18,818	0	0	0	0	0	0	16,828	0	73,282
Randolph	38,768	19,384	0	0	0	0	0	0	1,911	0	60,063
Ravenwood	0	0	0	0	0	0	0	0	16,167	0	16,167
Raymondville	0	0	0	0	0	0	0	0	13,338	0	13,338
Raymore	2,443,935	2,302,366	1,151,183	0	0	0	0	0	705,696	0	6,603,180
Raytown	3,054,327	3,744,894	1,382,529	0	0	0	0	0	1,084,889	0	9,266,639

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Rea	0	0	0	0	0	0	0	0	1,837	0	1,837
Redings Mill	2,470	0	0	0	0	0	0	0	5,548	0	8,018
Reeds	0	0	0	0	0	0	0	0	3,491	0	3,491
Reeds Spring	48,641	48,621	0	0	0	0	0	0	33,547	0	130,809
Renick	0	0	0	0	0	0	0	0	6,320	0	6,320
Rensselaer Village	0	0	0	0	0	0	0	0	8,377	0	8,377
Republic	1,911,435	1,568,244	955,718	0	0	0	0	0	542,004	0	4,977,401
Revere	0	0	0	0	0	0	0	0	2,903	0	2,903
Rhineland	0	6,855	0	0	0	0	0	0	5,218	0	12,073
Richards	0	0	0	0	0	0	0	0	3,527	0	3,527
Rich Hill	159,822	0	0	0	0	0	0	0	51,294	0	211,116
Richland	239,770	73,460	73,460	0	0	0	0	0	68,453	0	455,143
Richmond	977,789	458,985	461,158	0	0	0	0	0	213,002	0	2,110,934
Richmond Heights	0	3,521,639	0	0	0	0	0	0	316,104	2,005,188	5,842,931
Ridgely	0	0	0	0	0	0	0	0	3,821	0	3,821
Ridgeway	15,553	0	0	0	0	0	0	0	17,049	0	32,602
Risco	9,185	0	0	0	0	0	0	0	12,713	0	21,898
Ritchey	0	0	0	0	0	0	0	0	3,013	0	3,013
River Bend	15,504	0	0	0	0	0	0	0	367	0	15,871
Riverside	1,086,155	0	0	313,730	0	0	0	0	107,916	0	1,507,801
Riverview	0	0	0	33,659	0	0	0	0	104,939	171,301	309,899
Rochepoint	22,174	11,087	0	0	0	0	0	0	8,782	0	42,043
Rockaway Beach	34,639	14,008	14,008	0	0	0	0	0	30,901	0	93,556
Rock Hill	0	597,237	0	0	0	0	0	0	170,306	343,594	1,111,137
Rock Port	216,636	162,457	0	44,911	0	0	0	0	48,428	0	472,432
Rockville	9,124	0	0	0	0	0	0	0	6,099	0	15,223
Rogersville	336,651	168,326	168,326	0	0	0	0	0	112,913	0	786,216
Rolla	3,824,349	3,258,000	1,912,160	0	0	0	0	0	718,666	0	9,713,175
Roscoe	0	0	0	0	0	0	0	0	4,556	0	4,556
Rosebud	48,118	0	22,630	0	0	0	0	0	15,028	0	85,776
Rosendale	0	0	0	0	0	0	0	0	5,254	0	5,254
Rothville	0	0	0	0	0	0	0	0	3,638	0	3,638
Rush Hill	0	0	0	0	0	0	0	0	5,548	0	5,548
Rushville	0	0	0	0	0	0	0	0	11,133	0	11,133
Russellville	42,760	0	0	0	0	0	0	0	29,652	0	72,412
Rutledge	17,767	0	0	0	0	0	0	0	4,005	0	21,772
St. Ann	0	979,436	0	0	0	0	0	0	478,401	780,932	2,238,769
St. Charles	10,923,343	5,230,825	0	0	0	0	0	0	2,417,503	0	18,571,671
St. Clair	504,616	252,306	252,281	0	0	0	0	0	173,576	0	1,182,779
St. Elizabeth	23,903	0	0	0	0	0	0	0	12,346	0	36,249
St. James	454,950	227,723	227,475	0	0	0	0	0	154,911	0	1,065,059
St. John	0	300,042	0	0	0	0	0	0	239,457	453,830	993,329
St. Joseph	18,235,324	7,885,586	4,552,827	0	0	0	0	0	2,821,167	0	33,494,904
St. Louis	51,962,212	74,763,862	37,812,998	31,367,137	0	0	0	0	12,320,285	0	208,226,494
St. Martins	81,184	0	0	0	0	0	0	0	41,888	0	123,072
St. Mary	23,993	0	11,997	0	0	0	0	0	13,228	0	49,218
St. Paul	0	0	0	0	0	0	0	0	67,204	0	67,204
St. Peters	13,458,995	6,723,057	6,729,497	0	0	0	0	0	1,931,790	0	28,843,339

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
St. Robert	2,180,170	1,623,307	1,068,396	0	0	0	0	0	159,467	0	5,031,340
St. Thomas	15,076	0	0	0	0	0	0	0	9,664	0	24,740
Ste. Genevieve	596,824	278,112	278,111	132,647	0	0	0	0	162,039	0	1,447,733
Saginaw	18,539	0	0	0	0	0	0	0	10,913	0	29,452
Salem	1,127,995	563,998	0	0	0	0	0	0	181,880	0	1,873,873
Salisbury	184,078	0	105,226	0	0	0	0	0	59,451	0	348,755
Sarcoxi	134,365	117,913	59,573	0	0	0	0	0	48,869	0	360,720
Saddlebrooke	7,664	0	0	0	0	0	0	0	7,422	0	15,086
Savannah	618,031	206,009	0	0	0	0	0	0	185,812	0	1,009,852
Schell City	0	0	0	0	0	0	0	0	9,149	0	9,149
Scotsdale	0	10,239	0	0	0	0	0	0	8,157	0	18,396
Scott City	467,148	107,981	215,962	0	0	0	0	0	167,734	0	958,825
Sedalia	4,536,079	3,848,625	2,172,870	0	0	0	0	0	785,834	0	11,343,408
Sedgewickville	0	0	0	0	0	0	0	0	6,357	0	6,357
Seligman	75,918	56,933	37,959	0	0	0	0	0	31,269	0	202,079
Senath	70,614	35,490	35,489	0	0	0	0	0	64,926	0	206,519
Seneca	210,738	95,495	95,495	0	0	0	0	0	85,833	0	487,561
Seymour	219,979	119,563	0	0	0	0	0	0	70,584	0	410,126
Shelbina	220,249	179,094	0	0	0	0	0	0	62,611	0	461,954
Shelbyville	37,049	0	0	798	0	0	0	0	20,282	0	58,129
Sheldon	35,895	0	0	0	0	0	0	0	19,952	0	55,847
Sheridan	0	0	0	0	0	0	0	0	7,165	0	7,165
Shoal Creek Drive	10,246	0	0	0	0	0	0	0	12,382	0	22,628
Shoal Creek Estates	0	0	0	0	0	0	0	0	3,527	0	3,527
Shrewsbury	0	810,912	0	0	0	0	0	0	229,794	459,517	1,500,223
Sibley	0	0	0	0	0	0	0	0	13,117	0	13,117
Sikeston	5,742,139	487	1,434,940	0	0	0	0	0	599,581	0	7,777,147
Silex	28,256	0	0	4,147	0	0	0	0	6,871	0	39,274
Silver Creek	0 *	0 *	0	0	0	0	0	0	0	0	0
Skidmore	10,871	4,058	0	0	0	0	0	0	10,435	0	25,364
Slater	115,082	57,542	57,542	10,934	0	0	0	0	68,196	0	309,296
Smithton	16,955	0	0	0	0	0	0	0	20,944	0	37,899
Smithville	827,415	0	371,596	133,088	0	0	0	0	309,564	0	1,641,663
South Gifford	0	0	0	0	0	0	0	0	1,837	0	1,837
South Gorin	0	0	0	0	0	0	0	0	3,344	0	3,344
South Greenfield	0	0	0	0	0	0	0	0	3,307	0	3,307
South Lineville	0	0	0	0	0	0	0	0	1,029	0	1,029
South West City	141,586	33,760	67,520	61,484	0	0	0	0	35,641	0	339,991
Sparta	119,001	59,491	0	0	0	0	0	0	64,522	0	243,014
Spickard	4,075	0	0	0	0	0	0	0	9,333	0	13,408
Springfield	39,252,686	37,948,533	4,745,172	6,574,487	0	0	0	0	5,860,517	0	94,381,395
Stanberry	0	126,021	0	0	0	0	0	0	43,541	0	169,562
Stark City	0	0	0	0	0	0	0	0	5,107	0	5,107
Steele	167,719	121,119	74,604	0	0	0	0	0	79,807	0	443,249
Steelville	243,177	238,032	5,337	0	0	0	0	0	60,333	0	546,879
Stella	3,990	0	0	0	0	0	0	0	5,805	0	9,795
Stewartsville	93,045	24,812	0	0	0	0	0	0	27,558	0	145,415
Stockton	262,695	196,832	131,348	36,523	0	0	0	0	66,836	0	694,234

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Stotesbury	0	0	0	0	0	0	0	0	661	0	661
Stotts City	0	0	0	0	0	0	0	0	8,084	0	8,084
Stoutland	8,167	0	0	0	0	0	0	0	7,055	0	15,222
Stoutsville	0	0	0	0	0	0	0	0	1,323	0	1,323
Stover	108,054	0	49,647	0	0	0	0	0	40,197	0	197,898
Strafford	367,512	183,756	0	0	0	0	0	0	86,641	0	637,909
Strasburg	4,257	0	0	0	0	0	0	0	5,181	0	9,438
Sturgeon	69,801	0	20,964	0	0	0	0	0	32,040	0	122,805
Sugar Creek	344,899	344,879	0	67,099	0	0	0	0	122,907	0	879,784
Sullivan	1,436,950	718,475	717,967	0	0	0	0	0	260,181	0	3,133,573
Summersville	54,035	0	25,096	0	0	0	0	0	18,445	0	97,576
Sumner	0	0	0	0	0	0	0	0	3,748	0	3,748
Sunrise Beach	291,852	145,982	145,926	84,241	0	0	0	0	15,836	0	683,837
Sunset Hills	0	1,081,363	0	0	0	0	0	0	312,173	919,269	2,312,805
Sweet Springs	180,691	55,960	55,960	0	0	0	0	0	54,527	0	347,138
Sycamore Hills	0	0	0	0	0	0	0	0	24,545	0	24,545
Syracuse	0	0	0	0	0	0	0	0	6,320	0	6,320
Tallapoosa	0	0	0	0	0	0	0	0	6,173	0	6,173
Taneyville	7,152	0	0	0	0	0	0	0	14,550	0	21,702
Taos	27,041	0	0	0	0	0	0	0	32,261	0	59,302
Tarkio	243,245	71,730	0	0	0	0	0	0	58,165	0	373,140
Thayer	703,491	234,170	0	0	0	0	0	0	82,416	0	1,020,077
Theodosia	54,978	0	27,489	0	0	0	0	0	8,929	0	91,396
Tightwad	0	0	0	0	0	0	0	0	2,535	0	2,535
Tina	0	0	0	0	0	0	0	0	5,769	0	5,769
Tindall	0	0	0	0	0	0	0	0	2,829	0	2,829
Tipton	282,753	41,434	0	0	0	0	0	0	119,857	0	444,044
Town and Country	0	1,284,650	0	0	0	0	0	0	397,381	1,091,952	2,773,983
Town of Rives	0	0	0	0	0	0	0	0	2,315	0	2,315
Tracy	18,788	0	9,392	0	0	0	0	0	7,643	0	35,823
Trenton	766,223	732,327	0	0	0	0	0	0	220,498	0	1,719,048
Trimble	45,625	0	0	0	0	0	0	0	23,736	0	69,361
Tripllett	0	0	0	0	0	0	0	0	1,506	0	1,506
Troy	2,211,168	1,100,740	1,065,149	0	0	0	0	0	387,277	0	4,764,334
Truesdale	104,539	52,269	0	0	0	0	0	0	26,896	0	183,704
Truxton	0	0	0	0	0	0	0	0	3,344	0	3,344
Turney	0	0	0	0	0	0	0	0	5,438	0	5,438
Tuscumbia	12,446	0	0	0	0	0	0	0	7,459	0	19,905
Twin Bridges	0	0	0	0	0	0	0	0	1,029	0	1,029
Twin Oaks	0	261,482	0	0	0	0	0	0	14,403	222,260	498,145
Umber View Heights	0	0	0	0	0	0	0	0	1,764	0	1,764
Union	1,705,339	852,317	852,669	0	0	0	0	0	374,931	0	3,785,236
Union Star	0	0	0	0	0	0	0	0	16,057	0	16,057
Unionville	222,346	59,305	0	0	0	0	0	0	68,527	0	350,178
Unity Village	4,021	3,016	2,010	0	0	0	0	0	3,638	0	12,685
University City	0	2,368,068	0	416,858	0	0	0	0	1,299,655	2,156,052	6,240,633
Uplands Park	0	0	0	5,244	0	0	0	0	16,351	26,691	48,286
Urbana	47,554	0	23,777	0	0	0	0	0	15,322	0	86,653

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Urich	42,399	21,905	21,200	0	0	0	0	0	18,555	0	104,059
Utica	0	0	0	0	0	0	0	0	9,884	0	9,884
Valley Park	0	585,460	0	0	0	0	0	0	255,073	502,588	1,343,121
Van Buren	183,984	88,047	0	0	0	0	0	0	30,093	0	302,124
Vandalia	257,886	128,942	0	0	0	0	0	0	143,263	0	530,091
Vandiver	71,333	0	0	0	0	0	0	0	2,609	0	73,942
Vanduser	0	0	0	0	0	0	0	0	9,810	0	9,810
Velda City	0	0	0	0	0	0	0	0	0	85,171	85,171
Velda Village	0	0	0	0	0	0	0	0	38,764	0	38,764
Velda Village Hills	0	0	0	0	0	0	0	0	52,176	63,278	115,454
Verona	29,602	29,600	0	0	0	0	0	0	22,744	0	81,946
Versailles	603,551	592,901	0	0	0	0	0	0	91,197	0	1,287,649
Viburnum	83,065	0	0	0	0	0	0	0	25,463	0	108,528
Vienna	112,729	0	52,062	11,287	0	0	0	0	22,414	0	198,492
Village of Aullville	0	0	0	0	0	0	0	0	3,674	0	3,674
Village of Four Seasons	193,096	96,548	0	0	0	0	0	0	81,460	0	371,104
Village of Pinhook	0	0	0	0	0	0	0	0	1,102	0	1,102
Village of Plato	0	0	0	0	0	0	0	0	4,005	0	4,005
Village of West Sullivan	0	0	0	0	0	0	0	0	4,681	0	4,681
Vinita Park	0	0	0	6,421	0	0	0	0	69,078	245,114	320,613
Vinita Terrace	0	0	0	0	0	0	0	0	10,178	16,612	26,790
Vista	0	0	0	0	0	0	0	0	1,984	0	1,984
Waco	0	0	0	0	0	0	0	0	3,197	0	3,197
Walker	0	0	0	0	0	0	0	0	9,921	0	9,921
Walnut Grove	37,275	0	0	3,452	0	0	0	0	24,434	0	65,161
Wardell	15,947	3,987	0	0	0	0	0	0	15,689	0	35,623
Wardsville	54,936	0	0	0	0	0	0	0	55,336	0	110,272
Warrensburg	3,147,706	2,705,028	0	448,582	0	0	0	0	692,174	0	6,993,490
Warrenton	1,382,644	345,662	691,322	0	0	0	0	0	289,539	0	2,709,167
Warsaw	795,699	780,310	287,891	79,974	0	0	0	0	78,153	0	2,022,027
Warson Woods	0	0	0	0	0	0	0	0	72,091	166,705	238,796
Washburn	21,888	10,944	10,944	0	0	0	0	0	15,983	0	59,759
Washington	3,777,677	1,888,821	1,887,572	455,955	0	0	0	0	513,748	0	8,523,773
Watson	0	0	0	0	0	0	0	0	3,674	0	3,674
Waverly	84,228	0	19,163	0	0	0	0	0	31,195	0	134,586
Wayland	94,223	0	0	0	0	0	0	0	19,584	0	113,807
Waynesville	495,594	360,311	225,060	0	0	0	0	0	177,471	0	1,258,436
Weatherby	0	0	0	0	0	0	0	0	3,931	0	3,931
Weatherby Lake	0	0	0	0	0	0	0	0	63,309	0	63,309
Weaubleau	34,030	17,015	0	0	0	0	0	0	15,359	0	66,404
Webb City	1,627,438	1,521,175	761,538	0	0	0	0	0	404,032	0	4,314,183
Webster Groves	0	1,366,839	0	0	0	0	0	0	844,917	1,392,909	3,604,665
Weldon Spring	286,990	0	0	0	0	0	0	0	199,995	0	486,985
Weldon Spring Heights	0	0	0	0	0	0	0	0	3,344	0	3,344
Wellington	0	0	0	0	0	0	0	0	29,836	0	29,836
Wellston	0	0	0	0	0	0	0	0	84,988	138,732	223,720
Wellsville	45,750	13,790	22,876	0	0	0	0	0	44,717	0	127,133
Wentworth	0	0	0	0	0	0	0	0	5,401	0	5,401

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Wentzville	5,547,845	5,422,154	2,646,332	1,189,076	0	0	0	0	1,068,134	0	15,873,541
Westboro	0	0	0	0	0	0	0	0	5,181	0	5,181
West Alton	61,876	0	0	0	0	0	0	0	19,180	0	81,056
West Line	0	0	0	0	0	0	0	0	3,564	0	3,564
Weston	169,930	148,656	84,965	76,703	0	0	0	0	60,296	0	540,550
Westphalia	41,744	0	0	14,912	0	0	0	0	14,293	0	70,949
West Plains	2,924,884	1,462,439	1,395,327	0	0	0	0	0	440,408	0	6,223,058
West Sullivan	92,757	23,189	0	0	0	0	0	0	0	0	115,946
Westwood	0	0	0	0	0	0	0	0	10,215	0	10,215
Wheatland	42,884	21,442	21,442	0	0	0	0	0	13,632	0	99,400
Wheaton	73,267	0	14,161	0	0	0	0	0	25,573	0	113,001
Wheeling	0	0	0	0	0	0	0	0	9,957	0	9,957
Whiteside	0	0	0	0	0	0	0	0	2,756	0	2,756
Whitewater	0	0	0	0	0	0	0	0	4,593	0	4,593
Wilbur Park	0	0	0	0	0	0	0	0	17,306	28,250	45,556
Wildwood	0	0	0	0	0	0	0	0	1,305,019	2,130,289	3,435,308
Willard	400,509	380,114	0	42,095	0	0	0	0	194,300	0	1,017,018
Williamsville	34,848	9,653	0	0	0	0	0	0	12,566	0	57,067
Willow Springs	310,860	226,547	0	0	0	0	0	0	80,248	0	617,655
Wilson City	0	0	0	0	0	0	0	0	4,225	0	4,225
Winchester	0	0	0	0	0	0	0	0	56,842	92,788	149,630
Windsor	205,293	88,976	0	0	0	0	0	0	106,593	0	400,862
Windsor Place	35,985	0	0	0	0	0	0	0	7,811	0	43,796
Winfield	160,620	0	75,438	0	0	0	0	0	51,588	0	287,646
Winona	121,771	55,166	55,166	0	0	0	0	0	49,053	0	281,156
Winston	0	0	0	0	0	0	0	0	9,517	0	9,517
Woods Heights	30,328	0	0	1,288	0	0	0	0	26,345	0	57,961
Woodson Terrace	0	878,420	0	47,884	0	0	0	0	149,289	373,330	1,448,923
Wooldridge	0	0	0	0	0	0	0	0	2,241	0	2,241
Worth	0	0	0	0	0	0	0	0	2,315	0	2,315
Worthington	0	0	0	0	0	0	0	0	2,976	0	2,976
Wright City	289,479	60,035	120,070	0	0	0	0	0	114,603	0	584,187
Wyconda	7,159	0	0	0	0	0	0	0	8,341	0	15,500
Wyatt	10,617	0	0	0	0	0	0	0	11,721	0	22,338
Zalma	0	0	0	0	0	0	0	0	4,483	0	4,483
COUNTIES:											
Adair County	0	0	0	266,570	1,511,970	1,511,078	0	0	635,929	0	3,925,547
Andrew County	0	0	0	196,869	473,510	1,136,427	0	0	711,767	0	2,518,573
Atchison County	0	0	0	179,456	0	1,210,800	0	0	584,393	0	1,974,649
Audrain County	0	0	0	0	1,226,543	3,371,583	0	0	828,180	0	5,426,306
Barry County	0	0	0	0	1,831,303	3,449,427	0	0	1,265,530	0	6,546,260
Barton County	0	0	0	0	535,340	535,303	0	0	658,883	0	1,729,526
Bates County	0	0	0	365,740	0	1,244,110	0	0	892,658	0	2,502,508
Benton County	0	0	0	138,981	866,032	1,515,533	0	0	769,812	0	3,290,358
Bollinger County	0	0	0	44,694	307,501	692,150	0	0	545,652	0	1,589,997
Boone County	0	0	0	0	13,142,760	28,142,044	0	0	1,619,108	0	42,903,912
Buchanan County	0	0	0	851,803	6,370,854	7,853,296	0	0	575,308	0	15,651,261
Butler County	0	0	0	0	2,956,376	2,956,380	0	0	1,116,753	0	7,029,509

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Caldwell County	0	0	0	107,866	202,588	607,766	0	0	552,791	0	1,471,011
Callaway County	0	0	0	0	0	3,384,557	0	0	1,530,722	0	4,915,279
Camden County	0	0	0	319,631	3,855,559	5,780,272	0	0	2,756,322	0	12,711,784
Cape Girardeau County	0	0	0	0	6,685,982	6,681,509	0	0	964,181	0	14,331,672
Carroll County	0	0	0	609,908	368,913	553,320	0	0	793,881	0	2,326,022
Carter County	0	0	0	0	242,959	242,962	0	0	313,946	0	799,867
Cass County	0	0	0	2,780,406	5,412,957	13,070,367	0	0	1,337,053	0	22,600,783
Cedar County	0	0	0	0	460,784	510,173	0	0	586,235	0	1,557,192
Chariton County	0	0	0	1,283,832	298,635	770,028	0	0	716,158	0	3,068,653
Christian County	0	0	0	0	3,283,970	7,700,881	0	0	1,380,178	0	12,365,029
Clark County	0	0	0	0	321,246	963,762	0	0	488,466	0	1,773,474
Clay County	0	0	0	3,624,604	15,030,698	11,227,463	0	0	841,305	0	30,724,070
Clinton County	0	0	0	117,332	552,560	552,565	0	0	656,047	0	1,878,504
Cole County	0	0	0	1,282,324	5,412,447	10,822,449	0	0	1,096,125	0	18,613,345
Cooper County	0	0	0	189,415	871,449	2,178,627	0	0	545,674	0	3,785,165
Crawford County	0	0	0	0	1,024,244	2,339,325	0	0	672,481	0	4,036,050
Dade County	0	0	0	70,411	239,102	541,248	0	0	533,081	0	1,383,842
Dallas County	0	0	0	0	588,684	1,757,433	0	0	675,974	0	3,022,091
Daviess County	0	0	0	85,559	0	864,411	0	0	658,506	0	1,608,476
DeKalb County	0	0	0	76,534	640,424	640,402	0	0	633,468	0	1,990,828
Dent County	0	0	0	0	792,069	792,059	0	0	629,040	0	2,213,168
Douglas County	0	0	0	0	447,272	447,267	0	0	673,996	0	1,568,535
Dunklin County	0	0	0	228,533	0	2,846,888	0	0	802,766	0	3,878,187
Franklin County	0	0	0	0	5,352,897	13,377,203	0	0	2,243,034	0	20,973,134
Gasconade County	0	0	0	0	859,953	1,448,838	0	0	548,627	0	2,857,418
Gentry County	0	0	0	44,690	0	495,809	0	0	499,988	0	1,040,487
Greene County	0	0	0	0	23,273,867	33,975,152	0	0	3,406,967	0	60,655,986
Grundy County	0	0	0	0	470,031	939,199	0	0	436,429	0	1,845,659
Harrison County	0	0	0	109,220	0	1,373,930	0	0	730,282	0	2,213,432
Henry County	0	0	0	174,639	1,165,050	1,269,973	0	0	766,138	0	3,375,800
Hickory County	0	0	0	0	303,173	606,346	0	0	453,959	0	1,363,478
Holt County	0	0	0	145,913	183,789	735,087	0	0	468,210	0	1,532,999
Howard County	0	0	0	64,449	315,500	1,285,704	0	0	383,624	0	2,049,277
Howell County	0	0	0	0	2,195,652	1,916,450	0	0	1,155,645	0	5,267,747
Iron County	0	0	0	0	385,953	386,024	0	0	410,555	0	1,182,532
Jackson County	0	0	0	0	44,522,040	55,630,531	0	0	985,619	0	101,138,190
Jasper County	0	0	0	0	6,099,662	9,750,661	0	0	1,354,149	0	17,204,472
Jefferson County	0	0	0	0	10,575,706	23,564,673	0	0	4,041,440	0	38,181,819
Johnson County	0	0	0	1,009,751	2,455,721	8,580,418	0	0	1,344,561	0	13,390,451
Knox County	0	0	0	0	147,209	441,517	0	0	459,051	0	1,047,777
Laclede County	0	0	0	0	1,943,232	1,942,553	0	0	816,568	0	4,702,353
Lafayette County	0	0	0	1,088,262	1,144,965	2,575,518	0	0	813,582	0	5,622,327
Lawrence County	0	0	0	317,790	1,272,076	2,537,359	0	0	1,018,783	0	5,146,008
Lewis County	0	0	0	335,348	312,698	1,201,167	0	0	443,678	0	2,292,891
Lincoln County	0	0	0	0	2,045,633	5,314,313	0	0	1,122,087	0	8,482,033
Linn County	0	0	0	135,667	646,497	1,290,791	0	0	610,600	0	2,683,555
Livingston County	0	0	0	108,893	981,196	490,591	0	0	554,002	0	2,134,682
Macon County	0	0	0	80,481	697,973	993,497	0	0	791,310	0	2,563,261

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Madison County	0	0	0	0	524,613	1,520,608	0	0	334,990	0	2,380,211
Maries County	0	0	0	67,335	248,685	577,697	0	0	436,399	0	1,330,116
Marion County	0	0	0	485,196	1,892,926	2,366,093	0	0	544,834	0	5,289,049
McDonald County	0	0	0	0	1,218,670	3,569,992	0	0	723,377	0	5,512,039
Mercer County	0	0	0	130,453	146,516	474,131	0	0	383,854	0	1,134,954
Miller County	0	0	0	216,325	1,777,495	1,775,041	0	0	848,806	0	4,617,667
Mississippi County	0	0	0	0	472,428	1,181,035	0	0	384,724	0	2,038,187
Moniteau County	0	0	0	82,392	587,205	715,034	0	0	533,431	0	1,918,062
Monroe County	0	0	0	84,034	279,957	279,961	0	0	617,420	0	1,261,372
Montgomery County	0	0	0	0	489,383	1,255,260	0	0	574,564	0	2,319,207
Morgan County	0	0	0	69,457	1,000,191	1,100,346	0	0	1,255,407	0	3,425,401
New Madrid County	0	0	0	0	1,485,538	1,484,095	0	0	805,209	0	3,774,842
Newton County	0	0	0	0	2,588,715	5,175,955	0	0	1,159,750	0	8,924,420
Nodaway County	0	0	0	214,128	1,109,118	1,108,970	0	0	1,086,239	0	3,518,455
Oregon County	0	0	0	0	436,464	659,057	0	0	494,425	0	1,589,946
Osage County	0	0	0	181,656	1,030,998	828,393	0	0	556,416	0	2,597,463
Ozark County	0	0	0	0	268,342	748,668	0	0	660,449	0	1,677,459
Pemiscot County	0	0	0	0	735,545	1,103,196	0	0	568,556	0	2,407,297
Perry County	0	0	0	222,841	1,227,232	3,256,623	0	0	588,642	0	5,295,338
Pettis County	0	0	0	510,593	2,821,179	2,820,212	0	0	1,061,627	0	7,213,611
Phelps County	0	0	0	0	2,537,476	3,169,435	0	0	860,420	0	6,567,331
Pike County	0	0	0	0	760,805	2,441,774	0	0	584,232	0	3,786,811
Platte County	0	0	0	4,179,799	8,223,123	13,666,709	0	0	1,455,068	0	27,524,699
Polk County	0	0	0	0	0	3,778,835	0	0	876,372	0	4,655,207
Pulaski County	0	0	0	0	2,093,149	1,046,537	0	0	835,413	0	3,975,099
Putnam County	0	0	0	34,193	0	836,181	0	0	498,487	0	1,368,861
Ralls County	0	0	0	257,859	448,687	1,381,437	0	0	532,838	0	2,620,821
Randolph County	0	0	0	384,489	1,341,051	1,340,369	0	0	802,870	0	3,868,779
Ray County	0	0	0	331,532	761,595	1,523,197	0	0	742,366	0	3,358,690
Reynolds County	0	0	0	0	272,704	272,697	0	0	784,068	0	1,329,469
Ripley County	0	0	0	0	462,225	924,238	0	0	432,376	0	1,818,839
St. Charles County	0	0	0	7,611,385	24,378,274	58,943,831	0	0	3,700,632	0	94,634,122
St. Clair County	0	0	0	0	278,454	0	0	0	605,628	0	884,082
St. Francois County	0	0	0	0	3,473,523	4,830,394	0	0	798,741	0	9,102,658
St. Louis County	0	0	197,090,724	0	0	97,366,708	157,988,390	0	11,131,599	0	463,577,421
Ste. Genevieve County	0	0	0	0	855,308	2,570,822	0	0	733,613	0	4,159,743
Saline County	0	0	0	274,967	1,068,736	2,425,194	0	0	738,185	0	4,507,082
Schuyler County	0	0	0	0	156,450	469,345	0	0	283,881	0	909,676
Scotland County	0	0	0	0	0	550,045	0	0	447,570	0	997,615
Scott County	0	0	0	78,165	3,632,374	765	0	0	497,370	0	4,208,674
Shannon County	0	0	0	0	232,725	232,730	0	0	598,626	0	1,064,081
Shelby County	0	0	0	846,200	260,328	520,664	0	0	530,988	0	2,158,180
Stoddard County	0	0	0	0	1,369,876	1,369,798	0	0	1,046,320	0	3,785,994
Stone County	0	0	0	373,970	1,822,682	4,906,845	0	0	1,244,392	0	8,347,889
Sullivan County	0	0	0	91,710	228,390	1,027,716	0	0	493,874	0	1,841,690
Taney County	0	0	0	0	6,854,738	15,418,644	0	0	1,233,397	0	23,506,779
Texas County	0	0	0	0	957,625	1,914,117	0	0	945,670	0	3,817,412
Vernon County	0	0	0	0	977,431	973,482	0	0	934,658	0	2,885,571

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Warren County	0	0	0	175,276	1,269,500	2,754,896	0	0	711,200	0	4,910,872
Washington County	0	0	0	254,201	758,256	2,942,354	0	0	555,187	0	4,509,998
Wayne County	0	0	0	0	923,423	462,373	0	0	537,592	0	1,923,388
Webster County	0	0	0	0	1,350,600	3,600,553	0	0	911,901	0	5,863,054
Worth County	0	0	0	20,255	72,916	178,502	0	0	227,474	0	499,147
Wright County	0	0	0	0	747,472	747,459	0	0	661,888	0	2,156,819
AMBULANCE DISTRICTS:											
Adair County Ambulance District	0	0	0	0	0	0	0	1,052,718	0	0	1,052,718
Andrew County Ambulance District	0	0	0	0	0	0	0	442,422	0	0	442,422
Audrain Ambulance District	0	0	0	0	0	0	0	937,168	0	0	937,168
Ava Ambulance District	0	0	0	0	0	0	0	392,474	0	0	392,474
Barton County Ambulance District	0	0	0	0	0	0	0	541,234	0	0	541,234
Big River Ambulance District	0	0	0	0	0	0	0	525,900	0	0	525,900
Caldwell County Ambulance District	0	0	0	0	0	0	0	209,225	0	0	209,225
Callaway County Ambulance District	0	0	0	0	0	0	0	1,711,007	0	0	1,711,007
Cam-MO Ambulance District	0	0	0	0	0	0	0	669,886	0	0	669,886
Cameron Ambulance District	0	0	0	0	0	0	0	43,714	0	0	43,714
Cedar County Ambulance District	0	0	0	0	0	0	0	465,817	0	0	465,817
Cole Camp Ambulance District	0	0	0	0	0	0	0	93,733	0	0	93,733
Cooper County Ambulance District	0	0	0	0	0	0	0	401,651	0	0	401,651
Dade County Ambulance District	0	0	0	0	0	0	0	204,783	0	0	204,783
Gerald Area Ambulance District	0	0	0	0	0	0	0	156,383	0	0	156,383
Hermann Area Ambulance District	0	0	0	0	0	0	0	364,508	0	0	364,508
Iron County Ambulance District	0	0	0	0	0	0	0	391,944	0	0	391,944
Joachim Platin Ambulance District	0	0	0	0	0	0	0	2,638,780	0	0	2,638,780
Lewis County Ambulance District	0	0	0	0	0	0	0	269,110	0	0	269,110
Lincoln County Ambulance District	0	0	0	0	0	0	0	2,102,643	0	0	2,102,643
Linn County Ambulance District	0	0	0	0	0	0	0	591,516	0	0	591,516
Maries Osage Ambulance District	0	0	0	0	0	0	0	180,874	0	0	180,874
Marion County Ambulance District	0	0	0	0	0	0	0	1,882,276	0	0	1,882,276
Meramec Ambulance District	0	0	0	0	0	0	0	704,912	0	0	704,912
Mid-Missouri Ambulance District	0	0	0	0	0	0	0	1,257,661	0	0	1,257,661
Miller County Ambulance District	0	0	0	0	0	0	0	1,288,877	0	0	1,288,877
Monroe City Ambulance District	0	0	0	0	0	0	0	200,322	0	0	200,322
New Haven Ambulance District	0	0	0	0	0	0	0	155,315	0	0	155,315
New Madrid County Ambulance District	0	0	0	0	0	0	0	702,479	0	0	702,479
Nodaway County Ambulance District	0	0	0	0	0	0	0	1,122,015	0	0	1,122,015
Noel T. Adams Ambulance District	0	0	0	0	0	0	0	438,194	0	0	438,194
North Crawford County Ambulance District	0	0	0	0	0	0	0	643,031	0	0	643,031
Oregon County Ambulance District	0	0	0	0	0	0	0	396,797	0	0	396,797
Osage Ambulance District	0	0	0	0	0	0	0	303,268	0	0	303,268
Owensville Area Ambulance District	0	0	0	0	0	0	0	388,055	0	0	388,055
Ozark County Ambulance District	0	0	0	0	0	0	0	273,561	0	0	273,561
Pettis County Ambulance District	0	0	0	0	0	0	0	2,517,609	0	0	2,517,609
Pulaski County Ambulance District	0	0	0	0	0	0	0	1,770,671	0	0	1,770,671
Randolph County Ambulance District	0	0	0	0	0	0	0	1,349,560	0	0	1,349,560
Ray County Ambulance District	0	0	0	0	0	0	0	634,914	0	0	634,914
Rock Township Ambulance District	0	0	0	0	0	0	0	1,841,258	0	0	1,841,258

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Salt River Ambulance District	0	0	0	0	0	0	0	196,826	0	0	196,826
St. Clair Ambulance District	0	0	0	0	0	0	0	380,504	0	0	380,504
St. James Ambulance District	0	0	0	0	0	0	0	295,031	0	0	295,031
St. Francois County Ambulance District	0	0	0	0	0	0	0	3,246,119	0	0	3,246,119
Ste. Genevieve County Ambulance District	0	0	0	0	0	0	0	781,116	0	0	781,116
Steelville Ambulance District	0	0	0	0	0	0	0	191,226	0	0	191,226
Taney County Ambulance District	0	0	0	0	0	0	0	3,436,922	0	0	3,436,922
VanFar Ambulance District	0	0	0	0	0	0	0	140,759	0	0	140,759
Warsaw Lincoln Ambulance District	0	0	0	0	0	0	0	639,119	0	0	639,119
Washington Area Ambulance District	0	0	0	0	0	0	0	1,514,214	0	0	1,514,214
Washington County Ambulance District	0	0	0	0	0	0	0	674,549	0	0	674,549
EMERGENCY SERVICE DISTRICTS:			0								
Christian County EMG Service	0	0	0	0	0	0	0	508,990	0	0	508,990
Jefferson County EMG Service	0	0	0	0	0	0	0	7,777,338	0	0	7,777,338
Macon County EMG Service	0	0	0	0	0	0	0	419,550	0	0	419,550
Moniteau County EMG Service	0	0	0	0	0	0	0	670,833	0	0	670,833
Warren County EMG Service	0	0	0	0	0	0	0	1,053,737	0	0	1,053,737
FIRE PROTECTION DISTRICTS:											
Antonia Fire Protection District	0	0	0	0	0	0	0	294,769	0	0	294,769
Bourbon County Fire Protection District	0	0	0	0	0	0	0	118,345	0	0	118,345
Central Jackson County Fire Protection District	0	0	0	0	0	0	0	3,540,146	0	0	3,540,146
High Ridge Fire Protection District	0	0	0	0	0	0	0	1,514,711	0	0	1,514,711
Inter City Fire Protection District	0	0	0	0	0	0	0	50,662	0	0	50,662
Orrick Fire Protection District	0	0	0	0	0	0	0	69,113	0	0	69,113
Prairie Township Fire District	0	0	0	0	0	0	0	94,492	0	0	94,492
Rock Community Fire Protection District	0	0	0	0	0	0	0	3,179,334	0	0	3,179,334
St. Clair Fire Protection District	0	0	0	0	0	0	0	517,488	0	0	517,488
Smithville Area Fire Protection District	0	0	0	0	0	0	0	446,379	0	0	446,379
Sni Valley Fire Protection District	0	0	0	0	0	0	0	576,504	0	0	576,504
South Metropolitan Fire Protection District	0	0	0	0	0	0	0	1,258,227	0	0	1,258,227
Southern Stone Fire District	0	0	0	0	0	0	0	1,624,641	0	0	1,624,641
Sullivan Fire Protection District	0	0	0	0	0	0	0	963,703	0	0	963,703
Union Fire Protection District	0	0	0	0	0	0	0	992,170	0	0	992,170
TRANSPORTATION DEVELOPMENT DISTRICTS (TDD):											
10700 Pear Tree Lane TDD	0	0	0	0	0	0	0	0 *	0	0	0
1200 Main South Loop TDD	0	0	0	0	0	0	0	787,124	0	0	787,124
1225 Washington Avenue TDD	0	0	0	0	0	0	0	78,837	0	0	78,837
1717 Market Place TDD	0	0	0	0	0	0	0	141,364	0	0	141,364
210 Highway TDD	0	0	0	0	0	0	0	187,973	0	0	187,973
2118 Chouteau TDD	0	0	0	0	0	0	0	0 *	0	0	0
212 South Grand TDD	0	0	0	0	0	0	0	0 *	0	0	0
370 MO Bottom Taussig TDD	0	0	0	0	0	0	0	1,491,337	0	0	1,491,337
39th Street TDD	0	0	0	0	0	0	0	886,390	0	0	886,390
620 Market TDD	0	0	0	0	0	0	0	0 *	0	0	0
71 Highway and 150 Highway TDD	0	0	0	0	0	0	0	0 *	0	0	0
Adams Farm TDD	0	0	0	0	0	0	0	955,070	0	0	955,070
Arnold Retail Corridor TDD	0	0	0	0	0	0	0	2,579,939	0	0	2,579,939
Ballwin Town Center TDD	0	0	0	0	0	0	0	127,163	0	0	127,163

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Belton-Cass Regional TDD	0	0	0	0	0	0	0	773,439	0	0	773,439
Belton Raymore Interchange TDD	0	0	0	0	0	0	0	0 *	0	0	0
Belton Town Centre TDD	0	0	0	0	0	0	0	563,888	0	0	563,888
Big Bend Crossing TDD	0	0	0	0	0	0	0	0 *	0	0	0
Boonville Riverfront TDD	0	0	0	0	0	0	0	0 *	0	0	0
Boscherts Landing TDD	0	0	0	0	0	0	0	0 *	0	0	0
Bowman TDD	0	0	0	0	0	0	0	0 *	0	0	0
Branson Landing TDD	0	0	0	0	0	0	0	1,174,497	0	0	1,174,497
Brentwood Blvd/Clayton Road TDD	0	0	0	0	0	0	0	0 *	0	0	0
Briarcliff Parkway Highway 9 TDD	0	0	0	0	0	0	0	103,226	0	0	103,226
Broadway Carrie TDD	0	0	0	0	0	0	0	0 *	0	0	0
Broadway Fairview TDD	0	0	0	0	0	0	0	308,670	0	0	308,670
Broadway Hotel TDD	0	0	0	0	0	0	0	368,302	0	0	368,302
CB5421/5975 TDD	0	0	0	0	0	0	0	205,455	0	0	205,455
Centene Plaza TDD	0	0	0	0	0	0	0	73,548	0	0	73,548
Centerstate TDD	0	0	0	0	0	0	0	310,077	0	0	310,077
Cheshire TDD	0	0	0	0	0	0	0	0 *	0	0	0
City Hospital Laundry TDD	0	0	0	0	0	0	0	0 *	0	0	0
City Hospital Powerhouse TDD	0	0	0	0	0	0	0	0 *	0	0	0
Chesterfield Valley TDD	0	0	0	0	0	0	0	2,478,567	0	0	2,478,567
Clarkson Kehr Mill TDD	0	0	0	0	0	0	0	0 *	0	0	0
College Station TDD	0	0	0	0	0	0	0	0 *	0	0	0
Columbia Mall TDD	0	0	0	0	0	0	0	745,995	0	0	745,995
Commons of Hazel Hill TDD	0	0	0	0	0	0	0	0 *	0	0	0
Conley Road TDD	0	0	0	0	0	0	0	2,057,015	0	0	2,057,015
Coronado Drive TDD	0	0	0	0	0	0	0	476,143	0	0	476,143
Country Club Plaza TDD	0	0	0	0	0	0	0	1,298,094	0	0	1,298,094
Crackerneck Creek TDD	0	0	0	0	0	0	0	378,168	0	0	378,168
Cross Creek TDD	0	0	0	0	0	0	0	0 *	0	0	0
Crestwood Point TDD	0	0	0	0	0	0	0	0 *	0	0	0
Crowne Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Dardenne Town Square TDD	0	0	0	0	0	0	0	300,551	0	0	300,551
Des Peres Corners TDD	0	0	0	0	0	0	0	496,638	0	0	496,638
Dierbergs Des Peres TDD	0	0	0	0	0	0	0	0 *	0	0	0
Dierbergs Osage Beach TDD	0	0	0	0	0	0	0	130,272	0	0	130,272
Douglas Square TDD	0	0	0	0	0	0	0	163,814	0	0	163,814
Douglas Station TDD	0	0	0	0	0	0	0	63,012	0	0	63,012
East Gateway TDD	0	0	0	0	0	0	0	0 *	0	0	0
East-West Arterial TDD	0	0	0	0	0	0	0	0 *	0	0	0
Ehrhardt Properties TDD	0	0	0	0	0	0	0	0 *	0	0	0
Elm Grove TDD	0	0	0	0	0	0	0	0 *	0	0	0
Euclid Buckingham TDD	0	0	0	0	0	0	0	0 *	0	0	0
Eureka Commercial Park TDD	0	0	0	0	0	0	0	6,380	0	0	6,380
Eureka Old Town TDD	0	0	0	0	0	0	0	37,190	0	0	37,190
Farris Family TDD	0	0	0	0	0	0	0	93,715	0	0	93,715
Fenton Crossing TDD	0	0	0	0	0	0	0	400,585	0	0	400,585
Francis Place TDD	0	0	0	0	0	0	0	284,606	0	0	284,606

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Fulton South Business 54 TDD	0	0	0	0	0	0	0	55,288	0	0	55,288
Glenwood Watson TDD	0	0	0	0	0	0	0	0 *	0	0	0
Gravois Bluffs TDD	0	0	0	0	0	0	0	2,867,193	0	0	2,867,193
Grindstone Plaza TDD	0	0	0	0	0	0	0	559,906	0	0	559,906
Hanley Eager Road TDD	0	0	0	0	0	0	0	410,600	0	0	410,600
Hanley Road Corridor TDD	0	0	0	0	0	0	0	5,704,449	0	0	5,704,449
Hanley Station TDD	0	0	0	0	0	0	0	107,962	0	0	107,962
Harrisonville Market Place A TDD	0	0	0	0	0	0	0	0 *	0	0	0
Harrisonville Market Place B TDD	0	0	0	0	0	0	0	64,545	0	0	64,545
Harrisonville Towne Center TDD	0	0	0	0	0	0	0	122,116	0	0	122,116
Hawk Ridge TDD	0	0	0	0	0	0	0	1,075,882	0	0	1,075,882
Hawthorne Development TDD	0	0	0	0	0	0	0	0 *	0	0	0
Highlands TDD	0	0	0	0	0	0	0	0 *	0	0	0
Highway 141/67 TDD	0	0	0	0	0	0	0	0 *	0	0	0
Highway 367 and Parker Road TDD	0	0	0	0	0	0	0	72,570	0	0	72,570
Highway 61 State Highway U TDD	0	0	0	0	0	0	0	0 *	0	0	0
Highway 71 and 291 Partners in Progress TDD	0	0	0	0	0	0	0	1,044,474	0	0	1,044,474
Horseshoe Bend Pedestrian TDD	0	0	0	0	0	0	0	0 *	0	0	0
Hospital Interchange TDD	0	0	0	0	0	0	0	0 *	0	0	0
Hutchings Farm TDD	0	0	0	0	0	0	0	29,554	0	0	29,554
I-44 and Highway 47 Triangle TDD	0	0	0	0	0	0	0	78,591	0	0	78,591
I-470 and 350 TDD	0	0	0	0	0	0	0	1,974,370	0	0	1,974,370
I-70 and Adams Dairy Parkway TDD	0	0	0	0	0	0	0	0 *	0	0	0
Inter St Plaza N Town Village TDD	0	0	0	0	0	0	0	672,974	0	0	672,974
KC Downtown Streetcar TDD	0	0	0	0	0	0	0	4,380,468	0	0	4,380,468
Kingsmill TDD	0	0	0	0	0	0	0	0 *	0	0	0
Koch Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Lake of the Woods TDD	0	0	0	0	0	0	0	65,600	0	0	65,600
Laurel TDD	0	0	0	0	0	0	0	0 *	0	0	0
Lindbergh E Concord TDD	0	0	0	0	0	0	0	0 *	0	0	0
Loop Trolley TDD	0	0	0	0	0	0	0	713,154	0	0	713,154
Lucas and Hunt Chandler TDD	0	0	0	0	0	0	0	0 *	0	0	0
M150 and 135th Street TDD	0	0	0	0	0	0	0	703,768	0	0	703,768
Manchester Highlands TDD	0	0	0	0	0	0	0	1,540,765	0	0	1,540,765
Mark Twain Mall TDD	0	0	0	0	0	0	0	625,046	0	0	625,046
Market at McKnight 1 TDD	0	0	0	0	0	0	0	138,158	0	0	138,158
Meadows TDD	0	0	0	0	0	0	0	399,215	0	0	399,215
Megan Shoppe's TDD	0	0	0	0	0	0	0	0 *	0	0	0
Meramec Station Road and Highway 141 TDD	0	0	0	0	0	0	0	119,827	0	0	119,827
Merchants Laclede TDD	0	0	0	0	0	0	0	0 *	0	0	0
Mexico Road TDD	0	0	0	0	0	0	0	310,404	0	0	310,404
Mid Rivers N TDD	0	0	0	0	0	0	0	50,127	0	0	50,127
Neosho TDD	0	0	0	0	0	0	0	536,056	0	0	536,056
New Longview TDD	0	0	0	0	0	0	0	39,011	0	0	39,011
North Outer Forty TDD	0	0	0	0	0	0	0	180,120	0	0	180,120
Northwoods TDD	0	0	0	0	0	0	0	0 *	0	0	0
Olive Boulevard TDD	0	0	0	0	0	0	0	395,267	0	0	395,267

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Olive Graeser TDD	0	0	0	0	0	0	0	88,361	0	0	88,361
Osage Station TDD	0	0	0	0	0	0	0	0 *	0	0	0
Ozark Centre TDD	0	0	0	0	0	0	0	359,907	0	0	359,907
Park Hills TDD	0	0	0	0	0	0	0	0 *	0	0	0
Park Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Parkville Commons TDD	0	0	0	0	0	0	0	385,869	0	0	385,869
Pershall Road TDD	0	0	0	0	0	0	0	0 *	0	0	0
Platte County MO S I TDD	0	0	0	0	0	0	0	1,352,833	0	0	1,352,833
Platte County MO S II TDD	0	0	0	0	0	0	0	331,703	0	0	331,703
Platte Valley Plaza TDD	0	0	0	0	0	0	0	6,863	0	0	6,863
Poplar Bluff Conference Center TDD	0	0	0	0	0	0	0	0 *	0	0	0
Poplar Bluff Regional TDD	0	0	0	0	0	0	0	2,904,514	0	0	2,904,514
Prewitt Point TDD	0	0	0	0	0	0	0	703,953	0	0	703,953
Railway Exchange Building TDD	0	0	0	0	0	0	0	45,688	0	0	45,688
Raintree Lake Village TDD	0	0	0	0	0	0	0	22,336	0	0	22,336
Raintree North TDD	0	0	0	0	0	0	0	159,037	0	0	159,037
Raytown Highway 350 TDD	0	0	0	0	0	0	0	0 *	0	0	0
Residence Inn St. Louis Downtown TDD	0	0	0	0	0	0	0	0 *	0	0	0
Rock Bridge Center TDD	0	0	0	0	0	0	0	291,243	0	0	291,243
Salt Lick Road TDD	0	0	0	0	0	0	0	211,169	0	0	211,169
Shoppes at Cross Keys TDD	0	0	0	0	0	0	0	658,499	0	0	658,499
Shoppes at Hilltop TDD	0	0	0	0	0	0	0	0 *	0	0	0
Shoppes at Stadium TDD	0	0	0	0	0	0	0	499,542	0	0	499,542
Shoppes Old Webster TDD	0	0	0	0	0	0	0	23,195	0	0	23,195
Southtown TDD	0	0	0	0	0	0	0	107,883	0	0	107,883
South Manchester TDD	0	0	0	0	0	0	0	127,936	0	0	127,936
St. Charles Riverfront TDD	0	0	0	0	0	0	0	236,979	0	0	236,979
St. Cyr Road TDD	0	0	0	0	0	0	0	0 *	0	0	0
St. John Crossing TDD	0	0	0	0	0	0	0	65,632	0	0	65,632
St. John's Church Road TDD	0	0	0	0	0	0	0	659,945	0	0	659,945
St. Joseph Gateway TDD	0	0	0	0	0	0	0	0 *	0	0	0
St. Louis Convention Center Hotel TDD	0	0	0	0	0	0	0	392,882	0	0	392,882
Stadium Corridor A TDD	0	0	0	0	0	0	0	308,052	0	0	308,052
Seven Trails Drive TDD	0	0	0	0	0	0	0	0 *	0	0	0
Stone Ridge TDD	0	0	0	0	0	0	0	0 *	0	0	0
Strother Interchange TDD	0	0	0	0	0	0	0	204,008	0	0	204,008
Station Plaza TDD	0	0	0	0	0	0	0	45,327	0	0	45,327
Toad Cove Complex TDD	0	0	0	0	0	0	0	0 *	0	0	0
Toad Cove Resort TDD	0	0	0	0	0	0	0	0 *	0	0	0
Tower TDD	0	0	0	0	0	0	0	0 *	0	0	0
Town and Country Cross TDD	0	0	0	0	0	0	0	466,276	0	0	466,276
Town and Country Village TDD	0	0	0	0	0	0	0	0 *	0	0	0
Tremont Square TDD	0	0	0	0	0	0	0	120,241	0	0	120,241
Truman's Marketplace TDD	0	0	0	0	0	0	0	6,880	0	0	6,880
Tuileries Plaza TDD	0	0	0	0	0	0	0	103,173	0	0	103,173
University Place TDD	0	0	0	0	0	0	0	314	0	0	314
US Hwy 36 Interstate 72 Corridor TDD	0	0	0	0	0	0	0	3,075,386	0	0	3,075,386

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
US Hwy 50/63 Cityview TDD	0	0	0	0	0	0	0	0 *	0	0	0
US Hwy 65 Truman Dam TDD	0	0	0	0	0	0	0	0 *	0	0	0
Washington Avenue TDD	0	0	0	0	0	0	0	0 *	0	0	0
Wentzville TDD	0	0	0	0	0	0	0	363,845	0	0	363,845
Wentzville II TDD	0	0	0	0	0	0	0	91,368	0	0	91,368
Wentzville III TDD	0	0	0	0	0	0	0	117,743	0	0	117,743
Wentzville Parkway I TDD	0	0	0	0	0	0	0	163,256	0	0	163,256
Winghaven TDD	0	0	0	0	0	0	0	135,650	0	0	135,650
COMMUNITY IMPROVEMENT DISTRICTS (CID):											
58 Highway Regional Market CID	0	0	0	3,663	0	0	0	116,648	0	0	120,311
63 Bypass CID	0	0	0	0 *	0	0	0	0 *	0	0	0
210 Highway CID	0	0	0	0	0	0	0	187,973	0	0	187,973
212 S. Grand CID	0	0	0	0 *	0	0	0	0 *	0	0	0
620 Market CID	0	0	0	0 *	0	0	0	0 *	0	0	0
840 E Taylor CID	0	0	0	0 *	0	0	0	0 *	0	0	0
10700 Pear Tree Lane CID	0	0	0	0 *	0	0	0	0 *	0	0	0
1100 Washington Ave CID	0	0	0	0 *	0	0	0	0 *	0	0	0
1133 Washington Ave CID	0	0	0	0	0	0	0	0 *	0	0	0
1201 Washington CID	0	0	0	981	0	0	0	4,876	0	0	5,857
1225 Washington CID	0	0	0	31	0	0	0	78,828	0	0	78,859
1601 S. Jefferson CID	0	0	0	0	0	0	0	0 *	0	0	0
2017 Chouteau CID	0	0	0	239	0	0	0	51,919	0	0	52,158
8750 Manchester Road CID	0	0	0	1,025	0	0	0	51,022	0	0	52,047
Airport Plaza CID	0	0	0	0	0	0	0	52,075	0	0	52,075
American Center CID	0	0	0	0	0	0	0	12,836	0	0	12,836
Antioch Center CID	0	0	0	0	0	0	0	251,132	0	0	251,132
Ballpark Village CID	0	0	0	0 *	0	0	0	0	0	0	0
Bear Creek CID	0	0	0	0	0	0	0	304,635	0	0	304,635
Belleau CID	0	0	0	5,756	0	0	0	40,017	0	0	45,773
Big Spring Plaza CID	0	0	0	5,822	0	0	0	43,426	0	0	49,248
Biltmore East CID	0	0	0	0	0	0	0	95,209	0	0	95,209
Black Mountain CID	0	0	0	0	0	0	0	0 *	0	0	0
Blue Jay Crossing CID	0	0	0	278	0	0	0	66,769	0	0	67,047
Branson Hills Infrastructure & Recreational CID	0	0	0	0	0	0	0	38,397	0	0	38,397
Brentwood Blvd/Clayton Rd CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Bridgewood Plaza CID	0	0	0	0	0	0	0	42,259	0	0	42,259
Broadway Hotel CID	0	0	0	7,632	0	0	0	368,211	0	0	375,843
Brywood Centre CID	0	0	0	326	0	0	0	224,919	0	0	225,245
Chambers West Florissant CID	0	0	0	196	0	0	0	55,932	0	0	56,128
Cheshire Annex CID	0	0	0	0	0	0	0	0 *	0	0	0
Cheshire CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Chesterfield Blue Valley CID	0	0	0	28,217	0	0	0	651,091	0	0	679,308
Chouteau Crossing CID	0	0	0	0 *	0	0	0	0 *	0	0	0
City Hospital RPA2 CID 1	0	0	0	0 *	0	0	0	0 *	0	0	0
City Hospital Powerhouse CID	0	0	0	0	0	0	0	0 *	0	0	0
College Station CID	0	0	0	0	0	0	0	26,022	0	0	26,022
Collins CID	0	0	0	0	0	0	0	0 *	0	0	0

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Colonial Marketplace CID	0	0	0	0	0	0	0	212,674	0	0	212,674
Commercial St CID	0	0	0	98	0	0	0	31,984	0	0	32,082
Cook Crossings CID	0	0	0	0	0	0	0	0 *	0	0	0
Cozens MLK Grand CID	0	0	0	3,150	0	0	0	36,250	0	0	39,400
Crackerneck Center CID	0	0	0	0	0	0	0	0 *	0	0	0
Crestwood Square CID	0	0	0	935	0	0	0	76,322	0	0	77,257
Crossroads Shopping Center CID	0	0	0	510	0	0	0	85,945	0	0	86,455
Crowne Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Cupples Station Building 9 CID	0	0	0	0 *	0	0	0	0 *	0	0	0
CWE Business CID	0	0	0	2,419	0	0	0	718,574	0	0	720,993
Daniele CID	0	0	0	0 *	0	0	0	0	0	0	0
Deer Creek Center CID	0	0	0	6,211	0	0	0	159,869	0	0	166,080
Ditzler CID	0	0	0	486	0	0	0	83,950	0	0	84,436
Downtown CID	0	0	0	16,158	0	0	0	514,345	0	0	530,503
Downtown Excelsior SPGS CID	0	0	0	11	0	0	0	8,395	0	0	8,406
Downtown Springfield CID	0	0	0	2,339	0	0	0	133,236	0	0	135,575
Eagles Landing CID	0	0	0	0 *	0	0	0	0 *	0	0	0
East Ashland Plaza CID	0	0	0	0 *	0	0	0	0 *	0	0	0
East Hills CID	0	0	0	11,142	0	0	0	674,013	0	0	685,155
East Main & Highway 47 CID	0	0	0	1,920	0	0	0	64,507	0	0	66,427
Ellsinore Herren Ave CID	0	0	0	0	0	0	0	0 *	0	0	0
Elm and 370 CID	0	0	0	2,702	0	0	0	9,762	0	0	12,464
Elms Hotel CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Eureka Pointe CID	0	0	0	0	0	0	0	38,974	0	0	38,974
Eureka South I-44 CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Flintlock Plaza CID	0	0	0	470	0	0	0	107,236	0	0	107,706
Flintlock Shoppes CID	0	0	0	926	0	0	0	224,609	0	0	225,535
Flori Drive CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Fountain Lakes CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Fountains CID	0	0	0	0	0	0	0	35,758	0	0	35,758
Foxwood Village CID	0	0	0	0	0	0	0	0 *	0	0	0
Georgian Square CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Grain Valley Marketplace CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Grant Center CID	0	0	0	0	0	0	0	768	0	0	768
Greenview CID	0	0	0	0	0	0	0	26,126	0	0	26,126
Grove CID	0	0	0	3,790	0	0	0	117,795	0	0	121,585
Hadley Dean Building CID	0	0	0	0	0	0	0	0 *	0	0	0
Hail Ridge CID	0	0	0	0	0	0	0	0 *	0	0	0
Hayti Ventures CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Hazelwood Commerce Center CID	0	0	0	0 *	0	0	0	0 *	0	0	0
High Ridge Commons CID	0	0	0	0	0	0	0	595,767	0	0	595,767
Highway 100 CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Highway 166 CID	0	0	0	0	0	0	0	0 *	0	0	0
Highway 350 CID	0	0	0	5,299	0	0	0	550,260	0	0	555,559
Highway J and 17th Street CID	0	0	0	0	0	0	0	0 *	0	0	0
Highlandville CID	0	0	0	0	0	0	0	0 *	0	0	0
Hilltop CID	0	0	0	0	0	0	0	1,139,218	0	0	1,139,218

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Historic Downtown Branson CID	0	0	0	0	0	0	0	322,308	0	0	322,308
I-470 Square CID	0	0	0	0	0	0	0	14,799	0	0	14,799
Imperial Main CID	0	0	0	0 *	0	0	0	0	0	0	0
Independence Avenue CID	0	0	0	1,221	0	0	0	420,901	0	0	422,122
Independence Event Center CID	0	0	0	0	0	0	0	5,273,101	0	0	5,273,101
James River Commons CID	0	0	0	3,201	0	0	0	1,146,460	0	0	1,149,661
Jeter Farm CID	0	0	0	0 *	0	0	0	0	0	0	0
Kansas Battlefield CID	0	0	0	474	0	0	0	183,342	0	0	183,816
Kearney West Side CID	0	0	0	0	0	0	0	79,811	0	0	79,811
Kelly Town Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Kenrick Plaza CID	0	0	0	0	0	0	0	170	0	0	170
Laclede Landing CID	0	0	0	942	0	0	0	116,714	0	0	117,656
Landing Mall CID	0	0	0	213	0	0	0	80,776	0	0	80,989
Landing River Center CID	0	0	0	0	0	0	0	0 *	0	0	0
Langsford Plaza CID	0	0	0	106	0	0	0	31,068	0	0	31,174
Laurel CID	0	0	0	0	0	0	0	0 *	0	0	0
Lebanon Marketplace CID	0	0	0	0	0	0	0	0 *	0	0	0
Leerjak CID	0	0	0	0	0	0	0	0 *	0	0	0
Liberty Commons CID	0	0	0	0	0	0	0	0 *	0	0	0
Liberty Corners CID	0	0	0	556	0	0	0	253,619	0	0	254,175
Liberty Triangle CID	0	0	0	5,326	0	0	0	702,125	0	0	707,451
Liberty Tri Shop Center CID	0	0	0	0	0	0	0	161,767	0	0	161,767
Lincoln Crossing CID	0	0	0	3,269	0	0	0	50,744	0	0	54,013
Logan Estates CID	0	0	0	0 *	0	0	0	0	0	0	0
Loughborough Commons CID	0	0	0	0	0	0	0	581,365	0	0	581,365
Manchester Ballas CID	0	0	0	20,795	0	0	0	1,699,409	0	0	1,720,204
Maple Valley Plaza CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Mary Mart CID	0	0	0	863	0	0	0	17,668	0	0	18,531
Mayfair Plaza CID	0	0	0	1,234	0	0	0	145,390	0	0	146,624
McCroskey Street CID	0	0	0	157	0	0	0	35,724	0	0	35,881
McNutt Road Corridor CID	0	0	0	0	0	0	0	372,314	0	0	372,314
Metro N Square And Common CID	0	0	0	1,024	0	0	0	134,322	0	0	135,346
Midwest Plaza CID	0	0	0	0	0	0	0	15,453	0	0	15,453
Mid Rivers Commons CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Miner Gateway CID	0	0	0	1,523	0	0	0	54,418	0	0	55,941
Moberly Crossings CID	0	0	0	2,044	0	0	0	24,055	0	0	26,099
Mountain Farm CID	0	0	0	0 *	0	0	0	0 *	0	0	0
NWP CID	0	0	0	0	0	0	0	0 *	0	0	0
North 763 CID	0	0	0	0	0	0	0	0 *	0	0	0
North Broadway Carrie CID	0	0	0	0 *	0	0	0	0 *	0	0	0
N County Festival Square	0	0	0	1,136	0	0	0	189,375	0	0	190,511
North Oak Village CID	0	0	0	11,914	0	0	0	308,328	0	0	320,242
North Oaks Plaza Shopping Center CID	0	0	0	527	0	0	0	72,333	0	0	72,860
Northmoor Associates CID	0	0	0	8	0	0	0	13,157	0	0	13,165
Northwest Area CID	0	0	0	784	0	0	0	53,971	0	0	54,755
Oak Barry CID	0	0	0	9,610	0	0	0	319,666	0	0	329,276
OHM Woodson Terrace Community CID	0	0	0	0 *	0	0	0	0 *	0	0	0

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Old Foundation CID	0	0	0	323	0	0	0	66,543	0	0	66,866
Old Town Cottleville CID	0	0	0	21	0	0	0	115,738	0	0	115,759
Orpheum Theatre CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Osage Commercial Area CID	0	0	0	244	0	0	0	129,648	0	0	129,892
Ozora CID	0	0	0	0	0	0	0	0 *	0	0	0
Ozark Bar-B-Que CID	0	0	0	0	0	0	0	0 *	0	0	0
Paddock Forest CID	0	0	0	1,741	0	0	0	87,853	0	0	89,594
Park Pacific CID	0	0	0	0	0	0	0	0 *	0	0	0
Parkville Old Towne Market CID	0	0	0	820	0	0	0	55,569	0	0	56,389
Peachtree CID	0	0	0	2,384	0	0	0	2,113	0	0	4,497
Peach Tree CID	0	0	0	0	0	0	0	0 *	0	0	0
Phoenix Center I CID	0	0	0	0	0	0	0	327,121	0	0	327,121
Phoenix Center II CID	0	0	0	0	0	0	0	345,829	0	0	345,829
Platte City Market CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Plattner CID	0	0	0	0	0	0	0	0 *	0	0	0
Plaza at Noah's Ark CID	0	0	0	3,867	0	0	0	106,333	0	0	110,200
Plaza East CID	0	0	0	0	0	0	0	0 *	0	0	0
Plaza on the Boulevard in Jennings CID	0	0	0	717	0	0	0	191,747	0	0	192,464
Railway Exchange Building CID	0	0	0	733	0	0	0	66,816	0	0	67,549
Raintree 150 Center CID	0	0	0	0	0	0	0	45,000	0	0	45,000
Raymore Galleria CID	0	0	0	0	0	0	0	0 *	0	0	0
Raytown Crossing Center CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Raytown Square CID	0	0	0	494	0	0	0	150,550	0	0	151,044
Red Bridge CID	0	0	0	159	0	0	0	77,576	0	0	77,735
Richardson Crossing CID	0	0	0	3,519	0	0	0	14,254	0	0	17,773
Riverfront Hotel CID	0	0	0	13,396	0	0	0	503,832	0	0	517,228
Rogers Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Route 141 Marshall Road CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Shops on Blue Parkway CID	0	0	0	1,129	0	0	0	123,173	0	0	124,302
Shops at James River CID	0	0	0	0	0	0	0	75,057	0	0	75,057
Skelly CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Soda Fountain Square CID	0	0	0	306	0	0	0	14,145	0	0	14,451
South 160 CID	0	0	0	0	0	0	0	113,252	0	0	113,252
South 63 Corridor CID	0	0	0	0	0	0	0	82,003	0	0	82,003
South Grand CID	0	0	0	1,782	0	0	0	103,241	0	0	105,023
Southern Hills CID	0	0	0	0	0	0	0	534,433	0	0	534,433
Southtowne CID	0	0	0	6,361	0	0	0	238,412	0	0	244,773
St. Charles Rock Road CID	0	0	0	235	0	0	0	36,327	0	0	36,562
St. Joseph Downtown CID	0	0	0	0	0	0	0	90,708	0	0	90,708
St. Louis Convention Center Hotel CID	0	0	0	0	0	0	0	392,882	0	0	392,882
Stateline CID	0	0	0	0	0	0	0	0 *	0	0	0
Strafford Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Stoneybrooke CID	0	0	0	0 *	0	0	0	0 *	0	0	0
SueMandy Mid Rivers CID	0	0	0	24,391	0	0	0	1,127,846	0	0	1,152,237
SueMandy Drive 1 CID	0	0	0	0 *	0	0	0	0 *	0	0	0
SueMandy Drive 2 CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Sullivan Marketplace CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Summit Fair CID	0	0	0	0	0	0	0	634,818	0	0	634,818

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Sunrise Beach Market Center CID	0	0	0	0	0	0	0	0 *	0	0	0
Sunrise Farms CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Syndicate Trust CID	0	0	0	0	0	0	0	0 *	0	0	0
Telegraph Crossing North CID	0	0	0	2,215	0	0	0	30,693	0	0	32,908
Toad Cove Complex CID	0	0	0	0	0	0	0	0 *	0	0	0
Toad Cove Resort CID	0	0	0	0	0	0	0	0 *	0	0	0
Tori Pines Commons CID	0	0	0	4,481	0	0	0	2,532	0	0	7,013
Town and Country Village CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Town Plaza CID	0	0	0	3,782	0	0	0	122,864	0	0	126,646
Troost Avenue CID	0	0	0	342	0	0	0	99,418	0	0	99,760
Truman's Marketplace CID	0	0	0	0	0	0	0	13,760	0	0	13,760
Truman Road CID	0	0	0	3,384	0	0	0	106,922	0	0	110,306
Truman Village CID	0	0	0	2,681	0	0	0	87	0	0	2,768
Twin City Mall CID	0	0	0	0	0	0	0	178,542	0	0	178,542
Union CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Union Station CID	0	0	0	29,970	0	0	0	137,973	0	0	167,943
Veteran's Memorial Parkway CID	0	0	0	0	0	0	0	0 *	0	0	0
Viaduct Commercial Area CID	0	0	0	160	0	0	0	53,968	0	0	54,128
Victoria Crossings CID	0	0	0	1,796	0	0	0	7,044	0	0	8,840
Vintage Plaza CID	0	0	0	185	0	0	0	59,672	0	0	59,857
Viking Conference Center CID	0	0	0	5,737	0	0	0	51,290	0	0	57,027
Waldo CID	0	0	0	10,862	0	0	0	537,527	0	0	548,389
Ward Parkway Shop Center CID	0	0	0	12,867	0	0	0	1,375,078	0	0	1,387,945
Waterbury Storm Water CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Watson-Laclede Station Road CID	0	0	0	389	0	0	0	33,829	0	0	34,218
Wentzville Bluffs CID	0	0	0	3,940	0	0	0	24,122	0	0	28,062
Westgate CID	0	0	0	0	0	0	0	0 *	0	0	0
Wilson Creek Market Place CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Windsor Place CID	0	0	0	495	0	0	0	23,382	0	0	23,877
Y Highway Market Place CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Zumbahl Road/Hwy 94 CID	0	0	0	2,569	0	0	0	32,714	0	0	35,283
COMMUNITY DEVELOPMENT DISTRICTS (CDD):											
3 Trails Village CDD	0	0	0	3,796	0	0	0	31,316	0	0	35,112
39th Street CDD	0	0	0	2,936	0	0	0	105,947	0	0	108,883
Branson Hills CDD	0	0	0	0	0	0	0	824,544	0	0	824,544
Brookside CDD	0	0	0	3,170	0	0	0	360,157	0	0	363,327
Bryan Road CDD	0	0	0	99	0	0	0	16,387	0	0	16,486
Caledonia CDD	0	0	0	38,874	0	0	0	15,151	0	0	54,025
Crossings CDD	0	0	0	3,688	0	0	0	83,067	0	0	86,755
Grandview Crossing CDD	0	0	0	18,789	0	0	0	7,484	0	0	26,273
KC International Airport CDD	0	0	0	29,055	0	0	0	430,701	0	0	459,756
Lake Lotawana CDD	0	0	0	4,286	0	0	0	12,833	0	0	17,119
Martin City CDD	0	0	0	5,157	0	0	0	287,543	0	0	292,700
Performing Arts CDD	0	0	0	12,821	0	0	0	151,793	0	0	164,614
Residence Inn Downtown/St. Louis CDD	0	0	0	30,600	0	0	0	46,985	0	0	77,585
Springdale CDD	0	0	0	2,448	0	0	0	31,883	0	0	34,331
St. Charles Riverfront CDD	0	0	0	54,599	0	0	0	237,330	0	0	291,929
Westport CDD	0	0	0	1,908	0	0	0	383,569	0	0	385,477

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2014

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
MISCELLANEOUS DISTRICTS:											
Iron County Hospital District	0	0	0	0	0	0	0	383,322	0	0	383,322
Poplar Bluff Public Library District	0	0	0	0	0	0	0	1,064,213	0	0	1,064,213
Daviess/Dekalb Regional Jail District	0	0	0	0	0	0	0	936,890	0	0	936,890
Boone County Fairground Regional Recreation District	0	0	0	0	0	0	0	3,857	0	0	3,857
Branson/Lakes Area Tourism Community Districts	0	0	0	0	0	0	0	7,531,710	0	0	7,531,710
Kansas City Zoological District	0	0	0	0	0	0	0	14,986,687	0	0	14,986,687
TOTAL	\$ 552,401,820	482,501,035	433,788,925	118,766,932	272,216,300	567,606,182	157,988,390	187,790,565	252,559,912	55,484,855	3,081,104,916

* To preserve confidentiality, sales and use tax distributions for political subdivisions with less than 6 taxpayers are reported as zero in accordance with Department of Revenue policy.

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
CITIES:											
Adrian	178,722	117,026	61,694	0	0	0	0	0	60,307	0	417,749
Advance	168,414	162,878	0	32,834	0	0	0	0	48,440	0	412,566
Agency	0	0	0	0	0	0	0	0	24,597	0	24,597
Airport Drive	279,176	135,984	0	0	0	0	0	0	25,101	0	440,261
Alba	11,780	0	0	0	0	0	0	0	19,958	0	31,738
Albany	163,974	163,973	0	0	0	0	0	0	62,213	0	390,160
Aldrich	0	0	0	0	0	0	0	0	2,877	0	2,877
Alexandria	6,898	0	0	0	0	0	0	0	5,718	0	12,616
Allendale	6,452	0	0	0	0	0	0	0	1,906	0	8,358
Allenville	0	0	0	0	0	0	0	0	4,171	0	4,171
Alma	0	0	0	0	0	0	0	0	14,456	0	14,456
Altamont	0	0	0	0	0	0	0	0	7,336	0	7,336
Altenburg	0	0	0	0	0	0	0	0	12,658	0	12,658
Alton	121,130	115,597	0	0	0	0	0	0	31,322	0	268,049
Amazonia	0	0	0	0	0	0	0	0	11,220	0	11,220
Amity	0	0	0	0	0	0	0	0	1,942	0	1,942
Amoret	0	0	0	0	0	0	0	0	6,833	0	6,833
Amsterdam	10,556	0	0	0	0	0	0	0	8,703	0	19,259
Anderson	215,198	0	100,782	0	0	0	0	0	70,520	0	386,500
Annada	35,635	0	0	0	0	0	0	0	1,043	0	36,678
Annapolis	0	17,818	17,818	0	0	0	0	0	12,407	0	48,043
Anniston	0	0	0	0	0	0	0	0	8,343	0	8,343
Appleton City	178,676	47,647	0	0	0	0	0	0	40,528	0	266,851
Arbela	0	0	0	0	0	0	0	0	1,474	0	1,474
Arbyrd	42,615	0	0	0	0	0	0	0	18,304	0	60,919
Arcadia	66,712	15,612	0	0	0	0	0	0	21,864	0	104,188
Archie	52,879	0	18,938	0	0	0	0	0	42,075	0	113,892
Arcola	0	0	0	0	0	0	0	0	1,978	0	1,978
Argyle	11,284	0	0	0	0	0	0	0	5,826	0	17,110
Arkoe	0	0	0	0	0	0	0	0	2,445	0	2,445
Armstrong	0	0	0	0	0	0	0	0	10,213	0	10,213
Arnold	5,358,779	1,293,408	0	0	0	0	0	0	748,282	0	7,400,469
Arrow Point Village	0	0	0	0	0	0	0	0	0 *	0	0
Arrow Rock	17,610	4,403	0	0	0	0	0	0	2,014	0	24,027
Asbury	12,858	0	0	0	0	0	0	0	7,444	0	20,302
Ash Grove	121,388	54,503	0	17,008	0	0	0	0	52,935	0	245,834
Ashland	328,095	148,585	0	0	0	0	0	0	133,308	0	609,988
Atlanta	11,356	0	0	0	0	0	0	0	13,845	0	25,201
Augusta	33,908	16,954	0	0	0	0	0	0	9,098	0	59,960
Aurora	1,005,591	502,722	503,302	105,709	0	0	0	0	269,997	0	2,387,321
Auxvasse	72,846	16,375	32,758	0	0	0	0	0	35,350	0	157,329
Ava	331,383	662,767	0	50,755	0	0	0	0	107,632	0	1,152,537
Avilla	0	0	0	0	0	0	0	0	4,495	0	4,495
Avondale	17,934	0	0	0	0	0	0	0	15,823	0	33,757
Bagnell	5,792	0	0	0	0	0	0	0	3,344	0	9,136
Bakersfield	15,052	0	0	0	0	0	0	0	8,846	0	23,898
Baldwin Park	0	0	0	0	0	0	0	0	3,308	0	3,308

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Ballwin	0	1,523,889	0	0	0	0	0	0	1,093,367	1,312,712	3,929,968
Baring	0	0	0	0	0	0	0	0	4,747	0	4,747
Barnard	0	0	0	0	0	0	0	0	7,947	0	7,947
Barnett	0	0	0	0	0	0	0	0	7,300	0	7,300
Bates City	49,827	24,913	0	11,205	0	0	0	0	7,875	0	93,820
Battlefield	173,680	0	90,116	0	0	0	0	0	201,024	0	464,820
Bell City	13,472	3,368	0	0	0	0	0	0	16,111	0	32,951
Bella Villa	0	0	0	9,048	0	0	0	0	26,216	43,826	79,090
Belle	117,287	58,644	53,704	0	0	0	0	0	55,560	0	285,195
Bellefontaine Neighbors	0	0	0	0	0	0	0	0	390,540	652,881	1,043,421
Bellerive	0	0	0	0	0	0	0	0	6,761	40,537	47,298
Bellflower	12,433	4,591	4,591	0	0	0	0	0	14,133	0	35,748
Bel-Nor	0	0	0	18,605	0	0	0	0	53,906	90,117	162,628
Bel-Ridge	0	244,804	0	0	0	0	0	0	98,426	238,610	581,840
Belton	2,539,615	3,174,096	1,269,809	0	0	0	0	0	831,281	0	7,814,801
Benton	68,174	0	0	0	0	0	0	0	31,035	0	99,209
Benton City	0	0	0	0	0	0	0	0	3,740	0	3,740
Berger	4,615	0	0	0	0	0	0	0	7,947	0	12,562
Berkeley	0	1,407,011	0	0	0	0	0	0	322,860	556,358	2,286,229
Bernie	122,164	61,082	0	0	0	0	0	0	70,412	0	253,658
Bertrand	13,414	0	0	0	0	0	0	0	29,524	0	42,938
Bethany	640,492	366,159	0	0	0	0	0	0	118,384	0	1,125,035
Bethel	7,613	0	0	0	0	0	0	0	4,387	0	12,000
Beverly Hills	0	23,928	0	0	0	0	0	0	20,642	20,339	64,909
Bevier	51,061	0	22,332	0	0	0	0	0	25,820	0	99,213
Big Lake	0	0	0	0	0	0	0	0	5,718	0	5,718
Bigelow	0	0	0	0	0	0	0	0	971	0	971
Billings	57,029	0	0	0	0	0	0	0	37,220	0	94,249
Birch Tree	41,994	18,909	18,919	0	0	0	0	0	24,418	0	104,240
Birmingham	9,871	0	0	0	0	0	0	0	6,581	0	16,452
Bismarck	85,016	0	36,214	0	0	0	0	0	55,596	0	176,826
Blackburn	8,716	0	0	0	0	0	0	0	8,954	0	17,670
Black Jack	0	0	0	85,999	0	0	0	0	249,176	416,557	751,732
Blackwater	6,551	3,276	3,276	0	0	0	0	0	5,826	0	18,929
Blainstown	3,695	0	0	0	0	0	0	0	3,488	0	7,183
Bland	23,209	19,319	0	0	0	0	0	0	19,383	0	61,911
Blodgett	0	0	0	0	0	0	0	0	7,660	0	7,660
Bloomfield	129,229	18,461	0	19,688	0	0	0	0	69,513	0	236,891
Bloomsdale	87,771	0	0	0	0	0	0	0	18,736	0	106,507
Blue Eye	22,318	0	0	0	0	0	0	0	6,005	0	28,323
Blue Springs	7,166,795	3,343,217	3,350,617	0	0	0	0	0	1,890,665	0	15,751,294
Blythedale	0	0	0	0	0	0	0	0	6,940	0	6,940
Bogard	0	0	0	0	0	0	0	0	5,898	0	5,898
Bolckow	0	0	0	0	0	0	0	0	6,725	0	6,725
Bolivar	1,705,223	1,660,770	807,142	0	0	0	0	0	371,300	0	4,544,435
Bonne Terre	411,845	189,607	189,606	0	0	0	0	0	246,838	0	1,037,896
Boonville	1,152,421	588,299	0	0	0	0	0	0	299,162	0	2,039,882
Bosworth	0	0	0	0	0	0	0	0	10,968	0	10,968

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Bourbon	176,817	0	83,009	0	0	0	0	0	58,689	0	318,515
Bowling Green	766,120	182,410	364,820	0	0	0	0	0	191,817	0	1,505,167
Bragg City	0	0	0	0	0	0	0	0	5,358	0	5,358
Brandsville	0	0	0	0	0	0	0	0	5,790	0	5,790
Branson	10,279,460	0	5,086,620	0	0	0	0	0	378,313	0	15,744,393
Branson West	769,835	384,918	384,916	0	0	0	0	0	17,189	0	1,556,858
Brashear	8,422	0	0	0	0	0	0	0	9,817	0	18,239
Braymer	55,601	0	0	0	0	0	0	0	31,574	0	87,175
Breckenridge	9,001	0	0	0	0	0	0	0	13,773	0	22,774
Breckenridge Hills	0	0	0	58,905	0	0	0	0	170,672	133,450	363,027
Brentwood	0	4,381,734	0	0	0	0	0	0	289,668	2,551,614	7,223,016
Bridgeton	0	2,942,987	0	0	0	0	0	0	415,353	2,529,119	5,887,459
Brimson	0	0	0	0	0	0	0	0	2,265	0	2,265
Bronaugh	0	0	0	0	0	0	0	0	8,954	0	8,954
Brookfield	718,745	179,684	336,005	95,004	0	0	0	0	163,336	0	1,492,774
Brookline Station	0 *	0	0	0	0	0	0	0	0 *	0	0
Brooklyn Heights	0	0	0	0	0	0	0	0	3,596	0	3,596
Browning	8,698	0	0	1,919	0	0	0	0	9,530	0	20,147
Brownington	0	0	0	0	0	0	0	0	3,848	0	3,848
Brumley	4,238	0	0	0	0	0	0	0	3,272	0	7,510
Brunswick	135,082	0	0	0	0	0	0	0	30,855	0	165,937
Bucklin	34,133	0	0	4,330	0	0	0	0	16,794	0	55,257
Buckner	176,444	88,307	76,111	40,281	0	0	0	0	110,617	0	491,760
Buffalo	620,011	156,890	289,510	0	0	0	0	0	110,905	0	1,177,316
Bull Creek Village	12,812	0	0	0	0	0	0	0	21,685	0	34,497
Bunceton	8,905	0	0	0	0	0	0	0	12,730	0	21,635
Bunker	46,224	0	0	0	0	0	0	0	14,636	0	60,860
Burgess	0	0	0	0	0	0	0	0	2,050	0	2,050
Burlington Junction	0	0	0	0	0	0	0	0	19,311	0	19,311
Butler	676,287	380,117	338,144	0	0	0	0	0	151,721	0	1,546,269
Butterfield	3,169	0	0	0	0	0	0	0	16,902	0	20,071
Byrnes Mill	179,681	0	0	0	0	0	0	0	100,008	0	279,689
Cabool	300,769	150,355	0	0	0	0	0	0	77,173	0	528,297
Cainsville	0	0	2,589	0	0	0	0	0	10,429	0	13,018
Cairo	0	0	0	0	0	0	0	0	10,501	0	10,501
Caledonia	20,746	0	0	0	0	0	0	0	4,675	0	25,421
Calhoun	20,098	7,912	7,896	0	0	0	0	0	16,866	0	52,772
California	492,485	224,113	0	0	0	0	0	0	153,842	0	870,440
Callao	7,535	0	0	0	0	0	0	0	10,501	0	18,036
Calverton Park	0	0	0	0	0	0	0	0	46,498	77,733	124,231
Camden	0	0	0	0	0	0	0	0	6,869	0	6,869
Camden Point	0	0	0	0	0	0	0	0	17,046	0	17,046
Camdenton	1,439,036	719,479	705,189	0	0	0	0	0	133,704	0	2,997,408
Cameron	1,234,950	918,314	601,675	0	0	0	0	0	357,203	0	3,112,142
Campbell	147,351	0	0	0	0	0	0	0	71,635	0	218,986
Canalou	0	0	0	0	0	0	0	0	12,155	0	12,155
Canton	210,088	78,783	52,395	0	0	0	0	0	85,480	0	426,746
Cape Girardeau	9,703,125	12,044,891	4,694,633	0	0	0	0	0	1,364,407	0	27,807,056

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Cardwell	16,691	0	0	0	0	0	0	0	25,640	0	42,331
Carl Junction	291,459	173,834	109,196	0	0	0	0	0	267,732	0	842,221
Carrollton	488,419	0	139,651	0	0	0	0	0	136,077	0	764,147
Cartersville	76,178	38,089	29,421	17,903	0	0	0	0	68,003	0	229,594
Carthage	2,068,615	1,839,702	982,130	0	0	0	0	0	517,051	0	5,407,498
Caruthersville	518,050	259,014	0	0	0	0	0	0	221,809	0	998,873
Carytown	0	0	0	0	0	0	0	0	9,745	0	9,745
Cassville	809,648	809,644	0	0	0	0	0	0	117,450	0	1,736,742
Catron	0	0	0	0	0	0	0	0	2,409	0	2,409
Cedar Hill Lakes	0	0	0	0	0	0	0	0	8,523	0	8,523
Center	45,958	0	15,244	0	0	0	0	0	18,268	0	79,470
Centertown	20,549	0	0	0	0	0	0	0	9,997	0	30,546
Centerview	0	0	0	0	0	0	0	0	9,602	0	9,602
Centerville	4,240	0	0	0	0	0	0	0	6,869	0	11,109
Centralia	378,327	189,164	189,164	0	0	0	0	0	144,816	0	901,471
Chaffee	198,176	142,164	0	0	0	0	0	0	106,266	0	446,606
Chain of Rocks	0	0	0	0	0	0	0	0	3,344	0	3,344
Chain-O-Lakes	0	0	0	0	0	0	0	0	4,531	0	4,531
Chamois	23,518	0	0	0	0	0	0	0	14,241	0	37,759
Champ	0	0	0	0	0	0	0	0	467	0	467
Charlack	0	0	0	0	0	0	0	0	49,015	81,941	130,956
Charleston	549,480	0	259,158	0	0	0	0	0	213,862	0	1,022,500
Chesterfield	0	6,109,090	0	0	0	0	0	0	1,707,586	5,192,934	13,009,610
Chilhowee	12,009	0	0	0	0	0	0	0	11,687	0	23,696
Chillicothe	1,778,910	1,267,019	844,707	0	0	0	0	0	342,172	0	4,232,808
Chula	0	0	0	0	0	0	0	0	7,552	0	7,552
Clarence	70,867	0	0	0	0	0	0	0	29,236	0	100,103
Clark	6,219	3,109	3,109	0	0	0	0	0	10,716	0	23,153
Clarksburg	6,629	0	0	0	0	0	0	0	12,011	0	18,640
Clarksdale	0	0	0	0	0	0	0	0	9,745	0	9,745
Clarkson Valley	0	0	0	0	0	0	0	0	94,650	0	94,650
Clarksville	32,682	0	0	0	0	0	0	0	15,895	0	48,577
Clarkton	64,663	0	0	0	0	0	0	0	46,318	0	110,981
Claycomo	362,077	60,724	0	0	0	0	0	0	51,425	0	474,226
Clayton	0	1,370,139	0	0	0	0	0	0	573,187	1,164,618	3,107,944
Clearmont	0	0	0	0	0	0	0	0	6,113	0	6,113
Cleveland	77,729	0	0	0	0	0	0	0	23,770	0	101,499
Clever	136,675	68,337	0	0	0	0	0	0	76,921	0	281,933
Cliff Village	0	0	0	0	0	0	0	0	1,438	0	1,438
Clifton Hill	0	0	0	0	0	0	0	0	4,100	0	4,100
Climax Springs	6,035	0	0	0	0	0	0	0	4,459	0	10,494
Clinton	1,707,193	1,660,859	403,628	281,240	0	0	0	0	323,939	0	4,376,859
Clyde	0	0	0	0	0	0	0	0	2,949	0	2,949
Cobalt City	0	0	0	0	0	0	0	0	8,127	0	8,127
Coffey	0	0	0	0	0	0	0	0	5,969	0	5,969
Cole Camp	134,280	0	56,890	22,733	0	0	0	0	40,313	0	254,216
Collins	36,761	21,002	0	3,702	0	0	0	0	5,718	0	67,183
Columbia	22,160,128	10,579,848	10,581,929	0	0	0	0	0	3,901,800	0	47,223,705

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Commerce	0	0	0	0	0	0	0	0	2,409	0	2,409
Conception Junction	0	0	0	0	0	0	0	0	7,120	0	7,120
Concordia	295,566	221,430	68,769	0	0	0	0	0	88,105	0	673,870
Coney Island	0	0	0	0	0	0	0	0	2,697	0	2,697
Conway	86,125	43,063	0	0	0	0	0	0	28,337	0	157,525
Cool Valley	0	0	0	0	0	0	0	0	43,010	76,204	119,214
Cooter	0	0	0	0	0	0	0	0	16,866	0	16,866
Corder	7,760	3,880	0	17,979	0	0	0	0	14,528	0	44,147
Corning	0	0	0	0	0	0	0	0	539	0	539
Cosby	0	0	0	0	0	0	0	0	4,459	0	4,459
Cottleville	635,762	317,881	0	0	0	0	0	0	110,581	0	1,064,224
Country Club Village	49,697	52,328	0	0	0	0	0	0	88,069	0	190,094
Country Club Hills	0	0	0	0	0	0	0	0	45,815	79,995	125,810
Country Life Acres	0	0	0	0	0	0	0	0	2,661	0	2,661
Cowgill	0	0	0	0	0	0	0	0	6,761	0	6,761
Craig	16,780	0	0	0	0	0	0	0	8,918	0	25,698
Crane	119,406	0	54,669	25,364	0	0	0	0	52,575	0	252,014
Creighton	12,346	0	0	0	0	0	0	0	12,550	0	24,896
Crestwood	0	1,809,077	0	0	0	0	0	0	428,371	1,031,552	3,269,000
Creve Coeur	0	0	0	0	0	0	0	0	641,298	1,872,569	2,513,867
Crocker	104,524	0	45,294	0	0	0	0	0	39,917	0	189,735
Cross Timbers	0	0	0	0	0	0	0	0	7,768	0	7,768
Crystal City	777,768	572,146	0	0	0	0	0	0	174,592	0	1,524,506
Crystal Lake Park	0	0	0	0	0	0	0	0	16,902	28,255	45,157
Crystal Lakes	6,897	0	0	0	0	0	0	0	12,874	0	19,771
Cuba	683,304	341,411	341,652	0	0	0	0	0	120,686	0	1,487,053
Curryville	5,864	0	0	0	0	0	0	0	8,091	0	13,955
Dadeville	0	0	0	0	0	0	0	0	8,415	0	8,415
Dalton	0	0	0	0	0	0	0	0	611	0	611
Dardenne Prairie	1,009,223	504,611	0	0	0	0	0	0	413,339	0	1,927,173
Darlington	0	0	0	0	0	0	0	0	4,351	0	4,351
Dearborn	52,896	0	0	0	0	0	0	0	17,837	0	70,733
Deepwater	8,029	4,014	4,014	0	0	0	0	0	15,571	0	31,628
Deerfield	0	0	0	0	0	0	0	0	2,913	0	2,913
DeKalb	0	0	0	0	0	0	0	0	7,911	0	7,911
Dellwood	0	160,226	0	0	0	0	0	0	180,705	311,553	652,484
Delta	25,321	10,626	0	0	0	0	0	0	15,751	0	51,698
Dennis Acres	0	0	0	0	0	0	0	0	2,733	0	2,733
Denver	0	0	0	0	0	0	0	0	1,402	0	1,402
Des Arc	0	0	0	0	0	0	0	0	6,365	0	6,365
Desloge	1,078,280	999,493	499,747	0	0	0	0	0	181,748	0	2,759,268
De Soto	1,154,002	549,504	0	0	0	0	0	0	230,152	0	1,933,658
Des Peres	0	4,509,544	0	564,610	0	0	0	0	301,104	2,619,829	7,995,087
De Witt	0	0	0	0	0	0	0	0	4,459	0	4,459
Dexter	1,411,019	1,536,439	0	0	0	0	0	0	282,800	0	3,230,258
Diamond	125,549	39,235	39,261	0	0	0	0	0	32,437	0	236,482
Diehlstadt	0	0	0	0	0	0	0	0	5,790	0	5,790
Diggins	5,040	0	1,985	0	0	0	0	0	10,752	0	17,777

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Dixon	183,174	0	81,423	0	0	0	0	0	55,704	0	320,301
Doniphan	516,062	0	243,733	0	0	0	0	0	71,815	0	831,610
Doolittle	59,872	0	0	0	0	0	0	0	22,656	0	82,528
Dover	0	0	0	0	0	0	0	0	3,704	0	3,704
Downing	0	0	0	0	0	0	0	0	12,047	0	12,047
Drexel	91,637	48,308	0	0	0	0	0	0	34,703	0	174,648
Dudley	41,566	0	0	0	0	0	0	0	8,343	0	49,909
Duenweg	122,756	89,517	0	0	0	0	0	0	40,313	0	252,586
Duquesne	305,288	81,058	0	0	0	0	0	0	63,400	0	449,746
Dutchtown	3,065	0	0	0	0	0	0	0	3,380	0	6,445
Eagleville	129,877	81,170	32,469	0	0	0	0	0	11,364	0	254,880
East Lynne	14,375	7,188	0	0	0	0	0	0	10,896	0	32,459
Easton	10,311	0	0	0	0	0	0	0	8,415	0	18,726
East Prairie	265,614	234,727	117,407	0	0	0	0	0	114,213	0	731,961
Edgar Springs	22,381	0	0	0	0	0	0	0	7,480	0	29,861
Edgerton	19,777	0	0	0	0	0	0	0	19,635	0	39,412
Edina	132,425	0	0	0	0	0	0	0	42,290	0	174,715
Edmundson	0	340,752	0	10,717	0	0	0	0	29,992	144,820	526,281
Eldon	832,585	767,847	307,154	0	0	0	0	0	164,235	0	2,071,821
El Dorado Springs	380,471	380,468	0	0	0	0	0	0	129,209	0	890,148
Ellington	281,074	134,382	0	0	0	0	0	0	35,494	0	450,950
Ellisville	0	1,354,942	0	0	0	0	0	0	328,434	1,148,206	2,831,582
Ellsinore	87,813	42,606	0	0	0	0	0	0	16,039	0	146,458
Elmer	0	0	0	0	0	0	0	0	2,877	0	2,877
Elmira	0	0	0	0	0	0	0	0	1,798	0	1,798
Elmo	0	0	0	0	0	0	0	0	6,041	0	6,041
Elsberry	146,020	0	64,571	24,480	0	0	0	0	69,549	0	304,620
Emerald Beach	0	0	0	0	0	0	0	0	8,199	0	8,199
Eminence	84,367	39,996	39,997	0	0	0	0	0	21,577	0	185,937
Emma	9,315	0	0	0	0	0	0	0	8,379	0	17,694
Eolia	37,044	0	0	0	0	0	0	0	18,772	0	55,816
Essex	12,505	0	0	4,501	0	0	0	0	16,974	0	33,980
Ethel	0	0	0	0	0	0	0	0	2,230	0	2,230
Eureka	0	1,183,050	0	0	0	0	0	0	366,409	1,006,286	2,555,745
Everton	22,781	0	0	0	0	0	0	0	11,472	0	34,253
Ewing	21,036	5,203	0	0	0	0	0	0	16,398	0	42,637
Excelsior Estates	0	0	0	0	0	0	0	0	5,286	0	5,286
Excelsior Springs	1,565,093	1,525,250	742,729	509,564	0	0	0	0	398,595	0	4,741,231
Exeter	19,639	0	0	0	0	0	0	0	27,762	0	47,401
Fairfax	33,488	0	0	5,363	0	0	0	0	22,943	0	61,794
Fair Grove	131,547	98,655	65,773	0	0	0	0	0	50,094	0	346,069
Fair Play	25,822	13,665	12,156	0	0	0	0	0	17,082	0	68,725
Fairview	9,580	0	0	0	0	0	0	0	13,773	0	23,353
Farber	6,784	0	0	0	0	0	0	0	11,579	0	18,363
Farley	0	0	0	0	0	0	0	0	9,673	0	9,673
Farmington	3,243,120	2,693,098	445,121	0	0	0	0	0	584,011	0	6,965,350
Fayette	210,676	23,564	0	0	0	0	0	0	96,664	0	330,904
Fenton	0	3,669,500	0	0	0	0	0	0	144,636	0	3,814,136

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Ferguson	0	2,057,681	0	0	0	0	0	0	762,487	1,176,336	3,996,504
Ferrelview	13,134	0	0	0	0	0	0	0	16,218	0	29,352
Festus	2,856,116	1,375,423	1,375,693	0	0	0	0	0	417,223	0	6,024,455
Fidelity	0	0	0	0	0	0	0	0	9,242	0	9,242
Fillmore	0	0	0	0	0	0	0	0	6,617	0	6,617
Fisk	27,265	11,558	0	0	0	0	0	0	12,299	0	51,122
Fleming	0	0	0	0	0	0	0	0	4,603	0	4,603
Flemington	0	0	0	0	0	0	0	0	5,322	0	5,322
Flint Hill	57,118	0	0	0	0	0	0	0	18,880	0	75,998
Flordell Hills	0	0	0	10,202	0	0	0	0	29,560	49,417	89,179
Florissant	0	3,199,714	0	0	0	0	0	0	1,977,305	3,274,005	8,451,024
Foley	3,659	0	0	0	0	0	0	0	5,790	0	9,449
Fordland	26,219	0	0	0	0	0	0	0	28,769	0	54,988
Forest City	7,394	0	0	0	0	0	0	0	9,638	0	17,032
Foristell	295,718	99,459	0	32,440	0	0	0	0	18,160	0	445,777
Forsyth	321,377	307,741	0	0	0	0	0	0	81,093	0	710,211
Fortescue	0	0	0	0	0	0	0	0	1,151	0	1,151
Foster	0	0	0	0	0	0	0	0	4,207	0	4,207
Fountain N' Lakes	0	0	0	0	0	0	0	0	5,934	0	5,934
Frankford	8,525	0	0	0	0	0	0	0	11,615	0	20,140
Franklin	691	346	345	0	0	0	0	0	3,416	0	4,798
Fredericktown	831,840	0	307,027	0	0	0	0	0	143,306	0	1,282,173
Freeburg	117,402	0	0	0	0	0	0	0	15,715	0	133,117
Freeman	36,090	0	0	0	0	0	0	0	17,333	0	53,423
Freistatt	0	0	0	0	0	0	0	0	5,862	0	5,862
Fremont Hills	26,867	0	0	10,708	0	0	0	0	29,704	0	67,279
Frohna	0	0	0	0	0	0	0	0	9,134	0	9,134
Frontenac	0	1,467,659	0	0	0	0	0	0	125,217	831,673	2,424,549
Fulton	1,472,847	736,424	736,423	0	0	0	0	0	459,945	0	3,405,639
Gainesville	181,102	90,548	0	0	0	0	0	0	27,798	0	299,448
Galena	16,328	0	5,084	0	0	0	0	0	15,823	0	37,235
Gallatin	126,278	0	72,015	31,778	0	0	0	0	64,227	0	294,298
Galt	0	0	0	0	0	0	0	0	9,098	0	9,098
Garden City	101,342	43,560	43,577	0	0	0	0	0	59,048	0	247,527
Gasconade	2,955	0	0	0	0	0	0	0	8,019	0	10,974
Gentry	0	0	0	0	0	0	0	0	2,589	0	2,589
Gerald	118,054	0	51,740	0	0	0	0	0	48,368	0	218,162
Gerster	463	0	0	0	0	0	0	0	899	0	1,362
Gibbs	0	0	0	0	0	0	0	0	3,848	0	3,848
Gideon	38,085	0	0	0	0	0	0	0	39,306	0	77,391
Gilliam	3,172	397	0	0	0	0	0	0	7,084	0	10,653
Gilman City	16,320	0	8,125	0	0	0	0	0	13,773	0	38,218
Ginger Blue	2,098	0	0	0	0	0	0	0	0	0	2,098
Gladstone	3,228,552	3,009,346	1,505,751	759,985	0	0	0	0	913,776	0	9,417,410
Glasgow	107,997	26,989	48,653	0	0	0	0	0	39,665	0	223,304
Glenaire	0	0	0	0	0	0	0	0	19,599	0	19,599
Glenallen	0	0	0	0	0	0	0	0	3,057	0	3,057
Glendale	0	134,238	0	73,538	0	0	0	0	213,071	356,199	777,046

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Glen Echo Park	0	0	0	0	0	0	0	0	5,754	0	5,754
Glenwood	0	0	0	0	0	0	0	0	7,048	0	7,048
Golden City	36,882	21,075	21,075	0	0	0	0	0	27,510	0	106,542
Goodman	68,017	0	0	0	0	0	0	0	44,880	0	112,897
Gordonville	0	0	0	0	0	0	0	0	14,061	0	14,061
Gower	75,285	18,822	0	23,143	0	0	0	0	54,877	0	172,127
Graham	0	0	0	0	0	0	0	0	6,149	0	6,149
Grain Valley	734,149	612,595	306,846	0	0	0	0	0	462,246	0	2,115,836
Granby	195,643	36,671	0	0	0	0	0	0	76,741	0	309,055
Grand Falls Plaza	0	0	0	0	0	0	0	0	4,100	0	4,100
Grandin	11,139	0	0	0	0	0	0	0	8,739	0	19,878
Grand Pass	0	0	0	0	0	0	0	0	2,373	0	2,373
Grandview	2,524,247	2,418,582	1,156,473	0	0	0	0	0	880,153	0	6,979,455
Granger	0	0	0	0	0	0	0	0	1,223	0	1,223
Grant City	154,671	0	0	0	0	0	0	0	30,891	0	185,562
Grantwood	0	30,231	0	10,711	0	0	0	0	31,035	51,882	123,859
Gravois Mills	20,793	10,256	0	0	0	0	0	0	5,178	0	36,227
Green Castle	0	0	3,037	0	0	0	0	0	9,889	0	12,926
Green City	36,748	18,374	0	0	0	0	0	0	23,626	0	78,748
Greendale	0	5,859	0	0	0	0	0	0	23,411	39,137	68,407
Greenfield	125,911	35,974	0	0	0	0	0	0	49,303	0	211,188
Green Park	0	0	0	0	0	0	0	0	94,290	410,334	504,624
Green Ridge	31,817	0	0	0	0	0	0	0	17,117	0	48,934
Greentop	22,714	0	9,593	0	0	0	0	0	15,895	0	48,202
Greenville	48,464	44,896	0	0	0	0	0	0	18,376	0	111,736
Greenwood	205,458	78,781	78,781	0	0	0	0	0	187,754	0	550,774
Guilford	0	0	0	0	0	0	0	0	3,057	0	3,057
Gunn City	0	0	0	0	0	0	0	0	4,243	0	4,243
Hale	26,330	13,165	13,165	0	0	0	0	0	15,068	0	67,728
Half Way	8,834	0	0	0	0	0	0	0	6,221	0	15,055
Hallsville	74,933	0	0	0	0	0	0	0	53,618	0	128,551
Halltown	0	0	0	0	0	0	0	0	6,221	0	6,221
Hamilton	118,633	58,537	59,317	0	0	0	0	0	65,054	0	301,541
Hanley Hills	0	0	0	0	0	0	0	0	75,555	126,308	201,863
Hannibal	2,748,870	3,435,860	0	0	0	0	0	0	644,282	0	6,829,012
Hardin	20,653	0	0	0	0	0	0	0	20,462	0	41,115
Harris	0	0	0	0	0	0	0	0	2,194	0	2,194
Harrisburg	17,359	0	0	0	0	0	0	0	9,566	0	26,925
Harrisonville	2,006,380	1,677,257	0	0	0	0	0	0	360,296	0	4,043,933
Hartsburg	4,505	0	0	0	0	0	0	0	3,704	0	8,209
Hartville	66,597	33,299	0	0	0	0	0	0	22,044	0	121,940
Harwood	0	0	0	0	0	0	0	0	1,690	0	1,690
Hawk Point	45,562	0	0	0	0	0	0	0	24,058	0	69,620
Hayti	369,070	270,364	171,659	0	0	0	0	0	105,690	0	916,783
Hayti Heights	10,791	2,903	0	0	0	0	0	0	22,512	0	36,206
Haywood City	0	0	0	0	0	0	0	0	7,408	0	7,408
Hazelwood	0	4,545,836	0	1,322,953	0	0	0	0	924,313	2,082,037	8,875,139
Henrietta	34,915	0	0	0	0	0	0	0	13,270	0	48,185

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Herculaneum	530,998	530,999	265,428	0	0	0	0	0	124,714	0	1,452,139
Hermann	531,965	256,452	256,566	0	0	0	0	0	87,422	0	1,132,405
Hermitage	124,009	60,512	0	9,257	0	0	0	0	16,794	0	210,572
Higbee	20,549	0	10,274	0	0	0	0	0	20,426	0	51,249
Higginsville	544,659	391,002	255,068	0	0	0	0	0	172,506	0	1,363,235
High Hill	8,505	0	0	0	0	0	0	0	7,012	0	15,517
Highlandville	41,783	0	20,855	0	0	0	0	0	32,761	0	95,399
Hillsboro	300,151	112,556	0	0	0	0	0	0	101,447	0	514,154
Hillsdale	0	0	0	0	0	0	0	0	53,151	88,854	142,005
Hoberg	0	0	0	0	0	0	0	0	2,014	0	2,014
Holcomb	39,828	0	0	0	0	0	0	0	22,835	0	62,663
Holden	244,116	0	110,006	32,998	0	0	0	0	80,985	0	468,105
Holland	0	0	0	0	0	0	0	0	8,235	0	8,235
Holliday	0	0	0	0	0	0	0	0	4,927	0	4,927
Hollister	927,331	463,666	450,030	0	0	0	0	0	159,165	0	2,000,192
Holt	44,551	42,570	20,294	0	0	0	0	0	16,075	0	123,490
Holts Summit	625,835	149,294	149,294	120,407	0	0	0	0	116,766	0	1,161,596
Homestead	0	0	0	0	0	0	0	0	6,653	0	6,653
Homestown	1,662	0	0	0	0	0	0	0	5,430	0	7,092
Hopkins	25,924	0	0	0	0	0	0	0	19,131	0	45,055
Hornersville	21,099	0	0	0	0	0	0	0	23,842	0	44,941
Houston	655,495	236,844	157,896	0	0	0	0	0	74,835	0	1,125,070
Houston Lake	0	0	0	0	0	0	0	0	8,451	0	8,451
Houstonia	0	0	0	0	0	0	0	0	7,911	0	7,911
Howardville	3,258	0	0	495	0	0	0	0	13,773	0	17,526
Hughesville	0	0	0	0	0	0	0	0	6,581	0	6,581
Humansville	41,593	11,870	28,078	0	0	0	0	0	37,687	0	119,228
Hume	14,397	2,094	0	0	0	0	0	0	12,083	0	28,574
Humphreys	0	0	0	0	0	0	0	0	4,243	0	4,243
Hunnewell	3,397	0	0	0	0	0	0	0	6,617	0	10,014
Huntleigh	0	0	0	0	0	0	0	0	12,011	0	12,011
Huntsdale	0	288	0	0	0	0	0	0	1,115	0	1,403
Huntsville	58,411	0	29,206	0	0	0	0	0	56,243	0	143,860
Hurdland	0	0	0	0	0	0	0	0	5,862	0	5,862
Hurley	2,658	0	0	0	0	0	0	0	6,401	0	9,059
Iatan	0	0	0	0	0	0	0	0	1,618	0	1,618
Iberia	96,418	45,642	44,947	0	0	0	0	0	26,467	0	213,474
Independence	17,397,031	12,426,587	8,199,653	0	0	0	0	0	4,201,357	0	42,224,628
Indian Point	198,547	99,273	0	0	0	0	0	0	18,987	0	316,807
Innsbrook	30,861	0	0	0	0	0	0	0	19,851	0	50,712
Ionia	0	0	0	0	0	0	0	0	3,164	0	3,164
Irondale	13,534	0	0	0	0	0	0	0	16,003	0	29,537
Iron Mountain Lake	16,897	0	0	0	0	0	0	0	26,503	0	43,400
Ironton	221,552	103,429	103,429	0	0	0	0	0	52,503	0	480,913
Jackson	2,085,673	531,217	982,923	0	0	0	0	0	494,755	0	4,094,568
Jacksonville	0	0	0	0	0	0	0	0	5,430	0	5,430
Jameson	0	0	0	0	0	0	0	0	4,783	0	4,783
Jamesport	47,748	23,854	0	0	0	0	0	0	18,844	0	90,446

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Jamestown	0	0	0	0	0	0	0	0	13,881	0	13,881
Jane	12,972	0	0	0	0	0	0	0	0	0	12,972
Jasper	100,471	50,236	45,120	0	0	0	0	0	33,480	0	229,307
Jefferson City	9,604,992	9,270,463	5	0	0	0	0	0	1,549,176	0	20,424,636
Jennings	0	776,997	0	0	0	0	0	0	529,062	971,369	2,277,428
Jerico Springs	0	0	0	0	0	0	0	0	8,199	0	8,199
Jonesburg	66,244	30,007	0	0	0	0	0	0	27,618	0	123,869
Joplin	18,765,501	7,810,474	6,259,214	0	0	0	0	0	1,814,471	0	34,649,660
Josephville	11,867	0	0	0	0	0	0	0	13,521	0	25,388
Junction City	0	0	0	0	0	0	0	0	11,759	0	11,759
Kahoka	246,106	0	0	0	0	0	0	0	74,727	0	320,833
Kansas City	68,795,873	44,356,449	59,960,074	33,365,944	0	0	0	0	16,534,533	0	223,012,873
Kearney	998,935	453,120	457,975	0	0	0	0	0	301,392	0	2,211,422
Kelso	123,489	0	0	0	0	0	0	0	21,073	0	144,562
Kennett	1,919,512	365,154	229,549	0	0	0	0	0	393,129	0	2,907,344
Keytesville	25,870	0	0	0	0	0	0	0	16,938	0	42,808
Kidder	0	6,005	0	0	0	0	0	0	11,615	0	17,620
Kimberling City	304,769	285,212	0	60,282	0	0	0	0	86,307	0	736,570
Kimmswick	48,928	0	24,465	0	0	0	0	0	5,646	0	79,039
King City	104,885	52,421	0	0	0	0	0	0	36,429	0	193,735
Kingdom City	265,509	132,755	132,754	0	0	0	0	0	4,603	0	535,621
Kingston	0	0	0	0	0	0	0	0	12,514	0	12,514
Kingsville	0	0	0	0	0	0	0	0	9,673	0	9,673
Kinloch	0	1,372	0	0	0	0	0	0	10,716	17,919	30,007
Kirbyville	13,582	0	0	0	0	0	0	0	7,444	0	21,026
Kirksville	2,558,492	1,831,003	1,220,686	117,307	0	0	0	0	629,502	0	6,356,990
Kirkwood	0	2,410,111	0	341,812	0	0	0	0	990,374	2,058,071	5,800,368
Knob Noster	195,040	87,936	87,937	66,551	0	0	0	0	97,419	0	534,883
Knox City	0	0	0	0	0	0	0	0	7,768	0	7,768
Koshkonong	40,134	0	0	0	0	0	0	0	7,624	0	47,758
La Belle	32,999	0	0	0	0	0	0	0	23,734	0	56,733
Laclede	0	9,079	9,078	0	0	0	0	0	12,407	0	30,564
Laddonia	48,412	24,347	24,348	0	0	0	0	0	18,448	0	115,555
Ladue	0	914,681	0	0	0	0	0	0	306,426	777,479	1,998,586
La Grange	36,658	0	0	0	0	0	0	0	33,480	0	70,138
Lake Annette	0	0	0	0	0	0	0	0	3,596	0	3,596
Lake Lafayette	0	0	0	0	0	0	0	0	11,759	0	11,759
Lake Lotawana	175,100	21,889	18,942	0	0	0	0	0	69,729	0	285,660
Lake Mykee	0	0	0	0	0	0	0	0	12,586	0	12,586
Lake Ozark	1,313,094	447,317	430,264	0	0	0	0	0	57,035	0	2,247,710
Lake St. Louis	2,712,120	0	1,356,060	0	0	0	0	0	523,057	0	4,591,237
Lakeshire	0	0	0	0	0	0	0	0	51,497	86,089	137,586
Lakeside	0	0	0	0	0	0	0	0	0	0	0
Lake Tapawingo	0	0	0	0	0	0	0	0	26,252	0	26,252
Lake Tekakwitha	0	0	0	0	0	0	0	0	7,553	0	7,553
Lake Waukomis	0	0	0	0	0	0	0	0	31,286	0	31,286
Lake Winnebago	0	17,618	0	0	0	0	0	0	40,672	0	58,290
Lamar	650,594	325,297	325,297	0	0	0	0	0	162,977	0	1,464,165

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Lamar Heights	81,188	0	0	0	0	0	0	0	6,401	0	87,589
La Monte	83,330	0	0	0	0	0	0	0	40,996	0	124,326
Lanagan	6,244	0	0	0	0	0	0	0	15,068	0	21,312
Lancaster	67,119	0	0	0	0	0	0	0	26,180	0	93,299
La Plata	96,163	42,280	0	0	0	0	0	0	49,123	0	187,566
Laredo	0	0	0	0	0	0	0	0	7,120	0	7,120
La Russell	0	0	0	0	0	0	0	0	4,099	0	4,099
Lathrop	129,384	64,692	0	0	0	0	0	0	75,015	0	269,091
Laurie	405,168	202,584	198,477	0	0	0	0	0	33,983	0	840,212
Lawson	171,547	158,993	0	0	0	0	0	0	88,932	0	419,472
Leadington	155,277	155,277	77,638	28,759	0	0	0	0	15,176	0	432,127
Leadwood	58,657	0	0	0	0	0	0	0	46,102	0	104,759
Leasburg	0	0	0	0	0	0	0	0	12,155	0	12,155
Leawood	0	0	0	0	0	0	0	0	24,526	0	24,526
Lebanon	3,126,059	1,507,823	1,508,355	0	0	0	0	0	520,504	0	6,662,741
Lee's Summit	13,161,342	9,673,375	6,188,721	0	0	0	0	0	3,285,567	0	32,309,005
Leeton	28,905	14,453	0	0	0	0	0	0	20,354	0	63,712
Leonard	0	0	0	0	0	0	0	0	2,194	0	2,194
Leslie	0	0	0	0	0	0	0	0	6,149	0	6,149
Levasy	1,551	0	0	0	0	0	0	0	2,985	0	4,536
Lewis and Clark Village	0	0	0	0	0	0	0	0	4,747	0	4,747
Lewistown	48,988	0	0	0	0	0	0	0	19,203	0	68,191
Lexington	322,746	301,861	140,288	0	0	0	0	0	169,953	0	934,848
Liberal	34,190	0	0	0	0	0	0	0	27,295	0	61,485
Liberty	3,903,264	3,644,054	1,820,935	0	0	0	0	0	1,048,236	0	10,416,489
Licking	242,148	241,845	0	0	0	0	0	0	112,343	0	596,336
Lilbourn	63,084	0	0	14,522	0	0	0	0	42,794	0	120,400
Lincoln	87,976	39,633	0	15,887	0	0	0	0	42,794	0	186,290
Linn	229,663	0	0	0	0	0	0	0	52,467	0	282,130
Linn Creek	124,000	103,065	40,609	34,752	0	0	0	0	8,774	0	311,200
Linneus	0	0	0	0	0	0	0	0	9,997	0	9,997
Livonia	0	0	0	0	0	0	0	0	2,661	0	2,661
Lock Springs	0	0	0	0	0	0	0	0	2,050	0	2,050
Lockwood	79,242	0	0	9,147	0	0	0	0	33,660	0	122,049
Lohman	0	0	0	0	0	0	0	0	5,862	0	5,862
Loma Linda	27,464	0	0	0	0	0	0	0	26,072	0	53,536
Lone Jack	65,717	59,665	0	0	0	0	0	0	37,759	0	163,141
Longtown	0	0	0	0	0	0	0	0	3,668	0	3,668
Louisburg	0	0	0	0	0	0	0	0	4,387	0	4,387
Louisiana	558,797	0	0	95,801	0	0	0	0	120,974	0	775,572
Lowry City	105,568	12,032	0	10,455	0	0	0	0	23,015	0	151,070
Lucerne	0	0	0	0	0	0	0	0	3,057	0	3,057
Ludlow	0	0	0	0	0	0	0	0	4,927	0	4,927
Lupus	0	0	0	0	0	0	0	0	1,187	0	1,187
Luray	0	0	0	0	0	0	0	0	3,560	0	3,560
MacKenzie	0	0	0	0	0	0	0	0	4,819	0	4,819
Macks Creek	4,158	0	0	0	0	0	0	0	2,264	0	6,422
Macon	888,894	444,256	0	0	0	0	0	0	196,744	0	1,529,894

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Madison	24,134	0	0	0	0	0	0	0	19,922	0	44,056
Maitland	12,982	0	0	0	0	0	0	0	12,335	0	25,317
Malden	602,713	372,252	0	0	0	0	0	0	153,734	0	1,128,699
Malta Bend	23,480	0	0	0	0	0	0	0	8,990	0	32,470
Manchester	0	1,991,586	0	0	0	0	0	0	650,684	1,775,190	4,417,460
Mansfield	123,046	70,313	0	0	0	0	0	0	46,606	0	239,965
Maplewood	0	2,255,967	0	120,779	0	0	0	0	289,344	1,294,529	3,960,619
Marble Hill	266,986	260,974	0	0	0	0	0	0	53,115	0	581,075
Marceline	214,915	0	95,153	0	0	0	0	0	80,302	0	390,370
Marionville	224,780	74,927	74,927	0	0	0	0	0	80,014	0	454,648
Marlborough	0	112,044	0	0	0	0	0	0	78,360	95,237	285,641
Marquand	11,513	0	0	0	0	0	0	0	7,300	0	18,813
Marshall	1,557,983	779,042	0	0	0	0	0	0	469,834	0	2,806,859
Marshfield	1,195,341	597,599	564,550	0	0	0	0	0	238,531	0	2,596,021
Marston	69,892	104,837	0	63,609	0	0	0	0	18,088	0	256,426
Marthasville	0	100,529	50,264	25,871	0	0	0	0	40,852	0	217,516
Martinsburg	36,276	0	0	0	0	0	0	0	10,932	0	47,208
Maryland Heights	0	3,721,341	0	0	0	0	0	0	987,928	0	4,709,269
Maryville	1,789,804	2,177,789	0	0	0	0	0	0	430,528	0	4,398,121
Matthews	360,211	91,436	0	0	0	0	0	0	22,584	0	474,231
Maysville	77,495	19,347	38,696	0	0	0	0	0	40,061	0	175,599
Mayview	0	0	0	0	0	0	0	0	7,624	0	7,624
McBaine	0	0	0	0	0	0	0	0	360	0	360
McCord Bend	0	0	0	0	0	0	0	0	10,680	0	10,680
McFall	0	0	0	0	0	0	0	0	3,344	0	3,344
McKittrick	0	0	0	0	0	0	0	0	2,194	0	2,194
Meadville	0	0	0	0	0	0	0	0	16,614	0	16,614
Memphis	299,630	0	0	0	0	0	0	0	65,521	0	365,151
Mendon	0	0	0	0	0	0	0	0	6,149	0	6,149
Mercer	0	0	0	0	0	0	0	0	11,436	0	11,436
Merriam Woods	23,413	0	11,706	0	0	0	0	0	63,328	0	98,447
Merwin	0	0	0	0	0	0	0	0	2,086	0	2,086
Meta	25,887	0	0	0	0	0	0	0	8,235	0	34,122
Metz	0	0	0	0	0	0	0	0	1,762	0	1,762
Mexico	1,639,358	1,014,769	0	0	0	0	0	0	415,101	0	3,069,228
Miami	0	0	0	0	0	0	0	0	6,293	0	6,293
Middletown	15,388	0	0	0	0	0	0	0	6,005	0	21,393
Milan	195,808	0	0	0	0	0	0	0	70,484	0	266,292
Milford	0	0	0	0	0	0	0	0	935	0	935
Millard	0	0	0	0	0	0	0	0	3,200	0	3,200
Miller	82,160	12,107	24,215	0	0	0	0	0	25,137	0	143,619
Mill Spring	3,699	0	0	0	0	0	0	0	6,797	0	10,496
Milo	0	0	0	0	0	0	0	0	3,236	0	3,236
Mindenmines	0	0	0	0	0	0	0	0	13,126	0	13,126
Miner	524,066	515,954	0	39,217	0	0	0	0	35,386	0	1,114,623
Mineral Point	0	0	0	0	0	0	0	0	12,622	0	12,622
Miramiquoa Park	0	0	0	0	0	0	0	0	4,315	0	4,315
Missouri City	0	0	0	0	0	0	0	0	9,602	0	9,602

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Moberly	2,186,579	2,062,184	1,031,688	152,623	0	0	0	0	502,523	0	5,935,597
Mokane	10,137	0	0	0	0	0	0	0	6,653	0	16,790
Moline Acres	0	0	0	0	0	0	0	0	87,817	175,473	263,290
Monett	1,731,867	1,283,486	0	0	0	0	0	0	319,084	0	3,334,437
Monroe City	389,328	142,197	0	0	0	0	0	0	91,018	0	622,543
Montgomery City	309,110	0	142,513	0	0	0	0	0	101,914	0	553,537
Monticello	0	0	0	0	0	0	0	0	3,524	0	3,524
Montrose	24,956	12,478	0	0	0	0	0	0	13,809	0	51,243
Mooresville	0	0	0	0	0	0	0	0	3,272	0	3,272
Morehouse	33,050	0	0	0	0	0	0	0	34,990	0	68,040
Morley	10,070	10,068	0	0	0	0	0	0	25,065	0	45,203
Morrison	4,353	0	0	0	0	0	0	0	4,998	0	9,351
Morrisville	15,117	0	0	0	0	0	0	0	13,953	0	29,070
Mosby	73,145	0	0	0	0	0	0	0	6,833	0	79,978
Moscow Mills	242,878	0	112,865	0	0	0	0	0	90,227	0	445,970
Mound City	83,801	83,736	83,735	0	0	0	0	0	41,679	0	292,951
Mountain Grove	899,162	449,575	432,197	0	0	0	0	0	172,219	0	1,953,153
Mountain View	767,309	0	238,416	0	0	0	0	0	97,779	0	1,103,504
Moundville	0	0	0	0	0	0	0	0	4,459	0	4,459
Mount Leonard	0	0	0	0	0	0	0	0	3,129	0	3,129
Mount Moriah	0	0	0	0	0	0	0	0	3,129	0	3,129
Mount Vernon	525,366	265,944	259,328	0	0	0	0	0	164,523	0	1,215,161
Napoleon	0	0	0	0	0	0	0	0	7,983	0	7,983
Naylor	20,941	8,562	8,562	5,212	0	0	0	0	22,727	0	66,004
Neck City	0	0	0	0	0	0	0	0	6,689	0	6,689
Neelyville	19,837	0	0	0	0	0	0	0	17,369	0	37,206
Nelson	0	0	0	0	0	0	0	0	6,904	0	6,904
Neosho	2,194,226	2,101,322	1,050,659	0	0	0	0	0	425,602	0	5,771,809
Nevada	1,461,320	1,461,114	730,557	0	0	0	0	0	301,571	0	3,954,562
Newark	0	0	0	0	0	0	0	0	3,380	0	3,380
New Bloomfield	21,507	10,754	0	0	0	0	0	0	24,058	0	56,319
Newburg	12,916	4,992	4,992	0	0	0	0	0	16,902	0	39,802
New Cambria	8,406	0	0	792	0	0	0	0	7,012	0	16,210
New Florence	88,318	41,592	41,593	0	0	0	0	0	27,654	0	199,157
New Franklin	48,033	24,016	17,590	0	0	0	0	0	39,162	0	128,801
New Hampton	0	0	0	0	0	0	0	0	10,465	0	10,465
New Haven	219,654	129,754	102,062	0	0	0	0	0	75,123	0	526,593
New London	110,894	0	32,387	0	0	0	0	0	35,026	0	178,307
New Madrid	208,938	207,631	103,161	114,971	0	0	0	0	112,055	0	746,756
New Melle	50,502	25,251	25,251	7,795	0	0	0	0	17,082	0	125,881
Newtonia	0	0	0	0	0	0	0	0	7,156	0	7,156
Newtown	0	0	0	0	0	0	0	0	6,581	0	6,581
Niangua	10,861	0	5,591	0	0	0	0	0	14,564	0	31,016
Nixa	2,057,694	0	1,028,847	0	0	0	0	0	684,056	0	3,770,597
Noel	173,585	98,795	81,273	0	0	0	0	0	65,881	0	419,534
Norborne	31,538	0	15,769	0	0	0	0	0	25,461	0	72,768
Normandy	0	153,433	0	62,157	0	0	0	0	180,094	65,294	460,978
North Kansas City	3,031,684	0	1,494,691	0	0	0	0	0	152,328	0	4,678,703

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
North Lilbourn	0	0	0	0	0	0	0	0	1,762	0	1,762
Northmoor	100,887	0	0	0	0	0	0	0	11,687	0	112,574
Northwoods	0	103,593	0	0	0	0	0	0	152,008	254,119	509,720
Norwood	38,167	12,751	0	0	0	0	0	0	23,914	0	74,832
Norwood Court	0	0	0	0	0	0	0	0	34,487	0	34,487
Novelty	0	0	0	0	0	0	0	0	4,999	0	4,999
Novinger	9,395	0	0	0	0	0	0	0	16,398	0	25,793
Oak Grove	964,697	466,343	466,344	0	0	0	0	0	280,318	0	2,177,702
Oak Grove Village	167,325	83,656	1,353	0	0	0	0	0	18,304	0	270,638
Oakland	0	39,607	0	0	0	0	0	0	49,662	83,023	172,292
Oak Ridge	0	0	0	0	0	0	0	0	8,739	0	8,739
Oaks	2,705	676	0	0	0	0	0	0	4,639	0	8,020
Oakview	59,091	55,278	0	5,842	0	0	0	0	13,485	0	133,696
Oakwood	0	0	0	0	0	0	0	0	6,653	0	6,653
Oakwood Park	0	0	0	0	0	0	0	0	6,761	0	6,761
Odessa	483,849	483,753	241,926	0	0	0	0	0	190,595	0	1,400,123
O'Fallon	10,892,978	5,098,501	5,101,589	0	0	0	0	0	2,852,773	0	23,945,841
Old Appleton	0	0	0	0	0	0	0	0	3,057	0	3,057
Old Monroe	33,784	7,924	7,925	0	0	0	0	0	9,530	0	59,163
Olean	0	0	0	0	0	0	0	0	4,603	0	4,603
Olivette	0	679,760	0	235,753	0	0	0	0	278,232	385,225	1,578,970
Olympian Village	0	0	0	0	0	0	0	0	27,834	0	27,834
Oran	69,692	34,824	0	0	0	0	0	0	46,534	0	151,050
Oregon	0	0	0	0	0	0	0	0	30,819	0	30,819
Oronogo	95,962	38,174	38,201	0	0	0	0	0	85,624	0	257,961
Orrick	38,444	0	15,752	0	0	0	0	0	30,100	0	84,296
Osage Beach	4,330,520	2,132,069	2,132,068	0	0	0	0	0	156,468	0	8,751,125
Osborn	0	0	0	0	0	0	0	0	15,212	0	15,212
Osceola	76,857	43,918	0	0	0	0	0	0	34,055	0	154,830
Osgood	0	0	0	0	0	0	0	0	1,726	0	1,726
Otterville	30,476	0	0	0	0	0	0	0	16,326	0	46,802
Overland	0	0	0	0	0	0	0	0	577,610	942,227	1,519,837
Owensville	657,852	480,447	320,303	0	0	0	0	0	96,232	0	1,554,834
Ozark	2,411,911	2,411,761	0	0	0	0	0	0	640,830	0	5,464,502
Pacific	724,016	375,335	0	0	0	0	0	0	251,801	0	1,351,152
Pagedale	0	114,648	0	0	0	0	0	0	118,816	201,361	434,825
Palmyra	399,284	285,715	0	62,442	0	0	0	0	129,281	0	876,722
Paris	122,400	54,446	54,446	0	0	0	0	0	43,873	0	275,165
Park Hills	757,388	693,564	346,809	0	0	0	0	0	314,985	0	2,112,746
Parkdale	0	0	0	0	0	0	0	0	6,113	0	6,113
Parkville	970,546	0	460,526	0	0	0	0	0	199,729	0	1,630,801
Parkway	44,843	0	0	0	0	0	0	0	15,787	0	60,630
Parma	26,036	13,018	8,782	7,008	0	0	0	0	25,640	0	80,484
Parnell	0	0	0	0	0	0	0	0	6,869	0	6,869
Pasadena Hills	0	0	0	11,543	0	0	0	0	33,444	55,910	100,897
Pasadena Park	0	0	0	0	0	0	0	0	16,902	28,255	45,157
Pascola	0	0	0	0	0	0	0	0	3,884	0	3,884
Passaic	0	0	0	0	0	0	0	0	1,223	0	1,223

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Pattonsburg	15,085	0	0	2,222	0	0	0	0	12,514	0	29,821
Paynesville	0	0	0	0	0	0	0	0	2,769	0	2,769
Peculiar	346,775	318,450	145,062	140,531	0	0	0	0	165,710	0	1,116,528
Penermon	0	0	0	0	0	0	0	0	0	0	0
Perry	75,167	0	34,055	0	0	0	0	0	24,921	0	134,143
Perryville	1,578,400	591,900	789,201	0	0	0	0	0	295,782	0	3,255,283
Pevely	605,318	279,923	280,081	0	0	0	0	0	197,212	0	1,362,534
Phillipsburg	15,138	0	0	0	0	0	0	0	7,264	0	22,402
Pickering	0	0	0	0	0	0	0	0	5,754	0	5,754
Piedmont	439,271	423,272	211,654	0	0	0	0	0	71,095	0	1,145,292
Pierce City	96,145	69,898	35,000	0	0	0	0	0	46,462	0	247,505
Pierpont Village	2,449	0	0	0	0	0	0	0	0	0	2,449
Pilot Grove	26,387	13,163	13,197	13,270	0	0	0	0	27,618	0	93,635
Pilot Knob	66,564	33,282	30,649	0	0	0	0	0	26,827	0	157,322
Pine Lawn	0	39,717	0	0	0	0	0	0	117,773	196,887	354,377
Pineville	77,478	38,739	0	268,621	0	0	0	0	28,445	0	413,283
Plato	2,937	0	0	0	0	0	0	0	0	0	2,937
Platte City	864,016	864,018	323,203	0	0	0	0	0	168,694	0	2,219,931
Platte Woods	73,096	0	36,548	0	0	0	0	0	13,845	0	123,489
Plattsburg	160,359	160,300	0	50,177	0	0	0	0	83,394	0	454,230
Pleasant Hill	653,872	616,351	289,449	0	0	0	0	0	291,754	0	1,851,426
Pleasant Hope	42,853	9,515	9,515	7,177	0	0	0	0	22,080	0	91,140
Pleasant Valley	519,738	324,738	64,947	0	0	0	0	0	106,481	0	1,015,904
Pocahontas	0	0	0	0	0	0	0	0	4,099	0	4,099
Pollock	0	0	0	0	0	0	0	0	3,200	0	3,200
Polo	33,155	31,015	31,015	0	0	0	0	0	20,678	0	115,863
Poplar Bluff	4,498,010	5,422,804	0	0	0	0	0	0	612,169	0	10,532,983
Portage Des Sioux	18,973	0	0	0	0	0	0	0	11,795	0	30,768
Portageville	328,763	148,938	0	0	0	0	0	0	116,083	0	593,784
Potosi	785,648	0	0	0	0	0	0	0	95,657	0	881,305
Powersville	0	0	0	0	0	0	0	0	2,158	0	2,158
Prairie Home	0	0	0	0	0	0	0	0	10,069	0	10,069
Prathersville	0	0	0	0	0	0	0	0	4,459	0	4,459
Preston	16,879	0	0	0	0	0	0	0	8,019	0	24,898
Princeton	89,453	0	0	0	0	0	0	0	41,931	0	131,384
Purcell	6,671	0	0	0	0	0	0	0	14,672	0	21,343
Purdin	0	0	0	0	0	0	0	0	6,833	0	6,833
Purdy	55,802	27,834	27,834	0	0	0	0	0	39,485	0	150,955
Puxico	130,336	18,868	0	0	0	0	0	0	31,682	0	180,886
Queen City	44,415	28,673	19,679	0	0	0	0	0	21,505	0	114,272
Quitman	0	0	0	0	0	0	0	0	1,335	0	1,335
Qulin	35,818	17,909	0	0	0	0	0	0	16,470	0	70,197
Randolph	35,694	17,847	0	0	0	0	0	0	1,870	0	55,411
Ravenwood	0	0	0	0	0	0	0	0	15,823	0	15,823
Raymondville	0	0	0	0	0	0	0	0	13,054	0	13,054
Raymore	2,059,822	1,924,993	962,497	0	0	0	0	0	690,672	0	5,637,984
Raytown	2,931,878	3,608,329	1,326,248	0	0	0	0	0	1,061,793	0	8,928,248
Rea	0	0	0	0	0	0	0	0	1,798	0	1,798

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Redings Mill	3,256	0	0	0	0	0	0	0	5,430	0	8,686
Reeds	0	0	0	0	0	0	0	0	3,416	0	3,416
Reeds Spring	44,046	44,033	0	0	0	0	0	0	32,833	0	120,912
Renick	0	0	0	0	0	0	0	0	6,185	0	6,185
Rensselaer Village	0	0	0	0	0	0	0	0	8,199	0	8,199
Republic	1,839,421	1,379,567	919,711	0	0	0	0	0	530,465	0	4,669,164
Revere	0	0	0	0	0	0	0	0	2,841	0	2,841
Rhineland	0	3,304	0	0	0	0	0	0	5,106	0	8,410
Richards	0	0	0	0	0	0	0	0	3,452	0	3,452
Rich Hill	154,676	0	0	0	0	0	0	0	50,202	0	204,878
Richland	228,548	69,964	69,963	0	0	0	0	0	66,996	0	435,471
Richmond	944,679	442,757	442,971	0	0	0	0	0	208,468	0	2,038,875
Richmond Heights	0	3,694,882	0	0	0	0	0	0	309,375	2,103,441	6,107,698
Ridgely	0	0	0	0	0	0	0	0	3,740	0	3,740
Ridgeway	13,270	0	0	0	0	0	0	0	16,686	0	29,956
Risco	10,503	0	0	0	0	0	0	0	12,443	0	22,946
Ritchey	0	0	0	0	0	0	0	0	2,949	0	2,949
River Bend	8,713	0	0	0	0	0	0	0	360	0	9,073
Riverside	1,120,290	0	0	272,048	0	0	0	0	105,618	0	1,497,956
Riverview	0	0	0	35,447	0	0	0	0	102,705	171,697	309,849
Rocheport	21,922	10,961	0	0	0	0	0	0	8,595	0	41,478
Rockaway Beach	35,629	14,878	14,878	0	0	0	0	0	30,243	0	95,628
Rock Hill	0	586,397	0	0	0	0	0	0	166,681	337,786	1,090,864
Rock Port	230,233	172,674	0	62,759	0	0	0	0	47,397	0	513,063
Rockville	8,314	0	0	0	0	0	0	0	5,969	0	14,283
Rogersville	311,110	155,555	155,555	0	0	0	0	0	110,510	0	732,730
Rolla	3,774,674	3,774,571	1,887,271	0	0	0	0	0	703,367	0	10,139,883
Roscoe	0	0	0	0	0	0	0	0	4,459	0	4,459
Rosebud	50,283	0	23,733	0	0	0	0	0	14,708	0	88,724
Rosendale	0	0	0	0	0	0	0	0	5,142	0	5,142
Rothville	0	0	0	0	0	0	0	0	3,560	0	3,560
Rush Hill	0	0	0	0	0	0	0	0	5,430	0	5,430
Rushville	0	0	0	0	0	0	0	0	10,896	0	10,896
Russellville	48,837	0	0	0	0	0	0	0	29,021	0	77,858
Rutledge	17,240	0	0	0	0	0	0	0	3,920	0	21,160
St. Ann	0	1,008,139	0	0	0	0	0	0	468,216	782,736	2,259,091
St. Charles	10,872,101	5,179,984	0	0	0	0	0	0	2,366,037	0	18,418,122
St. Clair	515,817	257,907	257,880	0	0	0	0	0	169,881	0	1,201,485
St. Elizabeth	25,479	0	0	0	0	0	0	0	12,083	0	37,562
St. James	452,701	226,140	226,350	0	0	0	0	0	151,613	0	1,056,804
St. John	0	298,963	0	0	0	0	0	0	234,360	491,240	1,024,563
St. Joseph	18,113,721	6,035,575	4,525,361	0	0	0	0	0	2,761,108	0	31,435,765
St. Louis	50,126,508	68,567,768	36,455,671	28,668,300	0	0	0	0	12,066,799	0	195,885,046
St. Martins	76,764	0	0	0	0	0	0	0	40,996	0	117,760
St. Mary	25,158	0	12,579	0	0	0	0	0	12,946	0	50,683
St. Paul	0	0	0	0	0	0	0	0	65,773	0	65,773
St. Peters	13,211,344	2,910,972	6,605,672	0	0	0	0	0	1,890,665	0	24,618,653
St. Robert	2,245,418	1,673,505	1,102,771	0	0	0	0	0	156,072	0	5,177,766

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
St. Thomas	12,473	0	0	0	0	0	0	0	9,458	0	21,931
Ste. Genevieve	610,432	282,699	282,699	157,179	0	0	0	0	158,589	0	1,491,598
Saginaw	16,794	0	0	0	0	0	0	0	10,680	0	27,474
Salem	1,109,176	554,589	0	0	0	0	0	0	178,008	0	1,841,773
Salisbury	173,982	0	54,523	0	0	0	0	0	58,185	0	286,690
Sarcoux	121,948	57,273	53,831	0	0	0	0	0	47,828	0	280,880
Saddlebrooke	4,813	0	0	0	0	0	0	0	7,264	0	12,077
Savannah	635,365	211,788	0	0	0	0	0	0	181,856	0	1,029,009
Schell City	0	0	0	0	0	0	0	0	8,954	0	8,954
Scotsdale	0	9,922	0	0	0	0	0	0	7,983	0	17,905
Scott City	438,957	100,962	201,921	0	0	0	0	0	164,163	0	906,003
Sedalia	4,511,608	3,834,242	2,166,527	0	0	0	0	0	769,104	0	11,281,481
Sedgewickville	0	0	0	0	0	0	0	0	6,221	0	6,221
Seligman	79,700	59,764	39,850	0	0	0	0	0	30,603	0	209,917
Senath	52,794	26,231	26,230	0	0	0	0	0	63,544	0	168,799
Seneca	199,559	90,711	90,711	0	0	0	0	0	84,005	0	464,986
Seymour	209,113	114,128	0	0	0	0	0	0	69,082	0	392,323
Shelbina	212,438	170,483	0	0	0	0	0	0	61,278	0	444,199
Shelbyville	34,172	0	0	0	0	0	0	0	19,851	0	54,023
Sheldon	38,231	0	0	0	0	0	0	0	19,527	0	57,758
Sheridan	0	0	0	0	0	0	0	0	7,012	0	7,012
Shoal Creek Drive	2,584	0	0	0	0	0	0	0	12,119	0	14,703
Shoal Creek Estates	0	0	0	0	0	0	0	0	3,452	0	3,452
Shrewsbury	0	903,031	0	0	0	0	0	0	224,902	511,718	1,639,651
Sibley	0	0	0	0	0	0	0	0	12,838	0	12,838
Sikeston	5,652,937	60	1,412,495	0	0	0	0	0	586,816	0	7,652,308
Silex	32,037	0	0	4,257	0	0	0	0	6,725	0	43,019
Silver Creek	15,974	7,987	0	0	0	0	0	0	11,391	0	35,352
Skidmore	8,767	1,781	0	0	0	0	0	0	10,213	0	20,761
Slater	103,894	51,946	51,947	0	0	0	0	0	66,744	0	274,531
Smithton	16,669	0	0	0	0	0	0	0	20,498	0	37,167
Smithville	753,616	0	339,376	179,610	0	0	0	0	302,974	0	1,575,576
South Gifford	0	0	0	0	0	0	0	0	1,798	0	1,798
South Gorin	0	0	0	0	0	0	0	0	0	0	0
South Greenfield	0	0	0	0	0	0	0	0	3,236	0	3,236
South Lineville	0	0	0	0	0	0	0	0	1,007	0	1,007
South West City	91,569	21,278	42,555	76,312	0	0	0	0	34,882	0	266,596
Sparta	98,744	49,406	0	0	0	0	0	0	63,148	0	211,298
Spickard	3,439	0	0	0	0	0	0	0	9,134	0	12,573
Springfield	38,510,853	37,189,782	4,648,874	7,130,086	0	0	0	0	5,735,754	0	93,215,349
Stanberry	0	119,076	0	0	0	0	0	0	42,614	0	161,690
Stark City	0	0	0	0	0	0	0	0	4,999	0	4,999
Steele	153,136	110,393	67,685	0	0	0	0	0	78,108	0	409,322
Steelville	245,376	239,883	0	0	0	0	0	0	59,048	0	544,307
Stella	3,632	0	0	0	0	0	0	0	5,682	0	9,314
Stewartsville	97,522	26,006	0	0	0	0	0	0	26,971	0	150,499
Stockton	245,463	184,097	122,732	41,955	0	0	0	0	65,414	0	659,661
Stotesbury	0	0	0	0	0	0	0	0	647	0	647

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Stotts City	0	0	0	0	0	0	0	0	7,911	0	7,911
Stoutland	7,517	0	0	0	0	0	0	0	6,904	0	14,421
Stoutsville	0	0	0	0	0	0	0	0	1,295	0	1,295
Stover	108,180	0	49,644	0	0	0	0	0	39,342	0	197,166
Strafford	370,791	185,395	0	0	0	0	0	0	84,797	0	640,983
Strasburg	3,243	0	0	0	0	0	0	0	5,070	0	8,313
Sturgeon	66,633	0	19,858	0	0	0	0	0	31,358	0	117,849
Sugar Creek	280,086	280,087	0	87,901	0	0	0	0	120,290	0	768,364
Sullivan	1,408,195	704,098	704,019	0	0	0	0	0	254,642	0	3,070,954
Summersville	61,779	0	27,452	0	0	0	0	0	18,053	0	107,284
Sumner	0	0	0	0	0	0	0	0	3,668	0	3,668
Sunrise Beach	163,410	81,634	81,706	179,890	0	0	0	0	15,499	0	522,139
Sunset Hills	0	1,086,826	0	0	0	0	0	0	305,527	922,966	2,315,319
Sweet Springs	175,814	54,242	54,242	0	0	0	0	0	53,367	0	337,665
Sycamore Hills	0	0	0	0	0	0	0	0	24,022	0	24,022
Syracuse	0	0	0	0	0	0	0	0	6,185	0	6,185
Tallapoosa	0	0	0	0	0	0	0	0	6,041	0	6,041
Taneyville	10,511	0	0	0	0	0	0	0	14,241	0	24,752
Taos	21,853	0	0	0	0	0	0	0	31,574	0	53,427
Tarkio	222,993	65,555	0	0	0	0	0	0	56,927	0	345,475
Thayer	714,809	238,257	0	0	0	0	0	0	80,661	0	1,033,727
Theodosia	56,100	0	28,050	0	0	0	0	0	8,739	0	92,889
Tightwad	0	0	0	0	0	0	0	0	2,481	0	2,481
Tina	0	0	0	0	0	0	0	0	5,646	0	5,646
Tindall	0	0	0	0	0	0	0	0	2,769	0	2,769
Tipton	203,413	0	0	0	0	0	0	0	117,306	0	320,719
Town and Country	0	1,303,429	0	0	0	0	0	0	388,921	1,107,914	2,800,264
Town of Rives	0	0	0	0	0	0	0	0	2,265	0	2,265
Tracy	17,106	0	8,553	0	0	0	0	0	7,480	0	33,139
Trenton	727,457	698,486	0	0	0	0	0	0	215,804	0	1,641,747
Trimble	38,396	0	0	0	0	0	0	0	23,231	0	61,627
Tripllett	0	0	0	0	0	0	0	0	1,474	0	1,474
Troy	2,172,641	1,081,645	1,046,614	0	0	0	0	0	379,032	0	4,679,932
Truesdale	99,259	49,629	0	0	0	0	0	0	26,324	0	175,212
Truxton	0	0	0	0	0	0	0	0	3,272	0	3,272
Turney	0	0	0	0	0	0	0	0	5,322	0	5,322
Tuscumbia	12,673	0	0	0	0	0	0	0	7,300	0	19,973
Twin Bridges	0	0	0	0	0	0	0	0	1,007	0	1,007
Twin Oaks	0	272,825	0	0	0	0	0	0	14,097	231,901	518,823
Umber View Heights	0	0	0	0	0	0	0	0	1,726	0	1,726
Union	1,650,899	825,422	825,451	0	0	0	0	0	366,949	0	3,668,721
Union Star	0	0	0	0	0	0	0	0	15,715	0	15,715
Unionville	199,826	0	0	0	0	0	0	0	67,068	0	266,894
Unity Village	4,135	3,102	2,068	0	0	0	0	0	3,560	0	12,865
University City	0	2,346,104	0	439,006	0	0	0	0	1,271,987	2,164,335	6,221,432
Uplands Park	0	0	0	5,523	0	0	0	0	16,003	26,752	48,278
Urbana	51,095	0	25,548	0	0	0	0	0	14,996	0	91,639
Urich	39,697	19,849	19,849	0	0	0	0	0	18,160	0	97,555

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Utica	0	0	0	0	0	0	0	0	9,673	0	9,673
Valley Park	0	570,892	0	0	0	0	0	0	249,643	489,436	1,309,971
Van Buren	185,328	88,761	0	0	0	0	0	0	29,452	0	303,541
Vandalia	262,915	131,457	0	0	0	0	0	0	140,213	0	534,585
Vandiver	70,884	0	0	0	0	0	0	0	2,553	0	73,437
Vanduser	0	0	0	0	0	0	0	0	9,602	0	9,602
Velda City	0	0	0	0	0	0	0	0	0	85,368	85,368
Velda Village	0	0	0	0	0	0	0	0	37,939	0	37,939
Velda Village Hills	0	0	0	0	0	0	0	0	51,065	63,424	114,489
Verona	26,848	26,833	0	0	0	0	0	0	22,260	0	75,941
Versailles	590,526	580,132	0	0	0	0	0	0	89,256	0	1,259,914
Viburnum	88,062	0	0	0	0	0	0	0	24,921	0	112,983
Vienna	105,025	0	48,608	14,904	0	0	0	0	21,936	0	190,473
Village of Aullville	0	0	0	0	0	0	0	0	3,596	0	3,596
Village of Four Seasons	198,435	99,218	0	0	0	0	0	0	79,726	0	377,379
Village of Loch Lloyd	0	0	0	0	0	0	0	0	21,577	0	21,577
Village of Pinhook	0	0	0	0	0	0	0	0	1,079	0	1,079
Village of Plato	0	0	0	0	0	0	0	0	3,920	0	3,920
Village of West Sullivan	0	0	0	0	0	0	0	0	4,279	0	4,279
Vinita Park	0	0	0	25,080	0	0	0	0	67,607	278,429	371,116
Vinita Terrace	0	0	0	0	0	0	0	0	9,961	16,653	26,614
Vista	0	0	0	0	0	0	0	0	1,942	0	1,942
Waco	0	0	0	0	0	0	0	0	3,129	0	3,129
Walker	0	0	0	0	0	0	0	0	9,709	0	9,709
Walnut Grove	32,977	0	0	4,565	0	0	0	0	23,914	0	61,456
Wardell	11,911	2,978	0	0	0	0	0	0	15,355	0	30,244
Wardsville	43,882	0	0	0	0	0	0	0	54,158	0	98,040
Warrensburg	2,858,738	2,454,890	0	389,182	0	0	0	0	677,439	0	6,380,249
Warrenton	1,404,810	351,204	702,405	0	0	0	0	0	283,375	0	2,741,794
Warsaw	785,288	771,197	285,322	97,200	0	0	0	0	76,490	0	2,015,497
Warson Woods	0	0	0	0	0	0	0	0	70,556	170,170	240,726
Washburn	22,890	11,445	11,444	0	0	0	0	0	15,643	0	61,422
Washington	3,687,872	1,843,872	1,843,864	450,953	0	0	0	0	502,811	0	8,329,372
Watson	0	0	0	0	0	0	0	0	3,596	0	3,596
Waverly	66,892	0	14,824	0	0	0	0	0	30,531	0	112,247
Wayland	101,595	0	0	0	0	0	0	0	19,167	0	120,762
Waynesville	475,328	346,368	217,406	0	0	0	0	0	173,693	0	1,212,795
Weatherby	0	0	0	0	0	0	0	0	3,848	0	3,848
Weatherby Lake	0	0	0	0	0	0	0	0	61,961	0	61,961
Weaubleau	31,689	15,785	0	0	0	0	0	0	15,032	0	62,506
Webb City	1,601,252	1,498,034	749,046	0	0	0	0	0	395,430	0	4,243,762
Webster Groves	0	1,408,965	0	0	0	0	0	0	826,930	1,394,534	3,630,429
Weldon Spring	274,415	0	0	0	0	0	0	0	195,737	0	470,152
Weldon Spring Heights	0	0	0	0	0	0	0	0	3,272	0	3,272
Wellington	0	0	0	0	0	0	0	0	29,201	0	29,201
Wellston	0	0	0	0	0	0	0	0	83,178	139,053	222,231
Wellsville	39,611	12,519	19,806	0	0	0	0	0	43,765	0	115,701
Wentworth	0	0	0	0	0	0	0	0	5,286	0	5,286

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Wentzville	5,244,145	5,114,531	2,494,329	1,360,696	0	0	0	0	1,045,395	0	15,259,096
Westboro	0	0	0	0	0	0	0	0	5,070	0	5,070
West Alton	0	0	0	0	0	0	0	0	18,772	0	18,772
West Line	0	0	0	0	0	0	0	0	3,488	0	3,488
Weston	163,726	135,556	81,863	84,073	0	0	0	0	59,012	0	524,230
Westphalia	41,172	0	0	21,271	0	0	0	0	13,989	0	76,432
West Plains	2,860,899	1,430,457	1,372,504	0	0	0	0	0	431,032	0	6,094,892
West Sullivan	105,496	26,374	0	0	0	0	0	0	0	0	131,870
Westwood	0	0	0	0	0	0	0	0	9,997	0	9,997
Wheatland	41,657	20,829	20,849	0	0	0	0	0	13,342	0	96,677
Wheaton	59,342	0	0	0	0	0	0	0	25,029	0	84,371
Wheeling	0	0	0	0	0	0	0	0	9,745	0	9,745
Whiteside	0	0	0	0	0	0	0	0	2,697	0	2,697
Whitewater	0	0	0	0	0	0	0	0	4,495	0	4,495
Wilbur Park	0	0	0	0	0	0	0	0	16,938	28,315	45,253
Wildwood	0	0	0	0	0	0	0	0	1,277,237	2,135,210	3,412,447
Willard	402,966	431,365	0	67,052	0	0	0	0	190,163	0	1,091,546
Williamsville	29,967	8,844	0	0	0	0	0	0	12,299	0	51,110
Willow Springs	290,933	212,354	0	0	0	0	0	0	78,539	0	581,826
Wilson City	0	0	0	0	0	0	0	0	0 *	0	0
Winchester	0	0	0	0	0	0	0	0	55,632	93,002	148,634
Windsor	201,457	87,007	0	0	0	0	0	0	104,324	0	392,788
Windsor Place	31,305	0	0	0	0	0	0	0	7,947	0	39,252
Winfield	165,323	0	77,760	0	0	0	0	0	50,490	0	293,573
Winona	111,435	51,046	51,046	0	0	0	0	0	48,008	0	261,535
Winston	0	0	0	0	0	0	0	0	9,314	0	9,314
Woods Heights	26,573	0	0	1,948	0	0	0	0	25,784	0	54,305
Woodson Terrace	0	861,616	0	50,428	0	0	0	0	146,111	347,499	1,405,654
Wooldridge	0	0	0	0	0	0	0	0	2,194	0	2,194
Worth	0	0	0	0	0	0	0	0	2,265	0	2,265
Worthington	0	0	0	0	0	0	0	0	2,913	0	2,913
Wright City	287,893	60,853	121,706	0	0	0	0	0	112,163	0	582,615
Wyaconda	6,645	0	0	0	0	0	0	0	8,163	0	14,808
Wyatt	7,533	0	0	0	0	0	0	0	11,472	0	19,005
Zalma	0	0	0	0	0	0	0	0	4,387	0	4,387
COUNTIES											
Adair County	0	0	0	73,416	1,447,526	1,446,674	0	0	628,039	0	3,595,655
Andrew County	0	0	0	302,247	462,747	1,110,574	0	0	705,580	0	2,581,148
Atchison County	0	0	0	346,012	0	1,090,204	0	0	571,793	0	2,008,009
Audrain County	0	0	0	0	1,176,461	3,229,054	0	0	815,605	0	5,221,120
Barry County	0	0	0	0	1,710,210	2,913,427	0	0	1,234,283	0	5,857,920
Barton County	0	0	0	0	509,756	509,759	0	0	646,220	0	1,665,735
Bates County	0	0	0	203,596	0	1,134,952	0	0	873,187	0	2,211,735
Benton County	0	0	0	191,028	799,551	1,400,968	0	0	747,929	0	3,139,476
Bollinger County	0	0	0	0	307,316	691,381	0	0	531,239	0	1,529,936
Boone County	0	0	0	0	12,759,308	16,399,627	0	0	1,577,194	0	30,736,129
Buchanan County	0	0	0	0	6,300,058	7,557,150	0	0	574,355	0	14,431,563
Butler County	0	0	0	0	3,001,356	3,001,544	0	0	1,101,916	0	7,104,816

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Caldwell County	0	0	0	161,726	184,138	552,410	0	0	540,988	0	1,439,262
Callaway County	0	0	0	0	0	3,205,294	0	0	1,499,291	0	4,704,585
Camden County	0	0	0	0	3,741,105	5,608,567	0	0	2,697,650	0	12,047,322
Cape Girardeau County	0	0	0	0	6,709,389	6,709,995	0	0	937,810	0	14,357,194
Carroll County	0	0	0	214,466	321,073	481,609	0	0	776,268	0	1,793,416
Carter County	0	0	0	0	240,655	240,657	0	0	303,975	0	785,287
Cass County	0	0	0	3,107,545	4,874,680	9,804,036	0	0	1,312,365	0	19,098,626
Cedar County	0	0	0	0	438,948	485,557	0	0	573,629	0	1,498,134
Chariton County	0	0	0	176,760	274,230	685,612	0	0	707,494	0	1,844,096
Christian County	0	0	0	0	3,058,744	7,644,446	0	0	1,341,779	0	12,044,969
Clark County	0	0	0	0	287,621	861,697	0	0	477,923	0	1,627,241
Clay County	0	0	0	4,287,530	14,337,319	10,699,142	0	0	821,669	0	30,145,660
Clinton County	0	0	0	218,313	508,291	508,298	0	0	647,708	0	1,882,610
Cole County	0	0	0	1,630,304	5,312,882	10,633,296	0	0	1,070,272	0	18,646,754
Cooper County	0	0	0	0	829,816	2,074,542	0	0	533,987	0	3,438,345
Crawford County	0	0	0	0	993,093	2,255,129	0	0	657,596	0	3,905,818
Dade County	0	0	0	107,180	219,190	500,499	0	0	521,662	0	1,348,531
Dallas County	0	0	0	0	567,586	1,638,814	0	0	661,529	0	2,867,929
Daviess County	0	0	0	116,359	0	785,124	0	0	641,674	0	1,543,157
DeKalb County	0	0	0	230,917	633,123	633,171	0	0	618,873	0	2,116,084
Dent County	0	0	0	0	765,470	765,453	0	0	615,707	0	2,146,630
Douglas County	0	0	0	0	422,357	422,310	0	0	658,647	0	1,503,314
Dunklin County	0	0	0	198,911	0	2,773,837	0	0	789,256	0	3,762,004
Franklin County	0	0	0	0	5,185,824	12,961,514	0	0	2,248,120	0	20,395,458
Gasconade County	0	0	0	0	871,875	1,468,748	0	0	536,823	0	2,877,446
Gentry County	0	0	0	74,539	0	476,582	0	0	491,637	0	1,042,758
Greene County	0	0	0	0	22,644,989	31,590,030	0	0	3,366,106	0	57,601,125
Grundy County	0	0	0	0	440,773	880,500	0	0	426,566	0	1,747,839
Harrison County	0	0	0	148,027	0	1,297,275	0	0	721,907	0	2,167,209
Henry County	0	0	0	218,010	1,121,309	1,222,526	0	0	749,416	0	3,311,261
Hickory County	0	0	0	0	281,285	562,516	0	0	443,861	0	1,287,662
Holt County	0	0	0	246,635	172,026	687,828	0	0	452,147	0	1,558,636
Howard County	0	0	0	0	288,130	1,171,516	0	0	375,178	0	1,834,824
Howell County	0	0	0	0	2,106,932	1,840,088	0	0	1,129,337	0	5,076,357
Iron County	0	0	0	0	340,613	340,648	0	0	393,660	0	1,074,921
Jackson County	0	0	0	0	43,036,699	53,764,247	0	0	968,266	0	97,769,212
Jasper County	0	0	0	0	6,050,100	9,671,917	0	0	1,320,767	0	17,042,784
Jefferson County	0	0	0	0	10,401,943	23,165,970	0	0	3,953,963	0	37,521,876
Johnson County	0	0	0	959,364	2,234,793	6,788,534	0	0	1,315,448	0	11,298,139
Knox County	0	0	0	0	131,284	393,524	0	0	448,900	0	973,708
Laclede County	0	0	0	0	1,890,957	1,890,341	0	0	796,501	0	4,577,799
Lafayette County	0	0	0	509,179	1,069,941	2,407,351	0	0	800,372	0	4,786,843
Lawrence County	0	0	0	529,946	1,224,888	2,447,943	0	0	1,000,496	0	5,203,273
Lewis County	0	0	0	536,747	256,090	903,067	0	0	432,947	0	2,128,851
Lincoln County	0	0	0	0	1,935,901	5,044,482	0	0	1,099,439	0	8,079,822
Linn County	0	0	0	159,184	611,822	962,899	0	0	597,189	0	2,331,094
Livingston County	0	0	0	146,607	934,939	467,454	0	0	536,599	0	2,085,599
Macon County	0	0	0	0	646,067	1,130,603	0	0	774,363	0	2,551,033

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Madison County	0	0	0	0	493,409	1,422,154	0	0	328,143	0	2,243,706
Maries County	0	0	0	92,886	235,188	545,685	0	0	421,714	0	1,295,473
Marion County	0	0	0	643,651	1,800,103	2,250,074	0	0	530,540	0	5,224,368
McDonald County	0	0	0	0	1,168,235	3,424,188	0	0	707,874	0	5,300,297
Mercer County	0	0	0	169,069	135,082	436,666	0	0	376,501	0	1,117,318
Miller County	0	0	0	264,229	1,748,060	1,745,321	0	0	828,980	0	4,586,590
Mississippi County	0	0	0	0	459,635	1,148,901	0	0	372,861	0	1,981,397
Moniteau County	0	0	0	0	513,212	990,166	0	0	511,597	0	2,014,975
Monroe County	0	0	0	78,734	254,271	254,263	0	0	601,207	0	1,188,475
Montgomery County	0	0	0	0	470,220	1,175,547	0	0	569,634	0	2,215,401
Morgan County	0	0	0	0	977,801	1,076,035	0	0	1,234,521	0	3,288,357
New Madrid County	0	0	0	0	1,415,944	1,415,783	0	0	787,099	0	3,618,826
Newton County	0	0	0	0	2,505,640	5,002,099	0	0	1,130,203	0	8,637,942
Nodaway County	0	0	0	313,252	1,075,945	1,075,915	0	0	1,061,536	0	3,526,648
Oregon County	0	0	0	0	419,254	419,257	0	0	483,755	0	1,322,266
Osage County	0	0	0	147,718	964,417	776,855	0	0	544,701	0	2,433,691
Ozark County	0	0	0	0	250,200	539,207	0	0	646,375	0	1,435,782
Pemiscot County	0	0	0	0	677,143	1,015,672	0	0	555,922	0	2,248,737
Perry County	0	0	0	0	1,182,213	3,152,233	0	0	572,175	0	4,906,621
Pettis County	0	0	0	597,360	2,785,394	2,784,416	0	0	1,039,871	0	7,207,041
Phelps County	0	0	0	0	2,464,329	3,077,501	0	0	839,315	0	6,381,145
Pike County	0	0	0	0	732,094	2,350,000	0	0	572,846	0	3,654,940
Platte County	0	0	0	4,878,682	7,863,597	13,309,983	0	0	1,398,801	0	27,451,063
Polk County	0	0	0	0	0	3,519,569	0	0	856,777	0	4,376,346
Pulaski County	0	0	0	0	2,103,394	1,051,660	0	0	805,443	0	3,960,497
Putnam County	0	0	0	0	0	694,490	0	0	488,438	0	1,182,928
Ralls County	0	0	0	392,807	391,754	1,175,061	0	0	519,360	0	2,478,982
Randolph County	0	0	0	0	1,239,079	1,238,472	0	0	786,338	0	3,263,889
Ray County	0	0	0	452,973	717,372	1,434,747	0	0	728,477	0	3,333,569
Reynolds County	0	0	0	0	222,915	222,654	0	0	767,211	0	1,212,780
Ripley County	0	0	0	0	469,923	940,673	0	0	412,576	0	1,823,172
St. Charles County	0	0	0	8,183,945	23,766,899	57,469,970	0	0	3,690,348	0	93,111,162
St. Clair County	0	0	0	0	256,969	0	0	0	592,463	0	849,432
St. Francois County	0	0	0	0	3,413,099	4,739,000	0	0	775,982	0	8,928,081
St. Louis County	0	0	195,963,002	0	0	82,437,579	157,494,978	0	11,076,888	0	446,972,447
Ste. Genevieve County	0	0	0	0	883,884	2,651,058	0	0	728,749	0	4,263,691
Saline County	0	0	0	87,652	1,032,610	2,347,084	0	0	722,230	0	4,189,576
Schuyler County	0	0	0	0	143,839	431,464	0	0	277,690	0	852,993
Scotland County	0	0	0	0	0	492,236	0	0	436,704	0	928,940
Scott County	0	0	0	0	3,539,207	491	0	0	485,433	0	4,025,131
Shannon County	0	0	0	0	219,005	219,007	0	0	585,158	0	1,023,170
Shelby County	0	0	0	126,249	235,451	470,892	0	0	518,749	0	1,351,341
Stoddard County	0	0	0	0	1,353,498	1,353,388	0	0	1,021,612	0	3,728,498
Stone County	0	0	0	680,622	1,723,781	4,632,190	0	0	1,199,482	0	8,236,075
Sullivan County	0	0	0	0	211,622	952,001	0	0	484,418	0	1,648,041
Taney County	0	0	0	0	6,772,843	15,235,246	0	0	1,203,941	0	23,212,030
Texas County	0	0	0	0	935,649	1,871,079	0	0	923,834	0	3,730,562
Vernon County	0	0	0	0	920,348	919,740	0	0	914,972	0	2,755,060

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Warren County	0	0	0	0	1,257,335	3,772,009	0	0	702,450	0	5,731,794
Washington County	0	0	0	321,946	722,183	2,799,550	0	0	543,932	0	4,387,611
Wayne County	0	0	0	0	653,382	477,524	0	0	526,522	0	1,657,428
Webster County	0	0	0	0	1,285,545	3,427,133	0	0	888,617	0	5,601,295
Worth County	0	0	0	52,866	63,694	155,509	0	0	222,572	0	494,641
Wright County	0	0	0	0	724,650	724,631	0	0	645,481	0	2,094,762
AMBULANCE DISTRICTS:											
Adair County Ambulance District	0	0	0	0	0	0	0	1,009,024	0	0	1,009,024
Andrew County Ambulance District	0	0	0	0	0	0	0	407,367	0	0	407,367
Audrain Ambulance District	0	0	0	0	0	0	0	892,867	0	0	892,867
Ava Ambulance District	0	0	0	0	0	0	0	375,584	0	0	375,584
Barton County Ambulance District	0	0	0	0	0	0	0	497,868	0	0	497,868
Big River Ambulance District	0	0	0	0	0	0	0	477,951	0	0	477,951
Caldwell County Ambulance District	0	0	0	0	0	0	0	186,066	0	0	186,066
Callaway County Ambulance District	0	0	0	0	0	0	0	1,601,883	0	0	1,601,883
Cam-MO Ambulance District	0	0	0	0	0	0	0	558,697	0	0	558,697
Cedar County Ambulance District	0	0	0	0	0	0	0	438,790	0	0	438,790
Cole Camp Ambulance District	0	0	0	0	0	0	0	86,213	0	0	86,213
Cooper County Ambulance District	0	0	0	0	0	0	0	376,663	0	0	376,663
Dade County Ambulance District	0	0	0	0	0	0	0	187,504	0	0	187,504
Gerald Area Ambulance District	0	0	0	0	0	0	0	148,961	0	0	148,961
Hermann Area Ambulance District	0	0	0	0	0	0	0	371,591	0	0	371,591
Iron County Ambulance District	0	0	0	0	0	0	0	340,591	0	0	340,591
Joachim Plattin Ambulance District	0	0	0	0	0	0	0	2,591,102	0	0	2,591,102
Lewis County Ambulance District	0	0	0	0	0	0	0	209,597	0	0	209,597
Lincoln County Ambulance District	0	0	0	0	0	0	0	1,935,370	0	0	1,935,370
Linn County Ambulance District	0	0	0	0	0	0	0	546,201	0	0	546,201
Maries Osage Ambulance District	0	0	0	0	0	0	0	161,975	0	0	161,975
Marion County Ambulance District	0	0	0	0	0	0	0	1,786,708	0	0	1,786,708
Meramec Ambulance District	0	0	0	0	0	0	0	666,783	0	0	666,783
Mid-Missouri Ambulance District	0	0	0	0	0	0	0	1,128,463	0	0	1,128,463
Miller County Ambulance District	0	0	0	0	0	0	0	1,273,691	0	0	1,273,691
Monroe City Ambulance District	0	0	0	0	0	0	0	172,359	0	0	172,359
New Haven Ambulance District	0	0	0	0	0	0	0	142,201	0	0	142,201
New Madrid County Ambulance District	0	0	0	0	0	0	0	666,000	0	0	666,000
Nodaway County Ambulance District	0	0	0	0	0	0	0	1,075,936	0	0	1,075,936
Noel T. Adams Ambulance District	0	0	0	0	0	0	0	415,595	0	0	415,595
North Crawford County Ambulance District	0	0	0	0	0	0	0	616,153	0	0	616,153
Oregon County Ambulance District	0	0	0	0	0	0	0	381,025	0	0	381,025
Osage Ambulance District	0	0	0	0	0	0	0	276,866	0	0	276,866
Owensville Area Ambulance District	0	0	0	0	0	0	0	379,023	0	0	379,023
Ozark County Ambulance District	0	0	0	0	0	0	0	249,536	0	0	249,536
Pettis County Ambulance District	0	0	0	0	0	0	0	1,364,797	0	0	1,364,797
Pulaski County Ambulance District	0	0	0	0	0	0	0	1,756,291	0	0	1,756,291
Randolph County Ambulance District	0	0	0	0	0	0	0	1,237,857	0	0	1,237,857
Ray County Ambulance District	0	0	0	0	0	0	0	604,995	0	0	604,995
Rock Township Ambulance District	0	0	0	0	0	0	0	1,864,542	0	0	1,864,542
Salt River Ambulance District	0	0	0	0	0	0	0	177,504	0	0	177,504

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
St. Clair Ambulance District	0	0	0	0	0	0	0	364,107	0	0	364,107
St. James Ambulance District	0	0	0	0	0	0	0	283,804	0	0	283,804
St. Francois County Ambulance District	0	0	0	0	0	0	0	3,158,501	0	0	3,158,501
Ste. Genevieve County Ambulance District	0	0	0	0	0	0	0	795,277	0	0	795,277
Steelville Ambulance District	0	0	0	0	0	0	0	184,863	0	0	184,863
Taney County Ambulance District	0	0	0	0	0	0	0	3,379,058	0	0	3,379,058
VanFar Ambulance District	0	0	0	0	0	0	0	137,264	0	0	137,264
Warsaw Lincoln Ambulance District	0	0	0	0	0	0	0	578,399	0	0	578,399
Washington Area Ambulance District	0	0	0	0	0	0	0	1,470,262	0	0	1,470,262
Washington County Ambulance District	0	0	0	0	0	0	0	633,141	0	0	633,141
FIRE PROTECTION DISTRICTS:											
Antonia Fire Protection District	0	0	0	0	0	0	0	260,909	0	0	260,909
Bourbon County Fire Protection District	0	0	0	0	0	0	0	111,716	0	0	111,716
Central Jackson County Fire Protection District	0	0	0	0	0	0	0	3,366,178	0	0	3,366,178
High Ridge Fire Protection District	0	0	0	0	0	0	0	1,400,847	0	0	1,400,847
Inter City Fire Protection District	0	0	0	0	0	0	0	52,517	0	0	52,517
Orrick Fire Protection District	0	0	0	0	0	0	0	53,404	0	0	53,404
Prairie Township Fire District	0	0	0	0	0	0	0	83,113	0	0	83,113
Rock Community Fire Protection District	0	0	0	0	0	0	0	3,112,109	0	0	3,112,109
St. Clair Fire Protection District	0	0	0	0	0	0	0	447,516	0	0	447,516
Smithville Area Fire Protection District	0	0	0	0	0	0	0	405,568	0	0	405,568
Sni Valley Fire Protection District	0	0	0	0	0	0	0	536,503	0	0	536,503
S Metropolitan Fire Protection District	0	0	0	0	0	0	0	1,008,557	0	0	1,008,557
Southern Stone Fire District	0	0	0	0	0	0	0	1,499,011	0	0	1,499,011
Sullivan Fire Protection District	0	0	0	0	0	0	0	933,607	0	0	933,607
Union Fire Protection District	0	0	0	0	0	0	0	935,623	0	0	935,623
TRANSPORTATION DEVELOPMENT DISTRICTS:											
10700 Pear Tree Lane TDD	0	0	0	0	0	0	0	0 *	0	0	0
1200 Main South Loop TDD	0	0	0	0	0	0	0	774,618	0	0	774,618
1225 Washington TDD	0	0	0	0	0	0	0	88,401	0	0	88,401
1717 Market Place TDD	0	0	0	0	0	0	0	142,700	0	0	142,700
210 Highway TDD	0	0	0	0	0	0	0	187,908	0	0	187,908
2118 Chouteau TDD	0	0	0	0	0	0	0	0 *	0	0	0
212 S Grand TDD	0	0	0	0	0	0	0	0 *	0	0	0
370 MO Bottom Taussig TDD	0	0	0	0	0	0	0	1,774,921	0	0	1,774,921
39th Street TDD	0	0	0	0	0	0	0	889,587	0	0	889,587
620 Market TDD	0	0	0	0	0	0	0	0 *	0	0	0
71 Highway and 150 Highway TDD	0	0	0	0	0	0	0	0 *	0	0	0
Adams Farm TDD	0	0	0	0	0	0	0	951,705	0	0	951,705
Arnold Retail Corr TDD	0	0	0	0	0	0	0	2,514,443	0	0	2,514,443
Ballwin Town Center TDD	0	0	0	0	0	0	0	119,198	0	0	119,198
Belton-Cass Regional TDD	0	0	0	0	0	0	0	241,736	0	0	241,736
Belton Town Centre TDD	0	0	0	0	0	0	0	565,582	0	0	565,582
Big Bend Crossing TDD	0	0	0	0	0	0	0	0 *	0	0	0
Branson Landing TDD	0	0	0	0	0	0	0	1,144,256	0	0	1,144,256
Briarcliff Parkway Highway 9 TDD	0	0	0	0	0	0	0	119,646	0	0	119,646
Broadway Fairview TDD	0	0	0	0	0	0	0	320,075	0	0	320,075
Broadway Hotel TDD	0	0	0	0	0	0	0	351,016	0	0	351,016

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Boonville Riverfront TDD	0	0	0	0	0	0	0	44,286	0	0	44,286
Boscherts Landing TDD	0	0	0	0	0	0	0	0 *	0	0	0
Bowman TDD	0	0	0	0	0	0	0	0 *	0	0	0
CB5421 5975 TDD	0	0	0	0	0	0	0	199,868	0	0	199,868
Centene Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Centerstate TDD	0	0	0	0	0	0	0	296,352	0	0	296,352
Cheshire TDD	0	0	0	0	0	0	0	0 *	0	0	0
City Hospital Laundry TDD	0	0	0	0	0	0	0	0 *	0	0	0
City Hospital Powerhouse TDD	0	0	0	0	0	0	0	0 *	0	0	0
Chesterfield Valley TDD	0	0	0	0	0	0	0	2,081,281	0	0	2,081,281
Clarkson Kehr Mill TDD	0	0	0	0	0	0	0	0 *	0	0	0
College Station TDD	0	0	0	0	0	0	0	0 *	0	0	0
Columbia Mall TDD	0	0	0	0	0	0	0	783,966	0	0	783,966
Commons of Hazel Hill TDD	0	0	0	0	0	0	0	0 *	0	0	0
Conley Road TDD	0	0	0	0	0	0	0	1,381,788	0	0	1,381,788
Coronado Drive TDD	0	0	0	0	0	0	0	497,054	0	0	497,054
Country Club Plaza TDD	0	0	0	0	0	0	0	1,330,481	0	0	1,330,481
Crackerneck Creek TDD	0	0	0	0	0	0	0	380,864	0	0	380,864
Cross Creek TDD	0	0	0	0	0	0	0	0 *	0	0	0
Crestwood Point TDD	0	0	0	0	0	0	0	0 *	0	0	0
Crowne Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Dardenne Town Square TDD	0	0	0	0	0	0	0	298,002	0	0	298,002
Des Peres Corners TDD	0	0	0	0	0	0	0	527,509	0	0	527,509
Dierbergs Des Peres TDD	0	0	0	0	0	0	0	0 *	0	0	0
Dierbergs Osage Beach TDD	0	0	0	0	0	0	0	5,067	0	0	5,067
Douglas Square TDD	0	0	0	0	0	0	0	166,399	0	0	166,399
Douglas Station TDD	0	0	0	0	0	0	0	64,686	0	0	64,686
East Gateway TDD	0	0	0	0	0	0	0	0 *	0	0	0
Ehrhardt Properties TDD	0	0	0	0	0	0	0	0 *	0	0	0
Elm Grove TDD	0	0	0	0	0	0	0	0 *	0	0	0
Euclid Buckingham TDD	0	0	0	0	0	0	0	0 *	0	0	0
Eureka Commercial Park TDD	0	0	0	0	0	0	0	8,702	0	0	8,702
Eureka Old Town TDD	0	0	0	0	0	0	0	36,288	0	0	36,288
Farris Family TDD	0	0	0	0	0	0	0	50,838	0	0	50,838
Fenton Crossing TDD	0	0	0	0	0	0	0	417,358	0	0	417,358
Francis Place TDD	0	0	0	0	0	0	0	310,641	0	0	310,641
Fulton South Business 54 TDD	0	0	0	0	0	0	0	58,742	0	0	58,742
Glenwood Watson TDD	0	0	0	0	0	0	0	0 *	0	0	0
Gravois Bluffs TDD	0	0	0	0	0	0	0	2,877,081	0	0	2,877,081
Grindstone Plaza TDD	0	0	0	0	0	0	0	520,274	0	0	520,274
Harrisonville Market Place A TDD	0	0	0	0	0	0	0	0 *	0	0	0
Harrisonville Market Place B TDD	0	0	0	0	0	0	0	68,853	0	0	68,853
Harrisonville Towne Center TDD	0	0	0	0	0	0	0	0 *	0	0	0
Hanley Eager Road TDD	0	0	0	0	0	0	0	443,441	0	0	443,441
Hanley Road Corridor TDD	0	0	0	0	0	0	0	5,757,798	0	0	5,757,798
Hanley Station TDD	0	0	0	0	0	0	0	108,139	0	0	108,139
Hawk Ridge TDD	0	0	0	0	0	0	0	1,034,421	0	0	1,034,421
Hawthorne Development TDD	0	0	0	0	0	0	0	0 *	0	0	0

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Highlands TDD	0	0	0	0	0	0	0	0 *	0	0	0
Highway 367 and Parker Road TDD	0	0	0	0	0	0	0	63,533	0	0	63,533
Highway 61 State Highway U TDD	0	0	0	0	0	0	0	0 *	0	0	0
Highway 71 and 291 Partners in Progress TDD	0	0	0	0	0	0	0	1,033,505	0	0	1,033,505
Horseshoe Bend Pedestrian TDD	0	0	0	0	0	0	0	0 *	0	0	0
Hospital Interchange TDD	0	0	0	0	0	0	0	0 *	0	0	0
Hutchings Farm TDD	0	0	0	0	0	0	0	25,714	0	0	25,714
I-44 and Highway 47 Triangle TDD	0	0	0	0	0	0	0	85,488	0	0	85,488
I-470 and 350 TDD	0	0	0	0	0	0	0	2,018,398	0	0	2,018,398
I-70 and Adams Dairy Parkway TDD	0	0	0	0	0	0	0	0 *	0	0	0
Independence Ave Colbern TDD	0	0	0	0	0	0	0	0 *	0	0	0
Inter St Plaza N Town Village TDD	0	0	0	0	0	0	0	691,922	0	0	691,922
KC Downtown Streetcar TDD	0	0	0	0	0	0	0	391,437	0	0	391,437
Kingsmill TDD	0	0	0	0	0	0	0	0 *	0	0	0
Koch Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Lake of the Woods TDD	0	0	0	0	0	0	0	0 *	0	0	0
Laurel TDD	0	0	0	0	0	0	0	0 *	0	0	0
Lindbergh E Concord TDD	0	0	0	0	0	0	0	0 *	0	0	0
Loop Trolley TDD	0	0	0	0	0	0	0	724,388	0	0	724,388
Lucas and Hunt Chandler TDD	0	0	0	0	0	0	0	0 *	0	0	0
M150 and 135th Street TDD	0	0	0	0	0	0	0	735,835	0	0	735,835
Manchester Highlands TDD	0	0	0	0	0	0	0	1,594,677	0	0	1,594,677
Mark Twain Mall TDD	0	0	0	0	0	0	0	660,284	0	0	660,284
Market at McKnight I TDD	0	0	0	0	0	0	0	137,676	0	0	137,676
Meadows TDD	0	0	0	0	0	0	0	455,312	0	0	455,312
Megan Shoppe's TDD	0	0	0	0	0	0	0	0 *	0	0	0
Meramec Station Road and Highway 141 TDD	0	0	0	0	0	0	0	125,265	0	0	125,265
Merchants Laclede TDD	0	0	0	0	0	0	0	0 *	0	0	0
Mexico Road TDD	0	0	0	0	0	0	0	302,742	0	0	302,742
Mid Rivers N TDD	0	0	0	0	0	0	0	54,500	0	0	54,500
Neosho TDD	0	0	0	0	0	0	0	493,504	0	0	493,504
New Longview TDD	0	0	0	0	0	0	0	39,299	0	0	39,299
Northwoods TDD	0	0	0	0	0	0	0	0 *	0	0	0
Olive Boulevard TDD	0	0	0	0	0	0	0	403,425	0	0	403,425
Olive Graeser TDD	0	0	0	0	0	0	0	88,882	0	0	88,882
Osage Station TDD	0	0	0	0	0	0	0	0 *	0	0	0
Ozark Centre TDD	0	0	0	0	0	0	0	348,475	0	0	348,475
Park Hills TDD	0	0	0	0	0	0	0	0 *	0	0	0
Park Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Parkville Commons TDD	0	0	0	0	0	0	0	387,599	0	0	387,599
Pershall Road TDD	0	0	0	0	0	0	0	0 *	0	0	0
Platte County MO S I TDD	0	0	0	0	0	0	0	1,395,905	0	0	1,395,905
Platte County MO S II TDD	0	0	0	0	0	0	0	343,774	0	0	343,774
Platte Valley Plaza TDD	0	0	0	0	0	0	0	7,296	0	0	7,296
Poplar Bluff Conference Center TDD	0	0	0	0	0	0	0	0 *	0	0	0
Poplar Bluff Regional TDD	0	0	0	0	0	0	0	217,633	0	0	217,633
Prewitt Point TDD	0	0	0	0	0	0	0	734,599	0	0	734,599
Railway Exchange Building TDD	0	0	0	0	0	0	0	69,361	0	0	69,361

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Raintree Lake Village TDD	0	0	0	0	0	0	0	0 *	0	0	0
Raintree North TDD	0	0	0	0	0	0	0	162,865	0	0	162,865
Raytown Highway 350 TDD	0	0	0	0	0	0	0	0 *	0	0	0
Residence Inn St. Louis Downtown TDD	0	0	0	0	0	0	0	0 *	0	0	0
Rock Bridge Center TDD	0	0	0	0	0	0	0	243,692	0	0	243,692
Salt Lick Road TDD	0	0	0	0	0	0	0	217,217	0	0	217,217
Shoppe's at Cross Keys TDD	0	0	0	0	0	0	0	726,489	0	0	726,489
Shoppe's at Hilltop TDD	0	0	0	0	0	0	0	0 *	0	0	0
Shoppe's at Stadium TDD	0	0	0	0	0	0	0	394,032	0	0	394,032
Shoppe's Old Webster TDD	0	0	0	0	0	0	0	25,488	0	0	25,488
South Manchester TDD	0	0	0	0	0	0	0	100,869	0	0	100,869
St. Charles Riverfront TDD	0	0	0	0	0	0	0	228,811	0	0	228,811
St. Cyr Road TDD	0	0	0	0	0	0	0	0 *	0	0	0
St. John Crossing TDD	0	0	0	0	0	0	0	66,424	0	0	66,424
St. John's Church Road TDD	0	0	0	0	0	0	0	666,045	0	0	666,045
St. Joseph Gateway TDD	0	0	0	0	0	0	0	0 *	0	0	0
St. Louis Convention Center Hotel TDD	0	0	0	0	0	0	0	383,494	0	0	383,494
Stadium Corridor A TDD	0	0	0	0	0	0	0	331,996	0	0	331,996
Stardust Mung Diamond TDD	0	0	0	0	0	0	0	0 *	0	0	0
Seven Trails Drive TDD	0	0	0	0	0	0	0	0 *	0	0	0
Stone Ridge TDD	0	0	0	0	0	0	0	0 *	0	0	0
Strother Interchange TDD	0	0	0	0	0	0	0	198,007	0	0	198,007
Station Plaza TDD	0	0	0	0	0	0	0	50,129	0	0	50,129
Toad Cove Complex TDD	0	0	0	0	0	0	0	0 *	0	0	0
Toad Cove Resort TDD	0	0	0	0	0	0	0	0 *	0	0	0
Tower TDD	0	0	0	0	0	0	0	0 *	0	0	0
Town and Country Cross TDD	0	0	0	0	0	0	0	443,524	0	0	443,524
Town and Country Village TDD	0	0	0	0	0	0	0	0 *	0	0	0
Tuileries Plaza TDD	0	0	0	0	0	0	0	79,535	0	0	79,535
University Place TDD	0	0	0	0	0	0	0	0 *	0	0	0
US Hwy 36 Int 72 Corr TDD	0	0	0	0	0	0	0	2,855,299	0	0	2,855,299
US Hwy 50/63 Cityview TDD	0	0	0	0	0	0	0	0 *	0	0	0
US Hwy 65 Truman Dam TDD	0	0	0	0	0	0	0	0 *	0	0	0
Washington Avenue TDD	0	0	0	0	0	0	0	0 *	0	0	0
Wentzville TDD	0	0	0	0	0	0	0	365,392	0	0	365,392
Wentzville II TDD	0	0	0	0	0	0	0	0 *	0	0	0
Wentzville III TDD	0	0	0	0	0	0	0	109,065	0	0	109,065
Wentzville Parkway I TDD	0	0	0	0	0	0	0	162,125	0	0	162,125
Winghaven TDD	0	0	0	0	0	0	0	138,357	0	0	138,357
COMMUNITY IMPROVEMENT DISTRICTS:											
58 Highway Regional Market CID	0	0	0	3,271	0	0	0	118,567	0	0	121,838
63 Bypass CID	0	0	0	1,783	0	0	0	41,589	0	0	43,372
210 Highway CID	0	0	0	0	0	0	0	111,345	0	0	111,345
212 S. Grand CID	0	0	0	0	0	0	0	0 *	0	0	0
620 Market CID	0	0	0	2,171	0	0	0	59,744	0	0	61,915
840 E Taylor CID	0	0	0	0 *	0	0	0	0 *	0	0	0
1077 Pear Tree Lane CID	0	0	0	0	0	0	0	0 *	0	0	0
1100 Washington Ave CID	0	0	0	0	0	0	0	0 *	0	0	0

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
1133 Washington Ave CID	0	0	0	0	0	0	0	0 *	0	0	0
1201 Washington CID	0	0	0	1,719	0	0	0	5,713	0	0	7,432
1225 Washington CID	0	0	0	0	0	0	0	88,401	0	0	88,401
2017 Chouteau CID	0	0	0	2,109	0	0	0	51,292	0	0	53,401
8750 Manchester Road CID	0	0	0	807	0	0	0	43,796	0	0	44,603
Airport Plaza CID	0	0	0	0	0	0	0	47,694	0	0	47,694
American Center CID	0	0	0	0	0	0	0	15,772	0	0	15,772
Antioch Center CID	0	0	0	0	0	0	0	261,489	0	0	261,489
Bear Creek CID	0	0	0	0	0	0	0	0 *	0	0	0
Belleau CID	0	0	0	8,721	0	0	0	33,472	0	0	42,193
Big Spring Plaza CID	0	0	0	4,272	0	0	0	49,017	0	0	53,289
Biltmore East CID	0	0	0	0	0	0	0	95,988	0	0	95,988
Black Mountain CID	0	0	0	0	0	0	0	0 *	0	0	0
Blue Jay Crossing CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Branson Hills Infrastructure and Recreational CID	0	0	0	0	0	0	0	54,542	0	0	54,542
Bridgewood Plaza CID	0	0	0	0	0	0	0	36,437	0	0	36,437
Broadway Hotel CID	0	0	0	1,653	0	0	0	365,059	0	0	366,712
Brywood Centre CID	0	0	0	424	0	0	0	227,911	0	0	228,335
Chambers West Florissant CID	0	0	0	96	0	0	0	58,073	0	0	58,169
Cheshire CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Chouteau Crossing CID	0	0	0	0 *	0	0	0	0 *	0	0	0
City Hospital RPA2 CID	0	0	0	0 *	0	0	0	0 *	0	0	0
City Hospital Powerhouse CID	0	0	0	0	0	0	0	0 *	0	0	0
College Station CID	0	0	0	0	0	0	0	28,595	0	0	28,595
Collins CID	0	0	0	0	0	0	0	0 *	0	0	0
Colonial Marketplace CID	0	0	0	0	0	0	0	12,274	0	0	12,274
Commercial St CID	0	0	0	7,282	0	0	0	26,277	0	0	33,559
Cook Crossings CID	0	0	0	0	0	0	0	0 *	0	0	0
Cozens MLK Grand CID	0	0	0	1,378	0	0	0	36,828	0	0	38,206
Crestwood Square CID	0	0	0	508	0	0	0	68,658	0	0	69,166
Crossroads Shopping Center CID	0	0	0	501	0	0	0	84,657	0	0	85,158
Crowne Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Cupples Station Building 9 CID	0	0	0	0	0	0	0	0 *	0	0	0
CWE Business CID	0	0	0	1,198	0	0	0	713,784	0	0	714,982
Deer Creek Center CID	0	0	0	0	0	0	0	1,277	0	0	1,277
Ditzler CID	0	0	0	202	0	0	0	69,013	0	0	69,215
Downtown CID	0	0	0	4,432	0	0	0	509,808	0	0	514,240
Downtown Springfield CID	0	0	0	2,720	0	0	0	133,460	0	0	136,180
East Ashland Plaza CID	0	0	0	0 *	0	0	0	0 *	0	0	0
East Hills CID	0	0	0	11,605	0	0	0	665,500	0	0	677,105
East Main & Highway 47 CID	0	0	0	5,711	0	0	0	62,745	0	0	68,456
Ellsinore Herren Ave CID	0	0	0	0	0	0	0	0 *	0	0	0
Elm and 370 CID	0	0	0	3,086	0	0	0	11,277	0	0	14,363
Elms Hotel CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Eureka Pointe CID	0	0	0	0	0	0	0	36,451	0	0	36,451
Eureka South I-44 CID	0	0	0	2,906	0	0	0	77	0	0	2,983
Flintlock Plaza CID	0	0	0	315	0	0	0	88,033	0	0	88,348
Flintlock Shoppes CID	0	0	0	2,738	0	0	0	247,398	0	0	250,136

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Flori Drive CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Fountain Lakes CID	0	0	0	0	0	0	0	0 *	0	0	0
Fountains CID	0	0	0	0	0	0	0	35,079	0	0	35,079
Foxwood Village CID	0	0	0	0	0	0	0	0 *	0	0	0
Georgian Square CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Grain Valley Marketplace CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Greenview CID	0	0	0	0	0	0	0	18,160	0	0	18,160
Grove CID	0	0	0	2,821	0	0	0	113,847	0	0	116,668
Hadley Dean Building CID	0	0	0	0	0	0	0	0 *	0	0	0
Hail Ridge CID	0	0	0	0	0	0	0	0 *	0	0	0
Hayti Ventures CID	0	0	0	57	0	0	0	12,030	0	0	12,087
Hazelwood Commerce Center CID	0	0	0	661	0	0	0	61	0	0	722
High Ridge Commons CID	0	0	0	0	0	0	0	424,813	0	0	424,813
Highway 166 CID	0	0	0	0	0	0	0	0 *	0	0	0
Highway 350 CID	0	0	0	3,449	0	0	0	526,247	0	0	529,696
Highlandville CID	0	0	0	0	0	0	0	0 *	0	0	0
Highway 100 CID	0	0	0	3,219	0	0	0	8,005	0	0	11,224
Highway J and 17th Street CID	0	0	0	0	0	0	0	0 *	0	0	0
Hilltop CID	0	0	0	0	0	0	0	996,927	0	0	996,927
Historic Downtown Branson CID	0	0	0	0	0	0	0	315,182	0	0	315,182
I-470 Square CID	0	0	0	0	0	0	0	0 *	0	0	0
Imperial Main CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Independence Event Center CID	0	0	0	0	0	0	0	4,993,661	0	0	4,993,661
James River Commons CID	0	0	0	1,724	0	0	0	1,093,279	0	0	1,095,003
Jeter Farm CID	0	0	0	0 *	0	0	0	0	0	0	0
Kansas Battlefield CID	0	0	0	610	0	0	0	167,521	0	0	168,131
Kearney West Side CID	0	0	0	0	0	0	0	79,836	0	0	79,836
Laclede Landing CID	0	0	0	1,289	0	0	0	141,391	0	0	142,680
Landing Mall CID	0	0	0	1,835	0	0	0	94,062	0	0	95,897
Landing River Center CID	0	0	0	0	0	0	0	0 *	0	0	0
Langsford Plaza CID	0	0	0	111	0	0	0	30,634	0	0	30,745
Laurel CID	0	0	0	0	0	0	0	0 *	0	0	0
Lebanon Marketplace CID	0	0	0	0	0	0	0	0 *	0	0	0
Liberty Commons CID	0	0	0	0	0	0	0	0 *	0	0	0
Liberty Corners CID	0	0	0	712	0	0	0	272,604	0	0	273,316
Liberty Triangle CID	0	0	0	8,977	0	0	0	630,637	0	0	639,614
Liberty Tri Shop Center CID	0	0	0	0	0	0	0	192,418	0	0	192,418
Lincoln Crossing CID	0	0	0	4,065	0	0	0	79,254	0	0	83,319
Logan Estates CID	0	0	0	1,181	0	0	0	0	0	0	1,181
Loughborough Commons CID	0	0	0	0	0	0	0	581,496	0	0	581,496
Manchester Ballas CID	0	0	0	18,725	0	0	0	2,070,474	0	0	2,089,199
Maple Valley Plaza CID	0	0	0	2,530	0	0	0	42,620	0	0	45,150
Mayfair Plaza CID	0	0	0	1,179	0	0	0	127,364	0	0	128,543
McCroskey Street CID	0	0	0	65	0	0	0	24,770	0	0	24,835
McNutt Road Corridor CID	0	0	0	0	0	0	0	392,214	0	0	392,214
Metro N Square And Common CID	0	0	0	199	0	0	0	94,607	0	0	94,806
Midwest Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Mid Rivers Commons CID	0	0	0	0 *	0	0	0	0 *	0	0	0

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Miner Gateway CID	0	0	0	1,109	0	0	0	50,884	0	0	51,993
Moberly Crossings CID	0	0	0	399	0	0	0	23,406	0	0	23,805
Mountain Farm CID	0	0	0	2,632	0	0	0	8,150	0	0	10,782
NWP CID	0	0	0	0	0	0	0	0 *	0	0	0
North 763 CID	0	0	0	0	0	0	0	0 *	0	0	0
North County Festival Square CID	0	0	0	835	0	0	0	143,847	0	0	144,682
North Oak Village CID	0	0	0	7,967	0	0	0	257,629	0	0	265,596
North Oaks Plaza Shopping Center CID	0	0	0	767	0	0	0	74,910	0	0	75,677
Northmoor Associates CID	0	0	0	2	0	0	0	16,706	0	0	16,708
Northwest Area CID	0	0	0	1,314	0	0	0	66,152	0	0	67,466
Oak Barry CID	0	0	0	2	0	0	0	16,101	0	0	16,103
OHM Woodson Terrace Community CID	0	0	0	0	0	0	0	0 *	0	0	0
Old Town Cottleville CID	0	0	0	0	0	0	0	108,717	0	0	108,717
Old Foundation CID	0	0	0	202	0	0	0	59,693	0	0	59,895
Orpheum Theatre CID	0	0	0	0	0	0	0	0 *	0	0	0
Osage Commercial Area CID	0	0	0	639	0	0	0	124,738	0	0	125,377
Ozark Bar-B-Que CID	0	0	0	0	0	0	0	0 *	0	0	0
Paddock Forest CID	0	0	0	3,614	0	0	0	82,692	0	0	86,306
Park Pacific CID	0	0	0	0	0	0	0	0 *	0	0	0
Parkville Old Towne Market CID	0	0	0	429	0	0	0	67,784	0	0	68,213
Peachtree CID	0	0	0	1,488	0	0	0	1,904	0	0	3,392
Peach Tree CID	0	0	0	0	0	0	0	0 *	0	0	0
Phoenix Center I CID	0	0	0	0	0	0	0	326,282	0	0	326,282
Phoenix Center II CID	0	0	0	0	0	0	0	326,328	0	0	326,328
Platte City Market CID	0	0	0	68	0	0	0	141,277	0	0	141,345
Plattner CID	0	0	0	0	0	0	0	0 *	0	0	0
Plaza at Noah's Ark CID	0	0	0	10,996	0	0	0	48,122	0	0	59,118
Plaza on the Boulevard in Jennings CID	0	0	0	418	0	0	0	211,121	0	0	211,539
Railway Exchange Building CID	0	0	0	3,005	0	0	0	94,851	0	0	97,856
Raintree 150 Center CID	0	0	0	0	0	0	0	44,597	0	0	44,597
Raymore Galleria CID	0	0	0	0	0	0	0	0 *	0	0	0
Raytown Crossing Center CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Raytown Square CID	0	0	0	1,205	0	0	0	146,142	0	0	147,347
Red Bridge CID	0	0	0	229	0	0	0	77,167	0	0	77,396
Richardson Crossing CID	0	0	0	4,255	0	0	0	10,998	0	0	15,253
Riverfront Hotel CID	0	0	0	8,685	0	0	0	453,206	0	0	461,891
Rogers Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Route 141 Marshall Road CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Sappington Square CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Shops on Blue Parkway CID	0	0	0	1,951	0	0	0	125,746	0	0	127,697
Shops at James River CID	0	0	0	0	0	0	0	71,280	0	0	71,280
Skelly CID	0	0	0	325	0	0	0	49,340	0	0	49,665
Soda Fountain Square CID	0	0	0	289	0	0	0	9,844	0	0	10,133
South 160 CID	0	0	0	0	0	0	0	108,791	0	0	108,791
South 63 Corridor CID	0	0	0	0	0	0	0	82,691	0	0	82,691
South Grand CID	0	0	0	1,183	0	0	0	98,027	0	0	99,210
Southern Hills CID	0	0	0	0	0	0	0	541,803	0	0	541,803
Southtowne CID	0	0	0	5,371	0	0	0	211,650	0	0	217,021

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
St. Joseph Downtown CID	0	0	0	0	0	0	0	80,660	0	0	80,660
St. Louis Convention Center Hotel CID	0	0	0	0	0	0	0	383,494	0	0	383,494
Stateline CID	0	0	0	0	0	0	0	0 *	0	0	0
Stratford Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Stoneybrooke CID	0	0	0	734	0	0	0	177,673	0	0	178,407
SueMandy Mid Rivers CID	0	0	0	13,177	0	0	0	1,262,075	0	0	1,275,252
SueMandy Drive 1 CID	0	0	0	0 *	0	0	0	0 *	0	0	0
SueMandy Drive 2 CID	0	0	0	1,793	0	0	0	150,541	0	0	152,334
Summit Fair CID	0	0	0	0	0	0	0	569,417	0	0	569,417
Syndicate Trust CID	0	0	0	0	0	0	0	0 *	0	0	0
Telegraph Crossing North CID	0	0	0	474	0	0	0	14,905	0	0	15,379
Toad Cove Complex CID	0	0	0	0	0	0	0	0 *	0	0	0
Toad Cove Resort CID	0	0	0	0	0	0	0	0 *	0	0	0
Tori Pines Commons CID	0	0	0	2,013	0	0	0	1,401	0	0	3,414
Town and Country Village CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Town Plaza CID	0	0	0	3,839	0	0	0	142,330	0	0	146,169
Twin City Mall CID	0	0	0	0	0	0	0	148,875	0	0	148,875
Truman Road CID	0	0	0	858	0	0	0	104,569	0	0	105,427
Truman Village CID	0	0	0	1,492	0	0	0	142	0	0	1,634
Veteran's Memorial Parkway CID	0	0	0	0	0	0	0	0 *	0	0	0
Viaduct Commercial Area CID	0	0	0	21	0	0	0	57,186	0	0	57,207
Victoria Crossings CID	0	0	0	769	0	0	0	9,540	0	0	10,309
Vintage Plaza CID	0	0	0	1,218	0	0	0	36,668	0	0	37,886
Viking Conference Center CID	0	0	0	0	0	0	0	59,252	0	0	59,252
Union CID	0	0	0	33	0	0	0	30,017	0	0	30,050
Waldo CID	0	0	0	7,572	0	0	0	537,435	0	0	545,007
Ward Parkway Shop Center CID	0	0	0	9,413	0	0	0	1,304,816	0	0	1,314,229
Waterbury Storm Water CID	0	0	0	336	0	0	0	18,004	0	0	18,340
Watson-Laclede Station Road CID	0	0	0	0	0	0	0	33,285	0	0	33,285
Wentzville Bluffs CID	0	0	0	3,765	0	0	0	23,476	0	0	27,241
Westgate CID	0	0	0	0	0	0	0	0 *	0	0	0
Wilson Creek Market Place CID	0	0	0	0 *	0	0	0	0	0	0	0
Windsor Place CID	0	0	0	719	0	0	0	20,605	0	0	21,324
Y Highway Market Place CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Zumbahl Road/Highway 94 CID	0	0	0	3,610	0	0	0	39,974	0	0	43,584
COMMUNITY DEVELOPMENT DISTRICTS:											
3 Trails Village CDD	0	0	0	5,527	0	0	0	46,678	0	0	52,205
39th Street CDD	0	0	0	5,488	0	0	0	109,454	0	0	114,942
Branson Hills CDD	0	0	0	0	0	0	0	818,075	0	0	818,075
Brookside CDD	0	0	0	4,696	0	0	0	373,321	0	0	378,017
Bryan Road CDD	0	0	0	121	0	0	0	16,018	0	0	16,139
Caledonia CDD	0	0	0	14,117	0	0	0	14,665	0	0	28,782
Crossings CDD	0	0	0	3,000	0	0	0	94,772	0	0	97,772
Grandview Crossing CDD	0	0	0	21,454	0	0	0	7,507	0	0	28,961
KC International Airport CDD	0	0	0	31,614	0	0	0	389,123	0	0	420,737
Lake Lotawana CDD	0	0	0	3,889	0	0	0	19,207	0	0	23,096
Martin City CDD	0	0	0	5,084	0	0	0	277,882	0	0	282,966
Performing Arts CDD	0	0	0	6,875	0	0	0	158,802	0	0	165,677

Appendix D-2

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2013

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Residence Inn Downtown/St. Louis CDD	0	0	0	0 *	0	0	0	0 *	0	0	0
Springdale CDD	0	0	0	9,778	0	0	0	28,470	0	0	38,248
St. Charles Riverfront CDD	0	0	0	102,911	0	0	0	229,778	0	0	332,689
Westport CDD	0	0	0	4,902	0	0	0	374,413	0	0	379,315
MISCELLANEOUS DISTRICTS:											
Jefferson County Emergency Service District	0	0	0	0	0	0	0	7,524,813	0	0	7,524,813
Iron County Hospital District	0	0	0	0	0	0	0	329,590	0	0	329,590
Poplar Bluff Public Library District	0	0	0	0	0	0	0	623,720	0	0	623,720
Daviess/Dekalb Regional Jail District	0	0	0	0	0	0	0	895,020	0	0	895,020
Boone County Fairground Regional Recreation District	0	0	0	0	0	0	0	3,146	0	0	3,146
Branson/Lakes Area Tourism Community District	0	0	0	0	0	0	0	7,401,168	0	0	7,401,168
Kansas City Zoological District	0	0	0	0	0	0	0	14,249,348	0	0	14,249,348
TOTAL	\$ 536,735,238	436,359,391	425,042,654	112,979,394	262,924,495	521,236,940	157,494,978	167,940,390	247,522,468	55,466,033	2,923,701,981

* To preserve confidentiality, sales and use tax distributions for political subdivisions with less than 6 taxpayers are reported as zero in accordance with Department of Revenue policy.

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
CITIES:											
Adrian	189,389	123,798	65,591	0	0	0	0	0	63,958	0	442,736
Advance	184,900	179,506	0	28,269	0	0	0	0	47,771	0	440,446
Agency	0	0	0	0	0	0	0	0	23,624	0	23,624
Airport Drive	234,711	114,226	0	0	0	0	0	0	24,316	0	373,253
Alba	11,817	0	0	0	0	0	0	0	21,146	0	32,963
Albany	169,372	169,366	0	0	0	0	0	0	67,933	0	406,671
Aldrich	0	0	0	0	0	0	0	0	2,859	0	2,859
Alexandria	13,115	0	0	0	0	0	0	0	6,010	0	19,125
Allendale	6,536	0	0	0	0	0	0	0	1,978	0	8,514
Allenville	0	0	0	0	0	0	0	0	4,053	0	4,053
Alma	0	0	0	0	0	0	0	0	14,795	0	14,795
Altamont	0	0	0	0	0	0	0	0	7,809	0	7,809
Altenburg	0	0	0	0	0	0	0	0	12,172	0	12,172
Alton	128,459	122,600	0	0	0	0	0	0	28,245	0	279,304
Amazonia	0	0	0	0	0	0	0	0	10,849	0	10,849
Amity	0	0	0	0	0	0	0	0	2,305	0	2,305
Amoret	0	0	0	0	0	0	0	0	7,427	0	7,427
Amsterdam	11,542	0	0	0	0	0	0	0	9,697	0	21,239
Anderson	228,146	0	108,083	0	0	0	0	0	70,418	0	406,647
Annada	0	0	0	0	0	0	0	0	1,440	0	1,440
Annapolis	37,107	18,553	18,553	0	0	0	0	0	12,068	0	86,281
Anniston	0	0	0	0	0	0	0	0	9,599	0	9,599
Appleton City	180,637	48,170	0	0	0	0	0	0	45,266	0	274,073
Arbela	0	0	0	0	0	0	0	0	1,495	0	1,495
Arbyrd	45,456	0	0	0	0	0	0	0	19,175	0	64,631
Arcadia	65,847	15,509	0	0	0	0	0	0	21,669	0	103,025
Archie	66,916	0	14,033	0	0	0	0	0	37,800	0	118,749
Arcola	0	0	0	0	0	0	0	0	1,838	0	1,838
Argyle	14,076	0	0	0	0	0	0	0	6,024	0	20,100
Arkoe	0	0	0	0	0	0	0	0	2,318	0	2,318
Armstrong	0	0	0	0	0	0	0	0	10,551	0	10,551
Arnold	5,204,643	1,260,923	0	0	0	0	0	0	752,462	0	7,218,028
Arrow Point Village	0	0	0	0	0	0	0	0	4,089	0	4,089
Arrow Rock	12,880	3,220	0	0	0	0	0	0	2,515	0	18,615
Asbury	16,837	0	0	0	0	0	0	0	7,861	0	24,698
Ash Grove	119,432	53,484	0	11,619	0	0	0	0	53,573	0	238,108
Ashland	287,606	129,826	0	0	0	0	0	0	107,764	0	525,196
Atlanta	11,519	0	0	0	0	0	0	0	15,485	0	27,004
Augusta	33,842	16,921	0	0	0	0	0	0	8,669	0	59,432
Aurora	1,063,774	531,741	532,178	86,053	0	0	0	0	267,825	0	2,481,571
Auxvasse	71,360	16,131	32,269	0	0	0	0	0	34,730	0	154,490
Ava	334,796	669,592	0	47,937	0	0	0	0	111,127	0	1,163,452
Avilla	0	0	0	0	0	0	0	0	4,851	0	4,851
Avondale	28,673	0	0	0	0	0	0	0	17,983	0	46,656
Bagnell	8,530	0	0	0	0	0	0	0	3,300	0	11,830
Bakersfield	14,212	0	0	0	0	0	0	0	9,845	0	24,057
Baldwin Park	0	0	0	0	0	0	0	0	3,845	0	3,845

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Ballwin	0	1,443,984	0	0	0	0	0	0	1,140,400	1,247,206	3,831,590
Baring	0	0	0	0	0	0	0	0	5,401	0	5,401
Barnard	0	0	0	0	0	0	0	0	8,863	0	8,863
Barnett	0	0	0	0	0	0	0	0	7,578	0	7,578
Bates City	55,285	27,642	0	8,969	0	0	0	0	8,596	0	100,492
Battlefield	101,136	0	80,800	0	0	0	0	0	144,394	0	326,330
Bell City	12,859	3,215	0	0	0	0	0	0	16,805	0	32,879
Bella Villa	0	0	0	7,121	0	0	0	0	26,120	40,869	74,110
Belle	118,720	59,360	55,062	0	0	0	0	0	53,187	0	286,329
Bellefontaine Neighbors	0	0	0	0	0	0	0	0	405,672	637,335	1,043,007
Bellerive	0	0	0	0	0	0	0	0	8,226	40,276	48,502
Bellflower	12,347	4,735	4,735	0	0	0	0	0	15,180	0	36,997
Bel-Nor	0	0	0	15,608	0	0	0	0	57,304	90,226	163,138
Bel-Ridge	0	193,758	0	0	0	0	0	0	107,815	219,228	520,801
Belton	2,597,066	3,244,960	1,298,533	0	0	0	0	0	827,208	0	7,967,767
Benton	84,527	0	0	0	0	0	0	0	29,346	0	113,873
Benton City	0	0	0	0	0	0	0	0	4,192	0	4,192
Berger	3,823	0	0	0	0	0	0	0	7,875	0	11,698
Berkeley	0	1,427,229	0	0	0	0	0	0	352,754	571,702	2,351,685
Bernie	121,754	60,874	0	0	0	0	0	0	68,834	0	251,462
Bertrand	16,068	0	0	0	0	0	0	0	28,763	0	44,831
Bethany	662,048	378,037	0	0	0	0	0	0	117,657	0	1,157,742
Bethel	7,185	0	0	0	0	0	0	0	4,488	0	11,673
Beverly Hills	0	26,421	0	0	0	0	0	0	21,770	22,457	70,648
Bevier	59,570	0	26,261	0	0	0	0	0	26,625	0	112,456
Big Lake	0	0	0	0	0	0	0	0	5,254	0	5,254
Bigelow	0	0	0	0	0	0	0	0	1,211	0	1,211
Billings	55,286	0	0	0	0	0	0	0	39,327	0	94,613
Birch Tree	44,438	19,980	19,980	0	0	0	0	0	24,215	0	108,613
Birmingham	9,127	0	0	0	0	0	0	0	7,362	0	16,489
Bismarck	77,798	0	33,097	0	0	0	0	0	55,647	0	166,542
Blackburn	8,326	0	0	0	0	0	0	0	9,879	0	18,205
Black Jack	0	0	0	69,049	0	0	0	0	253,354	397,205	719,608
Blackwater	7,187	3,593	3,593	0	0	0	0	0	6,703	0	21,076
Blairstown	3,361	0	0	0	0	0	0	0	4,437	0	7,798
Bland	22,332	18,793	0	0	0	0	0	0	20,419	0	61,544
Blodgett	0	0	0	0	0	0	0	0	8,878	0	8,878
Bloomfield	133,588	19,084	0	15,241	0	0	0	0	71,788	0	239,701
Bloomsdale	79,094	0	0	0	0	0	0	0	17,272	0	96,366
Blue Eye	21,920	0	0	0	0	0	0	0	5,433	0	27,353
Blue Springs	7,096,553	1,899,268	3,323,564	0	0	0	0	0	1,855,367	0	14,174,752
Blythedale	0	0	0	0	0	0	0	0	7,906	0	7,906
Bogard	0	0	0	0	0	0	0	0	7,417	0	7,417
Bolckow	0	0	0	0	0	0	0	0	7,820	0	7,820
Bolivar	1,710,753	1,664,956	805,608	0	0	0	0	0	358,566	0	4,539,883
Bonne Terre	409,460	191,448	191,457	0	0	0	0	0	198,833	0	991,198
Boonville	1,155,497	547,828	0	0	0	0	0	0	305,099	0	2,008,424
Bosworth	0	0	0	0	0	0	0	0	12,762	0	12,762

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Bourbon	181,317	0	81,637	0	0	0	0	0	54,792	0	317,746
Bowling Green	757,911	180,248	360,495	0	0	0	0	0	156,865	0	1,455,519
Bragg City	0	0	0	0	0	0	0	0	6,281	0	6,281
Brandsville	0	0	0	0	0	0	0	0	6,201	0	6,201
Branson	10,307,260	0	5,103,644	0	0	0	0	0	306,458	0	15,717,362
Branson West	761,532	380,766	380,764	0	0	0	0	0	16,304	0	1,539,366
Brashear	9,218	0	0	0	0	0	0	0	10,222	0	19,440
Braymer	56,331	0	0	0	0	0	0	0	33,060	0	89,391
Breckenridge	9,689	0	0	0	0	0	0	0	15,528	0	25,217
Breckenridge Hills	0	0	0	48,153	0	0	0	0	176,730	132,044	356,927
Brentwood	0	4,190,078	0	0	0	0	0	0	290,594	2,440,755	6,921,427
Bridgeton	0	2,886,289	0	0	0	0	0	0	504,304	2,484,401	5,874,994
Brimson	0	0	0	0	0	0	0	0	2,328	0	2,328
Bronaugh	0	0	0	0	0	0	0	0	9,122	0	9,122
Brookfield	734,136	183,531	343,300	74,787	0	0	0	0	172,218	0	1,507,972
Brookline Station	129	0	0	0	0	0	0	0	0	0	129
Brooklyn Heights	0	0	0	0	0	0	0	0	4,179	0	4,179
Browning	9,586	0	0	2,116	0	0	0	0	10,799	0	22,501
Brownington	0	0	0	0	0	0	0	0	4,186	0	4,186
Brumley	2,789	0	0	0	0	0	0	0	3,575	0	6,364
Brunswick	138,086	0	0	0	0	0	0	0	33,000	0	171,086
Bucklin	39,250	0	0	4,288	0	0	0	0	18,360	0	61,898
Buckner	182,346	91,173	79,418	27,139	0	0	0	0	106,845	0	486,921
Buffalo	634,780	0	295,045	0	0	0	0	0	108,071	0	1,037,896
Bull Creek Village	13,045	0	0	0	0	0	0	0	14,950	0	27,995
Bunceton	7,743	0	0	0	0	0	0	0	12,963	0	20,706
Bunker	47,426	0	0	0	0	0	0	0	15,425	0	62,851
Burgess	0	0	0	0	0	0	0	0	2,358	0	2,358
Burlington Junction	0	0	0	0	0	0	0	0	21,683	0	21,683
Butler	646,961	404,319	323,480	0	0	0	0	0	155,688	0	1,530,448
Butterfield	5,387	0	0	0	0	0	0	0	15,950	0	21,337
Byrnes Mill	174,729	0	0	0	0	0	0	0	94,899	0	269,628
Cabool	314,667	157,298	0	0	0	0	0	0	79,716	0	551,681
Cainsville	0	0	0	0	0	0	0	0	12,266	0	12,266
Cairo	0	0	0	0	0	0	0	0	10,808	0	10,808
Caledonia	20,522	0	0	0	0	0	0	0	5,346	0	25,868
Calhoun	19,922	7,931	7,930	0	0	0	0	0	17,755	0	53,538
California	522,300	238,394	0	0	0	0	0	0	152,769	0	913,463
Callao	7,573	0	0	0	0	0	0	0	10,769	0	18,342
Calverton Park	0	0	0	0	0	0	0	0	48,336	75,944	124,280
Camden	0	0	0	0	0	0	0	0	7,406	0	7,406
Camden Point	0	0	0	0	0	0	0	0	17,707	0	17,707
Camdenton	1,428,745	714,334	699,648	0	0	0	0	0	119,164	0	2,961,891
Cameron	1,240,572	644,788	49,002	0	0	0	0	0	364,190	0	2,298,552
Campbell	148,737	0	0	0	0	0	0	0	71,486	0	220,223
Canalou	0	0	0	0	0	0	0	0	12,682	0	12,682
Canton	224,854	84,320	56,082	0	0	0	0	0	91,315	0	456,571
Cape Girardeau	9,387,733	11,653,013	4,548,088	0	0	0	0	0	1,351,574	0	26,940,408

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Cardwell	20,609	0	0	0	0	0	0	0	27,817	0	48,426
Carl Junction	328,955	128,432	128,520	0	0	0	0	0	233,368	0	819,275
Carrollton	388,197	0	194,097	0	0	0	0	0	146,364	0	728,658
Carterville	71,556	35,778	27,689	8,866	0	0	0	0	69,073	0	212,962
Carthage	2,226,854	1,505,150	1,066,009	0	0	0	0	0	498,077	0	5,296,090
Caruthersville	546,402	273,191	0	0	0	0	0	0	239,372	0	1,058,965
Carytown	0	0	0	0	0	0	0	0	8,966	0	8,966
Cassville	835,775	835,775	0	0	0	0	0	0	113,381	0	1,784,931
Catron	0	0	0	0	0	0	0	0	2,495	0	2,495
Cedar Hill Lakes	0	0	0	0	0	0	0	0	8,601	0	8,601
Center	48,565	0	9,253	0	0	0	0	0	21,406	0	79,224
Centertown	22,174	0	0	0	0	0	0	0	9,864	0	32,038
Centerview	0	0	0	0	0	0	0	0	9,516	0	9,516
Centerville	6,556	0	0	0	0	0	0	0	6,669	0	13,225
Centralia	382,747	191,373	191,374	0	0	0	0	0	143,883	0	909,377
Chaffee	192,937	120,946	0	0	0	0	0	0	110,906	0	424,789
Chain of Rocks	0	0	0	0	0	0	0	0	3,397	0	3,397
Chain-O-Lakes	0	0	0	0	0	0	0	0	4,675	0	4,675
Chamois	22,789	0	0	0	0	0	0	0	15,795	0	38,584
Champ	0	0	0	0	0	0	0	0	461	0	461
Charlack	0	0	0	0	0	0	0	0	51,678	81,305	132,983
Charleston	543,820	0	257,003	0	0	0	0	0	196,169	0	996,992
Chesterfield	0	5,893,673	0	0	0	0	0	0	1,741,199	5,010,928	12,645,800
Chilhowee	14,312	0	0	0	0	0	0	0	12,085	0	26,397
Chillicothe	1,858,671	1,328,951	885,968	0	0	0	0	0	340,951	0	4,414,541
Chula	0	0	0	0	0	0	0	0	7,526	0	7,526
Clarence	80,399	0	0	0	0	0	0	0	32,016	0	112,415
Clark	6,557	3,278	3,278	0	0	0	0	0	10,564	0	23,677
Clarksburg	7,041	0	0	0	0	0	0	0	13,135	0	20,176
Clarksdale	0	0	0	0	0	0	0	0	11,564	0	11,564
Clarkson Valley	0	0	0	0	0	0	0	0	98,080	0	98,080
Clarksville	29,357	0	0	0	0	0	0	0	17,261	0	46,618
Clarkton	72,939	0	0	0	0	0	0	0	48,403	0	121,342
Claycomo	358,664	59,893	0	0	0	0	0	0	49,675	0	468,232
Clayton	0	1,366,103	0	0	0	0	0	0	588,831	1,161,187	3,116,121
Clearmont	0	0	0	0	0	0	0	0	6,688	0	6,688
Cleveland	86,182	0	0	0	0	0	0	0	23,084	0	109,266
Clever	124,957	62,478	0	0	0	0	0	0	57,140	0	244,575
Cliff Village	0	0	0	0	0	0	0	0	1,342	0	1,342
Clifton Hill	0	0	0	0	0	0	0	0	4,406	0	4,406
Climax Springs	4,771	0	0	0	0	0	0	0	3,728	0	8,499
Clinton	1,704,521	1,657,507	402,633	220,309	0	0	0	0	338,700	0	4,323,670
Clyde	0	0	0	0	0	0	0	0	2,875	0	2,875
Cobalt City	0	0	0	0	0	0	0	0	7,633	0	7,633
Coffey	0	0	0	0	0	0	0	0	5,629	0	5,629
Cole Camp	135,057	0	57,055	15,251	0	0	0	0	39,615	0	246,978
Collins	38,687	21,976	0	4,444	0	0	0	0	6,204	0	71,311
Columbia	21,637,906	10,358,280	10,361,576	0	0	0	0	0	3,544,072	0	45,901,834

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Commerce	0	0	0	0	0	0	0	0	3,309	0	3,309
Conception Junction	0	0	0	0	0	0	0	0	7,393	0	7,393
Concordia	305,001	273,890	71,598	0	0	0	0	0	88,777	0	739,266
Coney Island	0	0	0	0	0	0	0	0	3,139	0	3,139
Conway	88,999	44,500	0	0	0	0	0	0	28,242	0	161,741
Cool Valley	0	0	0	0	0	0	0	0	41,960	78,072	120,032
Cooter	0	0	0	0	0	0	0	0	16,766	0	16,766
Corder	8,754	4,377	0	3,732	0	0	0	0	15,373	0	32,236
Corning	0	0	0	0	0	0	0	0	670	0	670
Cosby	0	0	0	0	0	0	0	0	4,950	0	4,950
Cottleville	665,570	332,784	0	0	0	0	0	0	91,374	0	1,089,728
Country Club Village	49,497	0	0	0	0	0	0	0	78,793	0	128,290
Country Club Hills	0	53,738	0	0	0	0	0	0	49,146	0	102,884
Country Life Acres	0	0	0	0	0	0	0	0	2,870	81,171	84,041
Cowgill	0	0	0	0	0	0	0	0	8,090	0	8,090
Craig	19,563	0	0	0	0	0	0	0	10,346	0	29,909
Crane	123,279	0	55,508	16,762	0	0	0	0	52,621	0	248,170
Creighton	13,885	0	0	0	0	0	0	0	12,371	0	26,256
Crestwood	0	1,973,247	0	0	0	0	0	0	439,170	1,125,279	3,537,696
Creve Coeur	0	0	0	0	0	0	0	0	633,041	1,909,470	2,542,511
Crocker	115,039	0	50,726	0	0	0	0	0	39,519	0	205,284
Cross Timbers	0	0	0	0	0	0	0	0	7,380	0	7,380
Crystal City	801,725	582,061	0	0	0	0	0	0	167,592	0	1,551,378
Crystal Lake Park	0	0	0	0	0	0	0	0	17,113	26,819	43,932
Crystal Lakes	6,651	0	0	0	0	0	0	0	13,712	0	20,363
Cuba	713,326	354,674	356,662	0	0	0	0	0	121,553	0	1,546,215
Curryville	6,126	0	0	0	0	0	0	0	8,817	0	14,943
Dadeville	0	0	0	0	0	0	0	0	8,452	0	8,452
Dalton	0	0	0	0	0	0	0	0	822	0	822
Dardenne Prairie	1,014,943	507,467	0	0	0	0	0	0	286,816	0	1,809,226
Darlington	0	0	0	0	0	0	0	0	4,315	0	4,315
Dearborn	54,107	0	0	0	0	0	0	0	18,966	0	73,073
Deepwater	9,108	4,531	4,531	0	0	0	0	0	17,433	0	35,603
Deerfield	0	0	0	0	0	0	0	0	2,876	0	2,876
DeKalb	0	0	0	0	0	0	0	0	8,846	0	8,846
Dellwood	0	161,440	0	0	0	0	0	0	190,122	307,417	658,979
Delta	26,945	11,599	0	0	0	0	0	0	17,715	0	56,259
Dennis Acres	0	0	0	0	0	0	0	0	2,653	0	2,653
Denver	0	0	0	0	0	0	0	0	1,460	0	1,460
Des Arc	0	0	0	0	0	0	0	0	6,734	0	6,734
Desloge	1,025,525	979,971	489,990	0	0	0	0	0	181,847	0	2,677,333
De Soto	1,170,407	562,133	0	0	0	0	0	0	235,980	0	1,968,520
Des Peres	0	4,573,443	0	377,241	0	0	0	0	313,609	2,678,392	7,942,685
De Witt	0	0	0	0	0	0	0	0	4,504	0	4,504
Dexter	1,373,935	1,498,479	0	0	0	0	0	0	280,706	0	3,153,120
Diamond	138,137	43,364	43,427	0	0	0	0	0	31,485	0	256,413
Diehlstadt	4,849	0	0	0	0	0	0	0	5,987	0	10,836
Diggins	0	0	1,963	0	0	0	0	0	11,028	0	12,991

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Dixon	179,231	0	80,920	0	0	0	0	0	57,639	0	317,790
Doniphan	529,526	0	250,915	0	0	0	0	0	72,524	0	852,965
Doolittle	58,199	0	0	0	0	0	0	0	23,548	0	81,747
Dover	0	0	0	0	0	0	0	0	3,902	0	3,902
Downing	0	0	0	0	0	0	0	0	13,560	0	13,560
Drexel	101,745	50,873	0	0	0	0	0	0	38,078	0	190,696
Dudley	36,629	0	0	0	0	0	0	0	9,677	0	46,306
Duenweg	128,701	93,365	0	0	0	0	0	0	39,731	0	261,797
Duquesne	321,410	85,226	0	0	0	0	0	0	62,754	0	469,390
Dutchtown	4,940	0	0	0	0	0	0	0	3,570	0	8,510
Eagleville	139,958	87,473	34,989	0	0	0	0	0	11,772	0	274,192
East Lynne	12,779	6,389	0	0	0	0	0	0	11,137	0	30,305
Easton	7,540	0	0	0	0	0	0	0	9,111	0	16,651
East Prairie	269,833	240,468	120,337	0	0	0	0	0	118,335	0	748,973
Edgar Springs	23,084	0	0	0	0	0	0	0	7,336	0	30,420
Edgerton	17,958	0	0	0	0	0	0	0	19,921	0	37,879
Edina	136,145	0	0	0	0	0	0	0	44,556	0	180,701
Edmundson	0	365,194	0	9,129	0	0	0	0	30,931	155,207	560,461
Eldon	850,009	777,487	311,027	0	0	0	0	0	175,100	0	2,113,623
El Dorado Springs	405,334	405,334	0	0	0	0	0	0	136,282	0	946,950
Ellington	286,987	136,859	0	0	0	0	0	0	37,592	0	461,438
Ellisville	0	1,418,905	0	0	0	0	0	0	336,881	660,069	2,415,855
Ellsinore	66,570	31,995	0	0	0	0	0	0	14,869	0	113,434
Elmer	0	0	0	0	0	0	0	0	3,305	0	3,305
Elmira	0	0	0	0	0	0	0	0	2,468	0	2,468
Elmo	0	0	0	0	0	0	0	0	6,168	0	6,168
Elsberry	148,963	0	66,889	19,012	0	0	0	0	73,648	0	308,512
Emerald Beach	0	0	0	0	0	0	0	0	8,851	0	8,851
Eminence	80,799	38,169	38,169	0	0	0	0	0	21,160	0	178,297
Emma	10,125	0	0	0	0	0	0	0	8,803	0	18,928
Eolia	28,904	0	0	0	0	0	0	0	17,600	0	46,504
Essex	13,562	0	0	8,479	0	0	0	0	18,447	0	40,488
Ethel	0	0	0	0	0	0	0	0	3,027	0	3,027
Eureka	0	1,179,407	0	0	0	0	0	0	327,734	1,002,774	2,509,915
Everton	25,539	0	0	0	0	0	0	0	11,844	0	37,383
Ewing	26,007	3,948	0	0	0	0	0	0	17,003	0	46,958
Excelsior Estates	0	0	0	0	0	0	0	0	7,680	0	7,680
Excelsior Springs	1,537,037	1,500,035	731,612	388,006	0	0	0	0	404,933	0	4,561,623
Exeter	20,989	0	0	0	0	0	0	0	27,263	0	48,252
Fairfax	36,990	0	0	0	0	0	0	0	23,708	0	60,698
Fair Grove	139,173	104,367	69,587	0	0	0	0	0	45,923	0	359,050
Fair Play	25,253	13,566	11,686	0	0	0	0	0	16,445	0	66,950
Fairview	9,755	0	0	0	0	0	0	0	14,384	0	24,139
Farber	6,913	0	0	0	0	0	0	0	13,623	0	20,536
Farley	0	0	0	0	0	0	0	0	9,105	0	9,105
Farmington	3,340,170	3,241,687	0	0	0	0	0	0	555,124	0	7,136,981
Fayette	215,976	24,402	0	0	0	0	0	0	101,351	0	341,729
Fenton	0	3,694,283	0	0	0	0	0	0	155,157	0	3,849,440

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Ferguson	0	2,064,444	0	0	0	0	0	0	806,727	1,180,758	4,051,929
Ferrelview	15,827	0	0	0	0	0	0	0	19,417	0	35,244
Festus	2,927,550	1,417,904	1,418,173	0	0	0	0	0	391,012	0	6,154,639
Fidelity	0	0	0	0	0	0	0	0	9,399	0	9,399
Fillmore	0	0	0	0	0	0	0	0	7,322	0	7,322
Fisk	40,072	18,444	0	0	0	0	0	0	13,043	0	71,559
Fleming	0	0	0	0	0	0	0	0	4,613	0	4,613
Flemington	0	0	0	0	0	0	0	0	5,003	0	5,003
Flint Hill	91,783	0	0	0	0	0	0	0	16,567	0	108,350
Flordell Hills	0	0	0	8,844	0	0	0	0	32,484	51,304	92,632
Florissant	0	3,186,888	0	0	0	0	0	0	2,369,551	3,250,864	8,807,303
Foley	6,856	0	0	0	0	0	0	0	6,278	0	13,134
Fordland	33,854	0	0	0	0	0	0	0	27,309	0	61,163
Forest City	9,745	0	0	0	0	0	0	0	11,259	0	21,004
Foristell	286,654	98,629	0	30,284	0	0	0	0	15,285	0	430,852
Forsyth	313,364	299,848	0	0	0	0	0	0	72,284	0	685,496
Fortescue	0	0	0	0	0	0	0	0	1,551	0	1,551
Foster	0	0	0	0	0	0	0	0	4,575	0	4,575
Fountain N' Lakes	0	0	0	0	0	0	0	0	5,398	0	5,398
Four Seasons	195,634	97,817	0	0	0	0	0	0	67,875	0	361,326
Frankford	10,708	0	0	0	0	0	0	0	12,477	0	23,185
Franklin	1,094	547	547	0	0	0	0	0	3,840	0	6,028
Fredericktown	644,908	0	301,429	0	0	0	0	0	146,131	0	1,092,468
Freeburg	115,985	1	0	0	0	0	0	0	15,875	0	131,861
Freeman	33,147	0	0	0	0	0	0	0	18,565	0	51,712
Freistatt	0	0	0	0	0	0	0	0	6,430	0	6,430
Fremont Hills	26,313	0	0	7,011	0	0	0	0	26,078	0	59,402
Frohna	0	0	0	0	0	0	0	0	8,182	0	8,182
Frontenac	0	1,399,880	0	0	0	0	0	0	128,671	793,265	2,321,816
Fulton	1,460,284	730,143	730,142	0	0	0	0	0	459,725	0	3,380,294
Gainesville	186,698	93,312	0	0	0	0	0	0	25,827	0	305,837
Galena	15,683	0	0	0	0	0	0	0	16,470	0	32,153
Gallatin	133,091	0	75,895	22,851	0	0	0	0	66,047	0	297,884
Galt	0	0	0	0	0	0	0	0	9,774	0	9,774
Garden City	104,506	45,358	45,397	0	0	0	0	0	57,915	0	253,176
Gasconade	5,783	0	0	0	0	0	0	0	9,092	0	14,875
Gentry	0	0	0	0	0	0	0	0	3,222	0	3,222
Gerald	141,696	0	66,922	0	0	0	0	0	46,321	0	254,939
Gerster	326	0	0	0	0	0	0	0	1,118	0	1,444
Gibbs	0	0	0	0	0	0	0	0	3,818	0	3,818
Gideon	37,104	0	0	0	0	0	0	0	40,772	0	77,876
Gilliam	3,893	486	0	0	0	0	0	0	7,899	0	12,278
Gilman City	17,235	0	8,314	0	0	0	0	0	14,093	0	39,642
Ginger Blue	5,216	0	0	0	0	0	0	0	0	0	5,216
Gladstone	3,165,815	2,954,761	1,477,172	480,074	0	0	0	0	957,357	0	9,035,179
Glasgow	110,267	27,559	49,272	0	0	0	0	0	43,856	0	230,954
Glenaire	0	0	0	0	0	0	0	0	20,292	0	20,292
Glenallen	0	0	0	0	0	0	0	0	4,304	0	4,304

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Glendale	0	131,190	0	58,831	0	0	0	0	215,851	338,286	744,158
Glen Echo Park	0	0	0	0	0	0	0	0	6,028	0	6,028
Glenwood	0	0	0	0	0	0	0	0	7,377	0	7,377
Golden City	38,848	22,199	22,199	0	0	0	0	0	30,572	0	113,818
Goodman	72,538	0	0	0	0	0	0	0	44,850	0	117,388
Gordonville	0	0	0	0	0	0	0	0	15,106	0	15,106
Gower	74,939	18,735	0	10,016	0	0	0	0	53,920	0	157,610
Graham	0	0	0	0	0	0	0	0	6,706	0	6,706
Grain Valley	755,671	647,677	323,422	0	0	0	0	0	325,741	0	2,052,511
Granby	208,335	39,051	0	0	0	0	0	0	78,594	0	325,980
Grand Falls Plaza	0	0	0	0	0	0	0	0	4,018	0	4,018
Grandin	11,460	0	0	0	0	0	0	0	8,843	0	20,303
Grand Pass	0	0	0	0	0	0	0	0	2,186	0	2,186
Grandview	2,659,711	2,557,022	1,227,180	0	0	0	0	0	912,166	0	7,356,079
Granger	0	0	0	0	0	0	0	0	1,450	0	1,450
Grant City	166,881	0	0	0	0	0	0	0	33,037	0	199,918
Grantwood	0	30,243	0	8,793	0	0	0	0	32,274	50,709	122,019
Gravois Mills	21,730	10,780	0	0	0	0	0	0	6,561	0	39,071
Green Castle	0	0	2,537	0	0	0	0	0	10,800	0	13,337
Green City	42,108	21,055	0	0	0	0	0	0	24,876	0	88,039
Greendale	0	5,791	0	0	0	0	0	0	25,430	40,120	71,341
Greenfield	137,657	0	0	0	0	0	0	0	50,403	0	188,060
Green Park	0	39,015	0	0	0	0	0	0	97,730	422,799	559,544
Green Ridge	35,591	0	0	0	0	0	0	0	16,986	0	52,577
Greentop	23,927	0	10,289	0	0	0	0	0	16,040	0	50,256
Greenville	47,228	43,547	0	0	0	0	0	0	17,717	0	108,492
Greenwood	205,124	81,298	81,299	0	0	0	0	0	168,298	0	536,019
Guilford	0	0	0	0	0	0	0	0	3,179	0	3,179
Gunn City	0	0	0	0	0	0	0	0	3,720	0	3,720
Hale	30,666	15,333	15,332	0	0	0	0	0	16,528	0	77,859
Half Way	9,343	0	0	0	0	0	0	0	6,450	0	15,793
Hallsville	80,151	0	0	0	0	0	0	0	45,142	0	125,293
Halltown	0	0	0	0	0	0	0	0	6,702	0	6,702
Hamilton	123,854	4,157	61,927	0	0	0	0	0	66,916	0	256,854
Hanley Hills	0	0	0	0	0	0	0	0	78,073	122,595	200,668
Hannibal	2,894,484	3,617,421	0	0	0	0	0	0	658,871	0	7,170,776
Hardin	18,021	0	0	0	0	0	0	0	21,896	0	39,917
Harris	0	0	0	0	0	0	0	0	3,107	0	3,107
Harrisburg	19,078	0	0	0	0	0	0	0	8,238	0	27,316
Harrisonville	2,063,749	1,728,808	0	0	0	0	0	0	349,374	0	4,141,931
Hartsburg	4,072	0	0	0	0	0	0	0	3,902	0	7,974
Hartville	70,562	35,281	0	0	0	0	0	0	22,533	0	128,376
Harwood	0	0	0	0	0	0	0	0	2,570	0	2,570
Hawk Point	45,563	0	0	0	0	0	0	0	20,646	0	66,209
Hayti	383,926	281,869	179,812	0	0	0	0	0	113,786	0	959,393
Hayti Heights	9,278	2,962	0	0	0	0	0	0	25,941	0	38,181
Haywood City	0	0	0	0	0	0	0	0	8,251	0	8,251
Hazelwood	0	4,586,890	0	1,550,490	0	0	0	0	959,419	2,044,469	9,141,268

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Henrietta	31,952	0	0	0	0	0	0	0	15,340	0	47,292
Herculaneum	579,057	579,033	288,085	0	0	0	0	0	115,279	0	1,561,454
Hermann	495,656	237,935	238,328	0	0	0	0	0	94,531	0	1,066,450
Hermitage	123,740	60,255	0	7,873	0	0	0	0	17,817	0	209,685
Higbee	18,307	0	9,154	0	0	0	0	0	22,053	0	49,514
Higginsville	555,019	399,852	261,229	0	0	0	0	0	175,008	0	1,391,108
High Hill	8,816	0	0	0	0	0	0	0	7,903	0	16,719
Highlandville	31,565	0	15,772	0	0	0	0	0	32,903	0	80,240
Hillsboro	268,349	100,631	0	0	0	0	0	0	82,009	0	450,989
Hillsdale	0	0	0	0	0	0	0	0	54,589	85,669	140,258
Hoberg	0	0	0	0	0	0	0	0	2,147	0	2,147
Holcomb	42,851	0	0	0	0	0	0	0	24,644	0	67,495
Holden	250,980	0	113,751	24,869	0	0	0	0	88,209	0	477,809
Holland	0	0	0	0	0	0	0	0	8,791	0	8,791
Holliday	0	0	0	0	0	0	0	0	4,907	0	4,907
Hollister	1,046,670	523,336	506,915	0	0	0	0	0	152,692	0	2,229,613
Holt	50,315	48,442	23,281	0	0	0	0	0	15,701	0	137,739
Holts Summit	634,731	152,460	152,460	173,020	0	0	0	0	113,919	0	1,226,590
Homestead	0	0	0	0	0	0	0	0	6,758	0	6,758
Homestown	1,765	0	0	0	0	0	0	0	6,161	0	7,926
Hopkins	33,862	0	0	0	0	0	0	0	20,567	0	54,429
Hornersville	27,047	0	0	0	0	0	0	0	24,942	0	51,989
Houston	651,399	235,439	156,961	0	0	0	0	0	75,162	0	1,118,961
Houston Lake	0	0	0	0	0	0	0	0	9,633	0	9,633
Houstonia	0	0	0	0	0	0	0	0	9,195	0	9,195
Howardville	4,005	0	0	410	0	0	0	0	13,356	0	17,771
Hughesville	0	0	0	0	0	0	0	0	6,587	0	6,587
Humansville	50,546	14,442	32,864	0	0	0	0	0	36,743	0	134,595
Hume	14,494	0	0	0	0	0	0	0	12,434	0	26,928
Humphreys	0	0	0	0	0	0	0	0	5,252	0	5,252
Hunnewell	4,000	0	0	0	0	0	0	0	7,632	0	11,632
Huntleigh	0	0	0	0	0	0	0	0	12,127	0	12,127
Huntsdale	0	186	0	0	0	0	0	0	1,882	0	2,068
Huntsville	68,231	0	34,116	0	0	0	0	0	57,573	0	159,920
Hurdland	0	0	0	0	0	0	0	0	7,496	0	7,496
Hurley	4,613	0	0	0	0	0	0	0	6,169	0	10,782
Iatan	0	0	0	0	0	0	0	0	1,837	0	1,837
Iberia	97,906	46,220	46,207	0	0	0	0	0	25,545	0	215,878
Independence	17,766,467	12,728,755	8,405,005	0	0	0	0	0	4,247,918	0	43,148,145
Indian Point	177,551	88,776	0	0	0	0	0	0	20,672	0	286,999
Innsbrook	30,319	0	0	0	0	0	0	0	18,786	0	49,105
Ionia	0	0	0	0	0	0	0	0	3,639	0	3,639
Irondale	15,884	0	0	0	0	0	0	0	16,287	0	32,171
Iron Mountain Lake	14,376	0	0	0	0	0	0	0	26,377	0	40,753
Ironton	229,792	106,504	106,506	0	0	0	0	0	54,157	0	496,959
Jackson	2,114,256	495,447	997,784	0	0	0	0	0	473,211	0	4,080,698
Jacksonville	0	0	0	0	0	0	0	0	5,812	0	5,812
Jameson	0	0	0	0	0	0	0	0	4,662	0	4,662

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Jamesport	46,682	23,332	0	0	0	0	0	0	18,992	0	89,006
Jamestown	0	0	0	0	0	0	0	0	14,184	0	14,184
Jane	8,195	0	0	0	0	0	0	0	0	0	8,195
Jasper	104,793	52,396	47,272	0	0	0	0	0	35,949	0	240,410
Jefferson City	9,785,666	9,457,939	270	0	0	0	0	0	1,524,910	0	20,768,785
Jennings	0	757,342	0	0	0	0	0	0	558,252	965,167	2,280,761
Jerico Springs	0	0	0	0	0	0	0	0	9,025	0	9,025
Jonesburg	70,000	32,193	0	0	0	0	0	0	26,960	0	129,153
Joplin	19,873,025	8,273,748	6,629,482	0	0	0	0	0	1,762,841	0	36,539,096
Josephville	6,363	0	0	0	0	0	0	0	11,837	0	18,200
Junction City	0	0	0	0	0	0	0	0	11,927	0	11,927
Kahoka	258,791	0	0	0	0	0	0	0	79,938	0	338,729
Kansas City	70,330,290	34,824,891	61,279,545	27,464,649	0	0	0	0	16,634,353	0	210,533,728
Kearney	1,008,082	456,271	460,628	0	0	0	0	0	253,254	0	2,178,235
Kelso	114,796	0	0	0	0	0	0	0	20,507	0	135,303
Kennett	1,508,817	377,203	0	0	0	0	0	0	410,272	0	2,296,292
Keytesville	13,422	0	0	0	0	0	0	0	18,604	0	32,026
Kidder	6,388	0	0	0	0	0	0	0	10,926	0	17,314
Kimberling City	316,839	298,288	0	49,188	0	0	0	0	85,824	0	750,139
Kimmswick	47,969	0	23,985	0	0	0	0	0	4,579	0	76,533
King City	102,273	51,102	0	0	0	0	0	0	37,409	0	190,784
Kingdom City	261,318	130,659	130,659	0	0	0	0	0	4,594	0	527,230
Kingston	0	0	0	0	0	0	0	0	11,675	0	11,675
Kingsville	0	0	0	0	0	0	0	0	9,706	0	9,706
Kinloch	0	2,053	0	0	0	0	0	0	13,938	22,323	38,314
Kirbyville	13,435	0	0	0	0	0	0	0	5,767	0	19,202
Kirksville	2,591,961	1,860,972	1,241,196	0	0	0	0	0	642,872	0	6,337,001
Kirkwood	0	2,384,670	0	276,151	0	0	0	0	1,013,351	2,037,049	5,711,221
Knob Noster	196,934	89,157	89,158	50,469	0	0	0	0	95,302	0	521,020
Knox City	0	0	0	0	0	0	0	0	8,116	0	8,116
Koshkonong	48,353	0	0	0	0	0	0	0	7,697	0	56,050
La Belle	36,840	0	0	0	0	0	0	0	24,560	0	61,400
Laclede	0	5,658	5,658	0	0	0	0	0	14,104	0	25,420
Ladonia	25,489	23,632	23,632	0	0	0	0	0	21,029	0	93,782
Ladue	0	909,060	0	0	0	0	0	0	317,235	772,701	1,998,996
La Grange	42,986	0	0	0	0	0	0	0	35,736	0	78,722
Lake Annette	0	0	0	0	0	0	0	0	4,916	0	4,916
Lake Lafayette	0	0	0	0	0	0	0	0	12,450	0	12,450
Lake Lotawana	173,474	21,685	20,969	0	0	0	0	0	70,342	0	286,470
Lake Mykee	0	0	0	0	0	0	0	0	12,466	0	12,466
Lake Ozark	891,865	291,208	291,209	0	0	0	0	0	56,718	0	1,531,000
Lake St. Louis	2,651,103	0	1,325,552	0	0	0	0	0	452,555	0	4,429,210
Lakeshire	0	0	0	0	0	0	0	0	51,804	81,131	132,935
Lakeside	0	0	0	0	0	0	0	0	717	0	717
Lake Tapawingo	0	0	0	0	0	0	0	0	29,163	0	29,163
Lake Waukomis	0	0	0	0	0	0	0	0	33,056	0	33,056
Lake Winnebago	0	20,637	0	0	0	0	0	0	37,347	0	57,984
Lamar	658,731	329,365	329,365	0	0	0	0	0	165,372	0	1,482,833

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Lamar Heights	0	89,669	0	0	0	0	0	0	7,313	0	96,982
La Monte	87,611	0	0	0	0	0	0	0	40,647	0	128,258
Lanagan	10,262	0	0	0	0	0	0	0	15,326	0	25,588
Lancaster	70,779	0	0	0	0	0	0	0	27,072	0	97,851
La Plata	100,265	43,963	0	0	0	0	0	0	52,797	0	197,025
Laredo	0	0	0	0	0	0	0	0	8,324	0	8,324
La Russell	0	0	0	0	0	0	0	0	4,677	0	4,677
Lathrop	123,282	61,604	0	0	0	0	0	0	77,189	0	262,075
Laurie	414,092	207,045	203,277	0	0	0	0	0	29,448	0	853,862
Lawson	176,478	163,468	0	0	0	0	0	0	88,715	0	428,661
Leadington	159,199	159,199	79,600	33,082	0	0	0	0	11,404	0	442,484
Leadwood	52,351	0	0	0	0	0	0	0	45,001	0	97,352
Leasburg	0	0	0	0	0	0	0	0	12,197	0	12,197
Leawood	0	0	0	0	0	0	0	0	29,503	0	29,503
Lebanon	3,258,898	1,574,739	1,576,053	0	0	0	0	0	489,816	0	6,899,506
Lee's Summit	13,444,173	9,934,316	6,425,342	0	0	0	0	0	2,975,019	0	32,778,850
Leeton	28,757	14,378	0	0	0	0	0	0	21,940	0	65,075
Leonard	0	0	0	0	0	0	0	0	2,351	0	2,351
Leslie	0	0	0	0	0	0	0	0	4,689	0	4,689
Levasy	2,028	0	0	0	0	0	0	0	3,551	0	5,579
Lewis and Clark Village	0	0	0	0	0	0	0	0	5,323	0	5,323
Lewistown	51,205	0	0	0	0	0	0	0	20,913	0	72,118
Lexington	357,760	334,424	155,152	0	0	0	0	0	169,321	0	1,016,657
Liberal	35,546	0	0	0	0	0	0	0	28,431	0	63,977
Liberty	3,787,169	3,546,961	1,772,701	0	0	0	0	0	1,020,428	0	10,127,259
Licking	233,636	209,373	0	0	0	0	0	0	83,373	0	526,382
Lilbourn	63,695	0	0	2,136	0	0	0	0	46,159	0	111,990
Lincoln	100,045	45,946	0	18,049	0	0	0	0	40,788	0	204,828
Linn	230,474	0	0	0	0	0	0	0	51,871	0	282,345
Linn Creek	98,616	100,470	28,517	32,500	0	0	0	0	9,713	0	269,816
Linneus	0	0	0	0	0	0	0	0	12,036	0	12,036
Livonia	0	0	0	0	0	0	0	0	3,510	0	3,510
Lock Springs	0	0	0	0	0	0	0	0	2,339	0	2,339
Lockwood	92,315	0	0	6,262	0	0	0	0	35,611	0	134,188
Lohman	0	0	0	0	0	0	0	0	6,119	0	6,119
Loma Linda	29,374	0	0	0	0	0	0	0	22,560	0	51,934
Lone Jack	61,138	55,310	0	0	0	0	0	0	28,674	0	145,122
Longtown	0	0	0	0	0	0	0	0	3,264	0	3,264
Louisburg	0	0	0	0	0	0	0	0	4,992	0	4,992
Louisiana	624,002	0	0	89,929	0	0	0	0	133,967	0	847,898
Lowry City	107,168	12,223	0	4,895	0	0	0	0	25,353	0	149,639
Lucerne	0	0	0	0	0	0	0	0	3,276	0	3,276
Ludlow	0	0	0	0	0	0	0	0	6,361	0	6,361
Lupus	0	0	0	0	0	0	0	0	1,142	0	1,142
Luray	0	0	0	0	0	0	0	0	3,716	0	3,716
MacKenzie	0	0	0	0	0	0	0	0	5,009	0	5,009
Macks Creek	9,139	0	0	0	0	0	0	0	9,461	0	18,600
Macon	898,209	448,618	0	0	0	0	0	0	203,440	0	1,550,267

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Madison	22,882	0	0	0	0	0	0	0	21,089	0	43,971
Maitland	14,324	0	0	0	0	0	0	0	12,654	0	26,978
Malden	622,926	301,807	0	0	0	0	0	0	167,782	0	1,092,515
Malta Bend	20,858	0	0	0	0	0	0	0	9,217	0	30,075
Manchester	0	1,925,962	0	0	0	0	0	0	689,220	1,712,431	4,327,613
Mansfield	135,215	77,266	0	0	0	0	0	0	48,912	0	261,393
Maplewood	0	2,308,177	0	76,264	0	0	0	0	320,199	1,325,983	4,030,623
Marble Hill	271,219	265,104	0	0	0	0	0	0	55,056	0	591,379
Marceline	209,185	0	93,225	0	0	0	0	0	88,806	0	391,216
Marionville	217,636	72,548	72,548	0	0	0	0	0	80,037	0	442,769
Marlborough	0	118,786	0	0	0	0	0	0	81,595	100,969	301,350
Marquand	10,778	0	0	0	0	0	0	0	8,431	0	19,209
Marshall	1,523,255	761,608	0	0	0	0	0	0	470,467	0	2,755,330
Marshfield	1,218,435	609,218	578,329	0	0	0	0	0	227,371	0	2,633,353
Marston	76,059	114,088	0	61,050	0	0	0	0	20,659	0	271,856
Marthasville	0	99,651	49,857	19,973	0	0	0	0	36,175	0	205,656
Martinsburg	39,179	0	0	0	0	0	0	0	11,659	0	50,838
Maryland Heights	0	3,701,725	0	0	0	0	0	0	981,754	0	4,683,479
Maryville	1,862,581	2,273,997	0	0	0	0	0	0	415,366	0	4,551,944
Matthews	327,529	83,177	0	0	0	0	0	0	22,757	0	433,463
Maysville	73,447	18,343	36,687	0	0	0	0	0	43,060	0	171,537
Mayview	0	0	0	0	0	0	0	0	9,423	0	9,423
McBaine	0	0	0	0	0	0	0	0	505	0	505
McCord Bend	0	0	0	0	0	0	0	0	10,876	0	10,876
McFall	0	0	0	0	0	0	0	0	4,250	0	4,250
McKittrick	0	0	0	0	0	0	0	0	2,467	0	2,467
Meadville	0	0	0	0	0	0	0	0	16,973	0	16,973
Memphis	318,926	0	0	0	0	0	0	0	71,953	0	390,879
Mendon	0	0	0	0	0	0	0	0	7,035	0	7,035
Mercer	0	0	0	0	0	0	0	0	12,215	0	12,215
Merriam Woods	26,242	0	13,121	0	0	0	0	0	53,063	0	92,426
Merwin	0	0	0	0	0	0	0	0	2,628	0	2,628
Meta	27,426	0	0	0	0	0	0	0	8,849	0	36,275
Metz	0	0	0	0	0	0	0	0	2,159	0	2,159
Mexico	1,650,861	786,059	0	0	0	0	0	0	422,163	0	2,859,083
Miami	0	0	0	0	0	0	0	0	6,175	0	6,175
Middletown	15,296	0	0	0	0	0	0	0	6,791	0	22,087
Milan	204,582	0	0	0	0	0	0	0	72,379	0	276,961
Millford	0	0	0	0	0	0	0	0	1,465	0	1,465
Millard	0	0	0	0	0	0	0	0	3,017	0	3,017
Miller	70,241	10,206	20,418	0	0	0	0	0	26,893	0	127,758
Mill Spring	1,506	0	0	0	0	0	0	0	7,565	0	9,071
Milo	0	0	0	0	0	0	0	0	3,209	0	3,209
Mindenmines	0	0	0	0	0	0	0	0	14,339	0	14,339
Miner	534,989	527,293	0	19,496	0	0	0	0	37,753	0	1,119,531
Mineral Point	0	0	0	0	0	0	0	0	13,201	0	13,201
Miramiquoa Park	0	0	0	0	0	0	0	0	4,569	0	4,569
Missouri City	0	0	0	0	0	0	0	0	10,408	0	10,408

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Moberly	2,225,704	2,121,415	1,061,437	0	0	0	0	0	511,789	0	5,920,345
Mokane	11,876	0	0	0	0	0	0	0	6,893	0	18,769
Moline Acres	0	0	0	0	0	0	0	0	94,492	178,177	272,669
Monett	1,793,582	1,323,062	0	0	0	0	0	0	299,198	0	3,415,842
Monroe City	319,221	146,498	0	0	0	0	0	0	94,620	0	560,339
Montgomery City	316,497	0	148,167	0	0	0	0	0	97,109	0	561,773
Monticello	0	0	0	0	0	0	0	0	4,164	0	4,164
Montrose	26,130	13,065	0	0	0	0	0	0	14,828	0	54,023
Mooresville	0	0	0	0	0	0	0	0	3,323	0	3,323
Morehouse	28,867	0	0	0	0	0	0	0	36,764	0	65,631
Morley	11,111	11,110	0	0	0	0	0	0	27,594	0	49,815
Morrison	6,203	0	0	0	0	0	0	0	4,825	0	11,028
Morrisville	16,017	0	0	0	0	0	0	0	13,482	0	29,499
Mosby	62,633	0	0	0	0	0	0	0	8,028	0	70,661
Moscow Mills	254,035	0	118,474	0	0	0	0	0	77,830	0	450,339
Mound City	87,409	87,409	87,328	0	0	0	0	0	43,482	0	305,628
Mountain Grove	943,224	471,503	453,771	0	0	0	0	0	172,774	0	2,041,272
Mountain View	795,030	0	247,340	0	0	0	0	0	94,857	0	1,137,227
Moundville	0	0	0	0	0	0	0	0	4,174	0	4,174
Mount Leonard	0	0	0	0	0	0	0	0	3,912	0	3,912
Mount Moriah	0	0	0	0	0	0	0	0	4,300	0	4,300
Mount Vernon	554,899	278,694	276,104	0	0	0	0	0	158,216	0	1,267,913
Napoleon	0	0	0	0	0	0	0	0	7,931	0	7,931
Naylor	22,977	9,530	9,530	4,411	0	0	0	0	22,924	0	69,372
Neck City	0	0	0	0	0	0	0	0	5,573	0	5,573
Neelyville	24,540	0	0	0	0	0	0	0	17,923	0	42,463
Nelson	0	0	0	0	0	0	0	0	7,482	0	7,482
Neosho	2,371,200	2,274,964	1,136,812	0	0	0	0	0	411,487	0	6,194,463
Nevada	1,498,786	1,496,080	749,351	0	0	0	0	0	314,128	0	4,058,345
Newark	0	0	0	0	0	0	0	0	3,589	0	3,589
New Bloomfield	25,509	12,755	0	0	0	0	0	0	23,361	0	61,625
Newburg	13,849	5,477	5,477	0	0	0	0	0	17,637	0	42,440
New Cambria	9,268	0	0	0	0	0	0	0	7,728	0	16,996
New Florence	94,510	44,843	44,843	0	0	0	0	0	28,316	0	212,512
New Franklin	46,948	23,475	17,078	0	0	0	0	0	41,322	0	128,823
New Hampton	0	0	0	0	0	0	0	0	11,876	0	11,876
New Haven	219,621	102,597	102,618	0	0	0	0	0	72,879	0	497,715
New London	121,462	0	36,346	0	0	0	0	0	36,510	0	194,318
New Madrid	219,792	117,122	7,227	88,046	0	0	0	0	119,356	0	551,543
New Melle	45,443	22,721	22,721	6,757	0	0	0	0	13,905	0	111,547
Newtonia	0	0	0	0	0	0	0	0	7,973	0	7,973
Newtown	0	0	0	0	0	0	0	0	7,266	0	7,266
Niangua	12,106	0	6,053	0	0	0	0	0	15,739	0	33,898
Nixa	2,115,494	0	1,057,747	0	0	0	0	0	569,069	0	3,742,310
Noel	173,682	65,141	82,329	0	0	0	0	0	60,863	0	382,015
Norborne	28,313	0	14,116	0	0	0	0	0	28,040	0	70,469
Normandy	0	159,300	0	51,666	0	0	0	0	187,845	67,703	466,514
North Kansas City	2,908,210	0	1,435,309	0	0	0	0	0	165,930	0	4,509,449

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
North Lilbourn	0	0	0	0	0	0	0	0	2,702	0	2,702
Northmoor	112,255	0	0	0	0	0	0	0	13,443	0	125,698
Northwoods	0	112,180	0	0	0	0	0	0	164,244	258,998	535,422
Norwood	40,092	13,341	0	0	0	0	0	0	22,379	0	75,812
Norwood Court	0	0	0	0	0	0	0	0	37,411	0	37,411
Novelty	0	0	0	0	0	0	0	0	4,748	0	4,748
Novinger	0	0	0	0	0	0	0	0	18,361	0	18,361
Oak Grove	967,172	468,609	468,640	0	0	0	0	0	244,186	0	2,148,607
Oak Grove Village	196,210	97,984	0	0	0	0	0	0	16,344	0	310,538
Oakland	0	43,775	0	0	0	0	0	0	54,108	85,388	183,271
Oak Ridge	0	0	0	0	0	0	0	0	8,183	0	8,183
Oaks	2,089	522	1,044	0	0	0	0	0	4,902	0	8,557
Oakview	58,529	54,870	0	3,211	0	0	0	0	14,069	0	130,679
Oakwood	0	0	0	0	0	0	0	0	7,068	0	7,068
Oakwood Park	0	0	0	0	0	0	0	0	6,849	0	6,849
Odessa	475,306	475,167	237,652	0	0	0	0	0	186,477	0	1,374,602
O'Fallon	10,823,580	5,098,760	5,103,353	0	0	0	0	0	2,288,061	0	23,313,754
Old Appleton	0	0	0	0	0	0	0	0	3,082	0	3,082
Old Monroe	36,994	8,761	8,762	0	0	0	0	0	9,500	0	64,017
Olean	0	0	0	0	0	0	0	0	5,292	0	5,292
Olivette	0	663,186	0	162,379	0	0	0	0	280,067	375,862	1,481,494
Olympian Village	0	0	0	0	0	0	0	0	26,562	0	26,562
Oran	62,368	31,177	0	0	0	0	0	0	47,229	0	140,774
Oregon	0	0	0	0	0	0	0	0	33,177	0	33,177
Oronogo	91,293	36,444	36,524	0	0	0	0	0	60,730	0	224,991
Orrick	40,289	0	16,831	0	0	0	0	0	31,933	0	89,053
Osage Beach	4,482,819	2,212,326	2,212,368	0	0	0	0	0	147,400	0	9,054,913
Osborn	0	0	0	0	0	0	0	0	16,249	0	16,249
Osceola	86,251	49,287	0	0	0	0	0	0	32,818	0	168,356
Osgood	0	0	0	0	0	0	0	0	1,832	0	1,832
Oterville	28,502	0	0	0	0	0	0	0	17,201	0	45,703
Overland	0	0	0	0	0	0	0	0	608,500	896,330	1,504,830
Owensville	682,658	497,273	332,213	0	0	0	0	0	95,459	0	1,607,603
Ozark	2,546,038	2,531,994	0	0	0	0	0	0	500,285	0	5,578,317
Pacific	721,561	372,599	0	0	0	0	0	0	251,126	0	1,345,286
Pagedale	0	113,147	0	0	0	0	0	0	128,125	203,171	444,443
Palmyra	415,742	298,144	0	0	0	0	0	0	130,345	0	844,231
Paris	129,527	56,829	56,830	0	0	0	0	0	51,067	0	294,253
Park Hills	725,680	669,244	334,632	0	0	0	0	0	306,213	0	2,035,769
Parkdale	0	0	0	0	0	0	0	0	6,960	0	6,960
Parkville	1,044,565	0	498,413	0	0	0	0	0	176,220	0	1,719,198
Parkway	35,208	0	0	0	0	0	0	0	13,137	0	48,345
Parma	28,201	14,101	9,720	3,883	0	0	0	0	29,039	0	84,944
Parnell	0	0	0	0	0	0	0	0	7,173	0	7,173
Pasadena Hills	0	0	0	10,493	0	0	0	0	38,569	61,174	110,236
Pasadena Park	0	0	0	0	0	0	0	0	17,734	27,888	45,622
Pascola	0	0	0	0	0	0	0	0	4,572	0	4,572
Passaic	0	0	0	0	0	0	0	0	1,373	0	1,373

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Pattonsburg	13,978	0	0	2,705	0	0	0	0	11,171	0	27,854
Paynesville	0	0	0	0	0	0	0	0	3,116	0	3,116
Peculiar	336,411	317,570	149,369	139,758	0	0	0	0	131,398	0	1,074,506
Penermon	0	0	0	0	0	0	0	0	2,578	0	2,578
Perry	90,022	0	41,847	0	0	0	0	0	25,081	0	156,950
Perryville	1,619,667	607,374	809,834	0	0	0	0	0	293,075	0	3,329,950
Pevely	569,686	264,559	265,021	0	0	0	0	0	169,348	0	1,268,614
Phillipsburg	11,352	0	0	0	0	0	0	0	7,444	0	18,796
Pickering	0	0	0	0	0	0	0	0	5,795	0	5,795
Piedmont	454,897	435,124	217,621	0	0	0	0	0	73,336	0	1,180,978
Pierce City	103,063	74,808	37,676	0	0	0	0	0	49,540	0	265,087
Pierpont Village	1,750	0	0	0	0	0	0	0	0	0	1,750
Pilot Grove	24,634	7,105	17,531	5,333	0	0	0	0	27,503	0	82,106
Pilot Knob	67,159	33,579	31,291	0	0	0	0	0	26,613	0	158,642
Pine Lawn	0	39,631	0	0	0	0	0	0	139,017	220,928	399,576
Pineville	82,900	41,450	0	622,557	0	0	0	0	28,780	0	775,687
Plato	2,830	0	0	0	0	0	0	0	0	0	2,830
Platte City	895,924	895,923	335,506	0	0	0	0	0	157,325	0	2,284,678
Platte Woods	73,568	0	36,784	0	0	0	0	0	15,950	0	126,302
Plattsburg	160,799	160,727	0	25,856	0	0	0	0	86,360	0	433,742
Pleasant Hill	661,860	619,402	288,544	0	0	0	0	0	250,681	0	1,820,487
Pleasant Hope	39,735	8,768	8,768	4,598	0	0	0	0	21,406	0	83,275
Pleasant Valley	615,185	385,597	76,889	0	0	0	0	0	116,382	0	1,194,053
Pocahontas	0	0	0	0	0	0	0	0	4,464	0	4,464
Pollock	0	0	0	0	0	0	0	0	4,103	0	4,103
Polo	32,373	29,874	29,875	0	0	0	0	0	21,381	0	113,503
Poplar Bluff	4,530,229	5,475,188	0	0	0	0	0	0	621,747	0	10,627,164
Portage Des Sioux	17,909	0	0	0	0	0	0	0	12,565	0	30,474
Portageville	334,997	151,160	0	0	0	0	0	0	120,566	0	606,723
Potosi	789,652	0	0	0	0	0	0	0	98,320	0	887,972
Powersville	0	0	0	0	0	0	0	0	2,721	0	2,721
Prairie Home	0	0	0	0	0	0	0	0	9,182	0	9,182
Prathersville	0	0	0	0	0	0	0	0	4,329	0	4,329
Preston	16,628	0	0	0	0	0	0	0	6,106	0	22,734
Princeton	97,416	0	0	0	0	0	0	0	40,774	0	138,190
Purcell	3,442	0	0	0	0	0	0	0	14,086	0	17,528
Purdin	0	0	0	0	0	0	0	0	7,660	0	7,660
Purdy	73,619	30,343	30,342	0	0	0	0	0	40,665	0	174,969
Puxico	128,140	0	0	0	0	0	0	0	37,670	0	165,810
Queen City	44,076	39,257	19,641	0	0	0	0	0	22,870	0	125,844
Quitman	0	0	0	0	0	0	0	0	1,682	0	1,682
Qulin	38,327	19,164	0	0	0	0	0	0	17,096	0	74,587
Randolph	28,217	14,109	0	0	0	0	0	0	1,824	0	44,150
Ravenwood	0	0	0	0	0	0	0	0	16,412	0	16,412
Raymondville	0	0	0	0	0	0	0	0	14,944	0	14,944
Raymore	2,128,999	2,003,173	1,001,586	0	0	0	0	0	553,336	0	5,687,094
Raytown	2,860,397	3,515,467	1,308,750	0	0	0	0	0	1,107,631	0	8,792,245
Rayville	0	0	0	0	0	0	0	0	7,194	0	7,194

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Rea	0	0	0	0	0	0	0	0	1,964	0	1,964
Redings Mill	3,522	0	0	0	0	0	0	0	5,734	0	9,256
Reeds	0	0	0	0	0	0	0	0	3,665	0	3,665
Reeds Spring	44,058	44,047	0	0	0	0	0	0	25,047	0	113,152
Renick	0	0	0	0	0	0	0	0	7,305	0	7,305
Rensselaer Village	0	0	0	0	0	0	0	0	6,815	0	6,815
Republic	1,887,846	1,415,886	943,923	0	0	0	0	0	428,929	0	4,676,584
Revere	0	0	0	0	0	0	0	0	3,733	0	3,733
Rhineland	0	0	0	0	0	0	0	0	5,906	0	5,906
Richards	0	0	0	0	0	0	0	0	3,527	0	3,527
Rich Hill	161,989	0	0	0	0	0	0	0	52,839	0	214,828
Richland	220,264	67,326	67,326	0	0	0	0	0	67,709	0	422,625
Richmond	954,560	450,817	450,883	0	0	0	0	0	220,371	0	2,076,631
Richmond Heights	0	3,537,661	0	0	0	0	0	0	337,231	2,015,687	5,890,579
Ridgely	0	0	0	0	0	0	0	0	3,067	0	3,067
Ridgeway	18,733	0	0	0	0	0	0	0	18,423	0	37,156
Risco	11,440	0	0	0	0	0	0	0	13,676	0	25,116
Ritchey	0	0	0	0	0	0	0	0	2,913	0	2,913
River Bend	14,521	0	0	0	0	0	0	0	369	0	14,890
Riverside	1,204,773	0	0	183,031	0	0	0	0	109,330	0	1,497,134
Riverview	0	0	0	30,265	0	0	0	0	111,145	175,292	316,702
Rochepoint	19,902	9,951	0	0	0	0	0	0	8,229	0	38,082
Rockaway Beach	37,262	15,954	15,954	0	0	0	0	0	25,954	0	95,124
Rock Hill	0	600,949	0	0	0	0	0	0	173,773	346,386	1,121,108
Rock Port	261,455	196,083	0	49,972	0	0	0	0	50,190	0	557,700
Rockville	6,761	0	0	0	0	0	0	0	6,056	0	12,817
Rogersville	305,102	152,586	152,549	0	0	0	0	0	83,195	0	693,432
Rolla	3,873,034	3,873,092	1,936,519	0	0	0	0	0	660,768	0	10,343,413
Roscoe	0	0	0	0	0	0	0	0	4,349	0	4,349
Rosebud	47,007	0	22,204	0	0	0	0	0	14,239	0	83,450
Rosendale	0	0	0	0	0	0	0	0	6,001	0	6,001
Rothville	0	0	0	0	0	0	0	0	3,541	0	3,541
Rush Hill	0	0	0	0	0	0	0	0	5,172	0	5,172
Rushville	0	0	0	0	0	0	0	0	10,749	0	10,749
Russellville	51,233	0	0	0	0	0	0	0	28,867	0	80,100
Rutledge	15,849	0	0	0	0	0	0	0	3,911	0	19,760
St. Ann	0	1,038,589	0	0	0	0	0	0	492,440	742,538	2,273,567
St. Charles	10,753,511	5,152,741	0	0	0	0	0	0	2,324,815	0	18,231,067
St. Clair	543,001	271,494	271,572	0	0	0	0	0	168,065	0	1,254,132
St. Elizabeth	25,231	0	0	0	0	0	0	0	11,658	0	36,889
St. George	0	0	0	0	0	0	0	0	28,751	55,460	84,211
St. James	468,417	233,941	234,209	0	0	0	0	0	145,844	0	1,082,411
St. John	0	299,165	0	0	0	0	0	0	247,652	498,228	1,045,045
St. Joseph	18,439,492	6,145,081	4,607,743	0	0	0	0	0	2,782,745	0	31,975,061
St. Louis	52,512,382	71,682,092	38,130,650	30,285,041	0	0	0	0	12,357,433	0	204,967,598
St. Martins	85,817	0	0	0	0	0	0	0	39,852	0	125,669
St. Mary	24,169	0	12,084	0	0	0	0	0	13,631	0	49,884
St. Paul	0	0	0	0	0	0	0	0	63,796	0	63,796

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
St. Peters	12,914,591	1,291,459	6,457,298	0	0	0	0	0	1,919,372	0	22,582,720
St. Robert	2,286,978	1,703,669	1,121,261	0	0	0	0	0	129,717	0	5,241,625
St. Thomas	11,814	0	0	0	0	0	0	0	10,183	0	21,997
Ste. Genevieve	629,885	293,230	293,230	129,201	0	0	0	0	164,219	0	1,509,765
Saginaw	20,725	0	0	0	0	0	0	0	10,566	0	31,291
Salem	1,097,505	548,741	0	0	0	0	0	0	181,030	0	1,827,276
Salisbury	183,264	0	0	0	0	0	0	0	61,875	0	245,139
Sarcoixie	119,466	52,681	52,680	0	0	0	0	0	49,606	0	274,433
Saddlebrooke	3,763	0	0	0	0	0	0	0	7,463	0	11,226
Savannah	637,473	212,480	0	0	0	0	0	0	181,124	0	1,031,077
Schell City	0	0	0	0	0	0	0	0	9,917	0	9,917
Scotsdale	0	8,253	0	0	0	0	0	0	7,989	0	16,242
Scott City	427,389	98,788	197,574	0	0	0	0	0	169,170	0	892,921
Sedalia	4,898,829	4,169,341	2,358,362	0	0	0	0	0	769,879	0	12,196,411
Sedgewickville	0	0	0	0	0	0	0	0	6,857	0	6,857
Seligman	95,567	71,620	47,784	0	0	0	0	0	31,947	0	246,918
Senath	69,372	1,954	1,954	0	0	0	0	0	63,018	0	136,298
Seneca	216,354	98,599	98,599	0	0	0	0	0	82,412	0	495,964
Seymour	224,842	120,445	0	0	0	0	0	0	69,290	0	414,577
Shelbina	222,006	178,670	0	0	0	0	0	0	67,593	0	468,269
Shelbyville	35,785	0	0	0	0	0	0	0	22,916	0	58,701
Sheldon	42,867	0	0	0	0	0	0	0	19,791	0	62,658
Sheridan	0	0	0	0	0	0	0	0	7,011	0	7,011
Shoal Creek Drive	0	0	0	0	0	0	0	0	12,626	0	12,626
Shoal Creek Estates	0	0	0	0	0	0	0	0	2,674	0	2,674
Shrewsbury	0	817,364	0	0	0	0	0	0	238,633	463,174	1,519,171
Sibley	0	0	0	0	0	0	0	0	12,996	0	12,996
Sikeston	5,968,370	27	1,491,240	0	0	0	0	0	615,981	0	8,075,618
Silex	35,417	0	0	4,053	0	0	0	0	7,278	0	46,748
Silver Creek	20,615	10,308	0	0	0	0	0	0	22,727	0	53,650
Skidmore	10,264	0	0	0	0	0	0	0	11,618	0	21,882
Slater	101,194	50,596	50,597	0	0	0	0	0	72,976	0	275,363
Smithton	15,888	0	0	0	0	0	0	0	19,897	0	35,785
Smithville	808,391	0	369,662	107,848	0	0	0	0	254,841	0	1,540,742
South Gifford	0	0	0	0	0	0	0	0	2,274	0	2,274
South Gorin	0	0	0	0	0	0	0	0	4,370	0	4,370
South Greenfield	0	0	0	0	0	0	0	0	4,217	0	4,217
South Lineville	0	0	0	0	0	0	0	0	1,209	0	1,209
South West City	122,718	29,106	58,211	79,027	0	0	0	0	33,609	0	322,671
Sparta	96,451	48,180	0	0	0	0	0	0	53,014	0	197,645
Spickard	4,506	0	0	0	0	0	0	0	10,567	0	15,073
Springfield	39,212,655	37,446,508	4,729,858	6,300,728	0	0	0	0	5,739,552	0	93,429,301
Stanberry	0	128,895	0	0	0	0	0	0	44,908	0	173,803
Stark City	0	0	0	0	0	0	0	0	5,465	0	5,465
Steele	168,247	121,864	75,193	0	0	0	0	0	82,015	0	447,319
Steelville	255,204	249,299	0	0	0	0	0	0	56,538	0	561,041
Stella	3,914	0	0	0	0	0	0	0	6,225	0	10,139
Stewartsville	96,655	25,775	0	0	0	0	0	0	27,885	0	150,315

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Stockton	253,372	190,006	126,686	30,894	0	0	0	0	69,942	0	670,900
Stotesbury	0	0	0	0	0	0	0	0	1,150	0	1,150
Stotts City	0	0	0	0	0	0	0	0	8,710	0	8,710
Stoutland	5,517	0	0	0	0	0	0	0	6,803	0	12,320
Stoutsville	0	0	0	0	0	0	0	0	1,485	0	1,485
Stover	105,362	0	48,590	0	0	0	0	0	37,978	0	191,930
Strafford	372,766	186,383	0	0	0	0	0	0	77,176	0	636,325
Strasburg	2,670	0	0	0	0	0	0	0	5,113	0	7,783
Sturgeon	67,272	0	20,311	0	0	0	0	0	33,614	0	121,197
Sugar Creek	340,025	340,025	0	50,487	0	0	0	0	133,168	0	863,705
Sullivan	1,366,195	683,097	683,046	0	0	0	0	0	247,472	0	2,979,810
Summersville	61,486	0	24,537	0	0	0	0	0	19,362	0	105,385
Sumner	0	0	0	0	0	0	0	0	4,544	0	4,544
Sunrise Beach	142,657	71,283	71,329	91,734	0	0	0	0	14,703	0	391,706
Sunset Hills	0	1,055,514	0	0	0	0	0	0	309,467	897,354	2,262,335
Sweet Springs	168,907	52,405	52,406	0	0	0	0	0	57,622	0	331,340
Sycamore Hills	0	0	0	0	0	0	0	0	25,728	0	25,728
Syracuse	0	0	0	0	0	0	0	0	6,355	0	6,355
Tallapoosa	0	0	0	0	0	0	0	0	6,905	0	6,905
Taneyville	12,302	0	0	0	0	0	0	0	13,914	0	26,216
Taos	22,402	0	0	0	0	0	0	0	32,285	0	54,687
Tarkio	242,808	72,809	0	0	0	0	0	0	65,313	0	380,930
Thayer	746,893	248,984	0	0	0	0	0	0	82,059	0	1,077,936
Theodosia	61,247	0	30,623	0	0	0	0	0	8,920	0	100,790
Tightwad	0	0	0	0	0	0	0	0	2,433	0	2,433
Tina	0	0	0	0	0	0	0	0	6,499	0	6,499
Tindall	0	0	0	0	0	0	0	0	2,612	0	2,612
Tipton	203,287	0	0	0	0	0	0	0	120,504	0	323,791
Town and Country	0	1,205,424	0	0	0	0	0	0	401,121	1,024,610	2,631,155
Town of Rives	0	0	0	0	0	0	0	0	2,812	0	2,812
Tracy	18,208	0	9,104	0	0	0	0	0	7,782	0	35,094
Trenton	781,749	751,097	0	0	0	0	0	0	225,892	0	1,758,738
Trimble	40,975	0	0	0	0	0	0	0	20,087	0	61,062
Triplett	0	0	0	0	0	0	0	0	1,961	0	1,961
Troy	2,185,482	612,832	1,057,092	0	0	0	0	0	315,690	0	4,171,096
Truesdale	98,607	49,304	0	0	0	0	0	0	20,550	0	168,461
Truxton	0	0	0	0	0	0	0	0	3,459	0	3,459
Turney	0	0	0	0	0	0	0	0	5,604	0	5,604
Tuscumbia	13,984	0	0	0	0	0	0	0	7,791	0	21,775
Twin Bridges	0	0	0	0	0	0	0	0	1,306	0	1,306
Twin Oaks	0	272,147	0	0	0	0	0	0	13,902	231,325	517,374
Umber View Heights	0	0	0	0	0	0	0	0	1,851	0	1,851
Union	1,686,144	843,095	843,072	0	0	0	0	0	329,568	0	3,701,879
Union Star	0	0	0	0	0	0	0	0	16,069	0	16,069
Unionville	221,225	0	0	0	0	0	0	0	72,320	0	293,545
Unity Village	2,897	2,173	1,448	0	0	0	0	0	4,453	0	10,971
University City	0	2,316,144	0	367,956	0	0	0	0	1,346,761	2,163,345	6,194,206
Uplands Park	0	0	0	4,558	0	0	0	0	16,732	26,304	47,594

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Urbana	47,864	0	23,916	0	0	0	0	0	15,213	0	86,993
Urich	39,898	19,949	19,949	0	0	0	0	0	18,542	0	98,338
Utica	0	0	0	0	0	0	0	0	10,036	0	10,036
Valley Park	0	581,055	0	0	0	0	0	0	248,269	502,052	1,331,376
Van Buren	196,196	92,593	0	0	0	0	0	0	30,764	0	319,553
Vandalia	283,579	141,790	0	0	0	0	0	0	143,361	0	568,730
Vandiver	64,704	0	0	0	0	0	0	0	2,856	0	67,560
Vanduser	0	0	0	0	0	0	0	0	8,895	0	8,895
Velda City	0	0	0	0	0	0	0	0	0	88,885	88,885
Velda Village	0	0	0	0	0	0	0	0	39,659	0	39,659
Velda Village Hills	0	0	0	0	0	0	0	0	56,266	62,343	118,609
Verona	28,549	28,550	0	0	0	0	0	0	24,713	0	81,812
Versailles	572,415	562,937	0	0	0	0	0	0	93,313	0	1,228,665
Viburnum	94,724	0	0	0	0	0	0	0	28,164	0	122,888
Vienna	107,245	0	49,873	14,116	0	0	0	0	22,887	0	194,121
Village of Aullville	0	0	0	0	0	0	0	0	3,423	0	3,423
Village of Loch Lloyd	0	0	0	0	0	0	0	0	17,670	0	17,670
Village of Pinhook	0	0	0	0	0	0	0	0	1,457	0	1,457
Village of Plato	0	0	0	0	0	0	0	0	3,310	0	3,310
Vinita Park	0	0	0	11,010	0	0	0	0	70,315	262,319	343,644
Vinita Terrace	0	0	0	0	0	0	0	0	10,525	16,563	27,088
Vista	0	0	0	0	0	0	0	0	2,015	0	2,015
Waco	0	0	0	0	0	0	0	0	3,195	0	3,195
Walker	0	0	0	0	0	0	0	0	10,073	0	10,073
Walnut Grove	34,971	0	0	3,464	0	0	0	0	23,892	0	62,327
Wardell	16,251	4,063	0	0	0	0	0	0	16,184	0	36,498
Wardsville	50,439	0	0	0	0	0	0	0	45,367	0	95,806
Warrensburg	2,867,263	2,467,712	0	306,899	0	0	0	0	647,585	0	6,289,459
Warrenton	1,397,324	349,332	698,662	0	0	0	0	0	240,754	0	2,686,072
Warsaw	793,839	513,838	284,638	65,896	0	0	0	0	77,482	0	1,735,693
Warson Woods	0	0	0	0	0	0	0	0	72,898	161,849	234,747
Washburn	25,384	12,692	12,692	0	0	0	0	0	16,324	0	67,092
Washington	3,773,256	1,886,628	1,886,689	451,816	0	0	0	0	502,273	0	8,500,662
Watson	0	0	0	0	0	0	0	0	4,102	0	4,102
Waverly	74,176	0	16,835	0	0	0	0	0	30,535	0	121,546
Wayland	100,499	0	0	0	0	0	0	0	17,599	0	118,098
Waynesville	497,191	364,035	230,879	0	0	0	0	0	152,805	0	1,244,910
Weatherby	0	0	0	0	0	0	0	0	4,264	0	4,264
Weatherby Lake	0	0	0	0	0	0	0	0	66,569	0	66,569
Weaubleau	31,017	15,508	0	0	0	0	0	0	17,383	0	63,908
Webb City	1,843,235	1,744,183	873,888	0	0	0	0	0	383,319	0	4,844,625
Webster Groves	0	1,339,115	0	0	0	0	0	0	854,168	1,352,206	3,545,489
Weldon Spring	263,384	0	0	0	0	0	0	0	197,752	0	461,136
Weldon Spring Heights	0	0	0	0	0	0	0	0	3,129	0	3,129
Wellington	0	0	0	0	0	0	0	0	29,459	0	29,459
Wellston	0	0	0	0	0	0	0	0	88,310	139,030	227,340
Wellsville	39,386	12,058	19,693	0	0	0	0	0	48,960	0	120,097
Wentworth	0	0	0	0	0	0	0	0	5,315	0	5,315

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Wentzville	4,837,009	4,711,221	2,301,265	731,260	0	0	0	0	644,123	0	13,224,878
Westboro	0	0	0	0	0	0	0	0	5,636	0	5,636
West Alton	0	0	0	0	0	0	0	0	20,275	0	20,275
West Line	0	0	0	0	0	0	0	0	3,545	0	3,545
Weston	157,548	103,841	78,774	68,354	0	0	0	0	60,437	0	468,954
Westphalia	41,661	0	0	17,965	0	0	0	0	13,035	0	72,661
West Plains	2,947,357	1,473,650	1,412,949	0	0	0	0	0	421,138	0	6,255,094
West Sullivan	88,684	22,171	0	0	0	0	0	0	3,851	0	114,706
Westwood	0	0	0	0	0	0	0	0	10,388	0	10,388
Wheatland	36,106	18,052	17,380	0	0	0	0	0	14,037	0	85,575
Wheaton	65,542	0	0	0	0	0	0	0	26,200	0	91,742
Wheeling	0	0	0	0	0	0	0	0	9,955	0	9,955
Whiteside	0	0	0	0	0	0	0	0	2,616	0	2,616
Whitewater	0	0	0	0	0	0	0	0	4,386	0	4,386
Wilbur Park	0	0	0	0	0	0	0	0	17,480	27,445	44,925
Wildwood	0	0	0	0	0	0	0	0	1,261,217	1,974,000	3,235,217
Willard	393,140	373,864	0	45,444	0	0	0	0	154,758	0	967,206
Williamsville	27,613	8,741	0	0	0	0	0	0	13,353	0	49,707
Willow Springs	306,060	223,699	0	0	0	0	0	0	79,976	0	609,735
Wilson City	0	0	0	0	0	0	0	0	5,218	0	5,218
Winchester	0	0	0	0	0	0	0	0	59,175	93,177	152,352
Windsor	214,209	94,971	0	0	0	0	0	0	110,792	0	419,972
Windsor Place	39,199	0	0	0	0	0	0	0	3,256	0	42,455
Winfield	170,030	0	80,333	0	0	0	0	0	38,670	0	289,033
Winona	114,799	52,352	52,352	0	0	0	0	0	48,453	0	267,956
Winston	0	0	0	0	0	0	0	0	9,337	0	9,337
Woods Heights	28,550	0	0	1,235	0	0	0	0	26,976	0	56,761
Woodson Terrace	0	890,273	0	41,563	0	0	0	0	152,561	378,366	1,462,763
Wooldridge	0	0	0	0	0	0	0	0	1,982	0	1,982
Worth	0	0	0	0	0	0	0	0	2,929	0	2,929
Worthington	0	0	0	0	0	0	0	0	3,148	0	3,148
Wright City	302,799	65,481	130,962	0	0	0	0	0	84,468	0	583,710
Wyaconda	7,768	0	0	0	0	0	0	0	9,996	0	17,764
Wyatt	8,582	0	0	0	0	0	0	0	12,659	0	21,241
Zalma	0	0	0	0	0	0	0	0	3,945	0	3,945
COUNTIES:											
Adair County	0	0	0	0	1,486,275	1,485,061	0	0	622,216	0	3,593,552
Andrew County	0	0	0	171,605	481,177	1,154,823	0	0	688,585	0	2,496,190
Atchison County	0	0	0	186,868	0	1,297,339	0	0	577,406	0	2,061,613
Audrain County	0	0	0	0	1,218,106	3,340,097	0	0	840,516	0	5,398,719
Barry County	0	0	0	0	1,858,480	2,785,570	0	0	1,210,662	0	5,854,712
Barton County	0	0	0	0	521,978	521,982	0	0	642,748	0	1,686,708
Bates County	0	0	0	153,247	0	1,189,894	0	0	866,988	0	2,210,129
Benton County	0	0	0	117,823	831,259	1,454,381	0	0	735,420	0	3,138,883
Bollinger County	0	0	0	0	314,318	706,905	0	0	521,375	0	1,542,598
Boone County	0	0	0	0	12,536,434	15,657,933	0	0	1,555,527	0	29,749,894
Buchanan County	0	0	0	0	6,418,677	7,699,771	0	0	594,003	0	14,712,451
Butler County	0	0	0	0	3,021,107	3,021,113	0	0	1,125,062	0	7,167,282

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Caldwell County	0	0	0	114,055	197,132	591,391	0	0	557,212	0	1,459,790
Callaway County	0	0	0	0	0	3,276,111	0	0	1,487,826	0	4,763,937
Camden County	0	0	0	0	3,833,114	5,746,302	0	0	2,667,799	0	12,247,215
Cape Girardeau County	0	0	0	0	6,615,205	6,613,947	0	0	918,901	0	14,148,053
Carroll County	0	0	0	144,975	338,972	508,450	0	0	802,337	0	1,794,734
Carter County	0	0	0	0	239,546	239,549	0	0	300,130	0	779,225
Cass County	0	0	0	1,881,571	5,154,324	7,730,902	0	0	1,302,940	0	16,069,737
Cedar County	0	0	0	0	463,833	509,037	0	0	567,936	0	1,540,806
Chariton County	0	0	0	120,026	290,258	725,868	0	0	734,679	0	1,870,831
Christian County	0	0	0	0	3,164,444	7,872,389	0	0	1,319,692	0	12,356,525
Clark County	0	0	0	0	321,958	963,483	0	0	480,002	0	1,765,443
Clay County	0	0	0	3,297,222	14,430,520	10,767,901	0	0	812,771	0	29,308,414
Clinton County	0	0	0	140,988	542,767	542,775	0	0	659,739	0	1,886,269
Cole County	0	0	0	1,188,175	5,429,668	10,858,568	0	0	1,057,981	0	18,534,392
Cooper County	0	0	0	0	843,718	2,109,133	0	0	529,841	0	3,482,692
Crawford County	0	0	0	0	1,014,931	2,304,067	0	0	648,021	0	3,967,019
Dade County	0	0	0	46,992	241,540	544,062	0	0	517,702	0	1,350,296
Dallas County	0	0	0	0	585,448	1,690,403	0	0	656,047	0	2,931,898
Daviess County	0	0	0	72,243	0	843,705	0	0	607,196	0	1,523,144
DeKalb County	0	0	0	107,788	644,262	643,830	0	0	569,232	0	1,965,112
Dent County	0	0	0	0	768,752	768,743	0	0	609,795	0	2,147,290
Douglas County	0	0	0	0	440,157	440,161	0	0	651,419	0	1,531,737
Dunklin County	0	0	0	0	0	2,939,990	0	0	784,939	0	3,724,929
Franklin County	0	0	0	0	5,257,612	13,141,549	0	0	2,255,546	0	20,654,707
Gasconade County	0	0	0	0	873,472	1,472,634	0	0	530,379	0	2,876,485
Gentry County	0	0	0	41,508	0	508,586	0	0	491,279	0	1,041,373
Greene County	0	0	0	0	23,093,249	33,333,405	0	0	3,353,094	0	59,779,748
Grundy County	0	0	0	0	477,772	953,246	0	0	423,349	0	1,854,367
Harrison County	0	0	0	77,517	0	1,367,495	0	0	715,903	0	2,160,915
Henry County	0	0	0	151,730	1,143,171	1,227,479	0	0	739,027	0	3,261,407
Hickory County	0	0	0	0	289,605	579,211	0	0	438,741	0	1,307,557
Holt County	0	0	0	258,641	228,009	912,168	0	0	445,519	0	1,844,337
Howard County	0	0	0	0	296,691	1,140,554	0	0	372,136	0	1,809,381
Howell County	0	0	0	0	2,217,278	1,932,012	0	0	1,102,135	0	5,251,425
Iron County	0	0	0	0	351,554	351,651	0	0	374,517	0	1,077,722
Jackson County	0	0	0	0	44,189,170	55,174,467	0	0	968,489	0	100,332,126
Jasper County	0	0	0	0	6,516,021	10,415,440	0	0	1,302,224	0	18,233,685
Jefferson County	0	0	0	0	10,355,542	23,086,517	0	0	3,898,374	0	37,340,433
Johnson County	0	0	0	621,341	2,237,702	6,705,863	0	0	1,303,624	0	10,868,530
Knox County	0	0	0	0	146,262	438,789	0	0	1,303,624	0	1,888,675
Laclede County	0	0	0	0	1,952,116	1,950,712	0	0	444,996	0	4,347,824
Lafayette County	0	0	0	353,789	1,123,015	2,526,311	0	0	791,076	0	4,794,191
Lawrence County	0	0	0	321,793	1,288,295	2,566,426	0	0	805,375	0	4,981,889
Lewis County	0	0	0	309,474	299,196	1,067,442	0	0	437,792	0	2,113,904
Lincoln County	0	0	0	0	2,023,587	5,264,316	0	0	1,128,130	0	8,416,033
Linn County	0	0	0	98,599	630,094	630,099	0	0	591,789	0	1,950,581
Livingston County	0	0	0	137,231	1,013,654	506,782	0	0	528,445	0	2,186,112
Macon County	0	0	0	0	679,522	1,189,335	0	0	767,998	0	2,636,855

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Madison County	0	0	0	0	501,615	989,788	0	0	322,611	0	1,814,014
Maries County	0	0	0	48,440	235,988	547,629	0	0	408,406	0	1,240,463
Marion County	0	0	0	444,415	1,870,659	2,337,779	0	0	517,525	0	5,170,378
McDonald County	0	0	0	0	1,258,821	3,697,245	0	0	698,712	0	5,654,778
Mercer County	0	0	0	70,229	159,385	519,870	0	0	375,119	0	1,124,603
Miller County	0	0	0	174,435	1,619,875	1,616,760	0	0	829,048	0	4,240,118
Mississippi County	0	0	0	0	476,582	1,191,349	0	0	368,617	0	2,036,548
Moniteau County	0	0	0	0	532,827	1,014,097	0	0	500,495	0	2,047,419
Monroe County	0	0	0	36,428	263,742	263,741	0	0	592,565	0	1,156,476
Montgomery County	0	0	0	0	480,071	1,200,184	0	0	589,319	0	2,269,574
Morgan County	0	0	0	0	999,364	1,087,910	0	0	1,220,049	0	3,307,323
New Madrid County	0	0	0	0	1,499,931	1,499,547	0	0	777,564	0	3,777,042
Newton County	0	0	0	0	2,732,112	3,769,814	0	0	1,109,812	0	7,611,738
Nodaway County	0	0	0	196,613	1,161,505	1,161,472	0	0	1,043,551	0	3,563,141
Oregon County	0	0	0	0	456,065	456,067	0	0	479,448	0	1,391,580
Osage County	0	0	0	0	1,019,770	809,823	0	0	538,920	0	2,368,513
Ozark County	0	0	0	0	276,438	591,633	0	0	648,941	0	1,517,012
Pemiscot County	0	0	0	0	739,754	1,109,617	0	0	552,307	0	2,401,678
Perry County	0	0	0	0	1,186,243	3,160,819	0	0	563,011	0	4,910,073
Pettis County	0	0	0	491,565	3,010,125	3,007,946	0	0	1,029,506	0	7,539,142
Phelps County	0	0	0	0	2,531,923	3,164,369	0	0	829,128	0	6,525,420
Pike County	0	0	0	0	766,362	2,445,988	0	0	568,247	0	3,780,597
Platte County	0	0	0	4,141,258	8,020,298	13,602,813	0	0	1,463,121	0	27,227,490
Polk County	0	0	0	0	0	3,182,834	0	0	852,089	0	4,034,923
Pulaski County	0	0	0	0	2,141,796	1,071,067	0	0	781,372	0	3,994,235
Putnam County	0	0	0	0	0	768,784	0	0	481,874	0	1,250,658
Ralls County	0	0	0	371,726	439,323	1,317,613	0	0	508,970	0	2,637,632
Randolph County	0	0	0	0	1,281,387	1,280,805	0	0	797,041	0	3,359,233
Ray County	0	0	0	294,751	743,852	1,487,713	0	0	726,756	0	3,253,072
Reynolds County	0	0	0	0	218,258	217,934	0	0	682,619	0	1,118,811
Ripley County	0	0	0	0	473,850	951,896	0	0	404,022	0	1,829,768
St. Charles County	0	0	0	6,647,153	23,435,082	56,669,479	0	0	3,754,543	0	90,506,257
St. Clair County	0	0	0	0	269,983	0	0	0	585,420	0	855,403
St. Francois County	0	0	0	0	3,425,683	4,811,658	0	0	764,773	0	9,002,114
St. Louis County	0	0	195,014,335	0	0	82,138,117	156,464,911	0	11,349,155	0	444,966,518
Ste. Genevieve County	0	0	0	0	905,740	2,715,830	0	0	690,454	0	4,312,024
Saline County	0	0	0	0	1,018,791	2,314,198	0	0	716,975	0	4,049,964
Schuyler County	0	0	0	0	158,134	474,581	0	0	274,186	0	906,901
Scotland County	0	0	0	0	0	545,766	0	0	432,273	0	978,039
Scott County	0	0	0	0	3,591,995	1,267	0	0	478,840	0	4,072,102
Shannon County	0	0	0	0	233,750	233,748	0	0	580,927	0	1,048,425
Shelby County	0	0	0	61,547	259,744	519,485	0	0	514,489	0	1,355,265
Stoddard County	0	0	0	0	1,377,422	1,377,619	0	0	1,010,826	0	3,765,867
Stone County	0	0	0	465,414	1,757,806	4,719,327	0	0	1,178,044	0	8,120,591
Sullivan County	0	0	0	0	233,303	1,046,526	0	0	477,873	0	1,757,702
Taney County	0	0	0	0	6,815,877	15,333,732	0	0	1,181,811	0	23,331,420
Texas County	0	0	0	0	956,230	1,907,946	0	0	913,466	0	3,777,642
Vernon County	0	0	0	0	959,036	953,528	0	0	908,437	0	2,821,001

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Warren County	0	0	0	0	1,262,791	3,788,330	0	0	697,570	0	5,748,691
Washington County	0	0	0	193,862	726,627	2,824,479	0	0	537,588	0	4,282,556
Wayne County	0	0	0	0	461,144	461,146	0	0	523,948	0	1,446,238
Webster County	0	0	0	0	1,348,840	3,595,363	0	0	878,516	0	5,822,719
Worth County	0	0	0	22,780	73,595	183,784	0	0	220,437	0	500,596
Wright County	0	0	0	0	767,305	767,206	0	0	639,557	0	2,174,068
AMBULANCE DISTRICTS:											
Adair County Ambulance District	0	0	0	0	0	0	0	1,042,633	0	0	1,042,633
Andrew County Ambulance District	0	0	0	0	0	0	0	419,134	0	0	419,134
Audrain Ambulance District	0	0	0	0	0	0	0	878,670	0	0	878,670
Ava Ambulance District	0	0	0	0	0	0	0	383,830	0	0	383,830
Barton County Ambulance District	0	0	0	0	0	0	0	499,276	0	0	499,276
Big River Ambulance District	0	0	0	0	0	0	0	559,153	0	0	559,153
Caldwell County Ambulance District	0	0	0	0	0	0	0	202,582	0	0	202,582
Callaway County Ambulance District	0	0	0	0	0	0	0	1,633,694	0	0	1,633,694
Cam-MO Ambulance District	0	0	0	0	0	0	0	550,545	0	0	550,545
Cedar County Ambulance District	0	0	0	0	0	0	0	463,778	0	0	463,778
Cole Camp Ambulance District	0	0	0	0	0	0	0	90,664	0	0	90,664
Cooper County Ambulance District	0	0	0	0	0	0	0	385,616	0	0	385,616
Dade County Ambulance District	0	0	0	0	0	0	0	201,972	0	0	201,972
Gerald Area Ambulance District	0	0	0	0	0	0	0	144,002	0	0	144,002
Hermann Area Ambulance District	0	0	0	0	0	0	0	358,518	0	0	358,518
Iron County Ambulance District	0	0	0	0	0	0	0	351,530	0	0	351,530
Joachim Platin Ambulance District	0	0	0	0	0	0	0	2,658,368	0	0	2,658,368
Lewis County Ambulance District	0	0	0	0	0	0	0	252,041	0	0	252,041
Lincoln County Ambulance District	0	0	0	0	0	0	0	2,023,445	0	0	2,023,445
Linn County Ambulance District	0	0	0	0	0	0	0	567,063	0	0	567,063
Maries Osage Ambulance District	0	0	0	0	0	0	0	159,604	0	0	159,604
Marion County Ambulance District	0	0	0	0	0	0	0	1,852,608	0	0	1,852,608
Meramec Ambulance District	0	0	0	0	0	0	0	655,146	0	0	655,146
Mid-Missouri Ambulance District	0	0	0	0	0	0	0	1,080,855	0	0	1,080,855
Miller County Ambulance District	0	0	0	0	0	0	0	1,295,980	0	0	1,295,980
Monroe City Ambulance District	0	0	0	0	0	0	0	182,325	0	0	182,325
New Haven Ambulance District	0	0	0	0	0	0	0	139,930	0	0	139,930
New Madrid County Ambulance District	0	0	0	0	0	0	0	706,882	0	0	706,882
Nodaway County Ambulance District	0	0	0	0	0	0	0	1,161,724	0	0	1,161,724
Noel T. Adams Ambulance District	0	0	0	0	0	0	0	434,226	0	0	434,226
North Crawford County Ambulance District	0	0	0	0	0	0	0	625,230	0	0	625,230
Oregon County Ambulance District	0	0	0	0	0	0	0	415,504	0	0	415,504
Osage Ambulance District	0	0	0	0	0	0	0	300,062	0	0	300,062
Owensville Area Ambulance District	0	0	0	0	0	0	0	393,589	0	0	393,589
Ozark County Ambulance District	0	0	0	0	0	0	0	276,312	0	0	276,312
Pulaski County Ambulance District	0	0	0	0	0	0	0	1,784,627	0	0	1,784,627
Randolph County Ambulance District	0	0	0	0	0	0	0	1,280,338	0	0	1,280,338
Ray County Ambulance District	0	0	0	0	0	0	0	617,040	0	0	617,040
Rock Township Ambulance District	0	0	0	0	0	0	0	1,825,354	0	0	1,825,354
Salt River Ambulance District	0	0	0	0	0	0	0	201,220	0	0	201,220
St. Clair Ambulance District	0	0	0	0	0	0	0	371,716	0	0	371,716

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
St. James Ambulance District	0	0	0	0	0	0	0	286,839	0	0	286,839
St. Francois County Ambulance District	0	0	0	0	0	0	0	3,207,216	0	0	3,207,216
Ste. Genevieve County Ambulance District	0	0	0	0	0	0	0	817,581	0	0	817,581
Steelville Ambulance District	0	0	0	0	0	0	0	190,052	0	0	190,052
Taney County Ambulance District	0	0	0	0	0	0	0	3,405,230	0	0	3,405,230
VanFar Ambulance District	0	0	0	0	0	0	0	154,700	0	0	154,700
Warsaw Lincoln Ambulance District	0	0	0	0	0	0	0	603,162	0	0	603,162
Washington Area Ambulance District	0	0	0	0	0	0	0	1,497,361	0	0	1,497,361
Washington County Ambulance District	0	0	0	0	0	0	0	643,784	0	0	643,784
FIRE PROTECTION DISTRICTS:											
Antonia Fire Protection District	0	0	0	0	0	0	0	271,381	0	0	271,381
Bourbon County Fire Protection District	0	0	0	0	0	0	0	113,339	0	0	113,339
Central Jackson County Fire Protection District	0	0	0	0	0	0	0	3,275,094	0	0	3,275,094
High Ridge Fire Protection District	0	0	0	0	0	0	0	1,306,261	0	0	1,306,261
Inter City Fire Protection District	0	0	0	0	0	0	0	89,051	0	0	89,051
Orrick Fire Protection District	0	0	0	0	0	0	0	64,561	0	0	64,561
Prairie Township Fire District	0	0	0	0	0	0	0	82,964	0	0	82,964
Rock Community Fire Protection District	0	0	0	0	0	0	0	3,042,305	0	0	3,042,305
St. Clair Fire Protection District	0	0	0	0	0	0	0	465,084	0	0	465,084
Smithville Area Fire Protection District	0	0	0	0	0	0	0	421,114	0	0	421,114
Sni Valley Fire Protection District	0	0	0	0	0	0	0	551,563	0	0	551,563
S Metropolitan Fire Protection District	0	0	0	0	0	0	0	1,040,879	0	0	1,040,879
Southern Stone Fire District	0	0	0	0	0	0	0	1,514,659	0	0	1,514,659
Sullivan Fire Protection District	0	0	0	0	0	0	0	920,678	0	0	920,678
Union Fire Protection District	0	0	0	0	0	0	0	946,387	0	0	946,387
TRANSPORTATION DEVELOPMENT DISTRICTS (TDD):											
39th Street TDD	0	0	0	0	0	0	0	891,015	0	0	891,015
71 Highway and 150 Highway TDD	0	0	0	0	0	0	0	26,655	0	0	26,655
210 Highway TDD	0	0	0	0	0	0	0	214,874	0	0	214,874
370 MO Bottom Taussig TDD	0	0	0	0	0	0	0	1,840,344	0	0	1,840,344
620 Market TDD	0	0	0	0	0	0	0	0 *	0	0	0
1200 Main South Loop TDD	0	0	0	0	0	0	0	759,351	0	0	759,351
1225 Washington TDD	0	0	0	0	0	0	0	105,083	0	0	105,083
1717 Market Place TDD	0	0	0	0	0	0	0	69,921	0	0	69,921
Adams Farm TDD	0	0	0	0	0	0	0	771,191	0	0	771,191
Arnold Retail Corridor TDD	0	0	0	0	0	0	0	2,419,855	0	0	2,419,855
Ballwin Town Center TDD	0	0	0	0	0	0	0	134,583	0	0	134,583
Belton Town Centre TDD	0	0	0	0	0	0	0	590,812	0	0	590,812
Big Bend Crossing TDD	0	0	0	0	0	0	0	0 *	0	0	0
Branson Landing TDD	0	0	0	0	0	0	0	1,161,422	0	0	1,161,422
Briarcliff Parkway Highway 9 TDD	0	0	0	0	0	0	0	112,545	0	0	112,545
Broadway Fairview TDD	0	0	0	0	0	0	0	313,283	0	0	313,283
Broadway Hotel TDD	0	0	0	0	0	0	0	268,007	0	0	268,007
Boonville Riverfront TDD	0	0	0	0	0	0	0	0 *	0	0	0
Boscherts Landing TDD	0	0	0	0	0	0	0	65,278	0	0	65,278
Bowman TDD	0	0	0	0	0	0	0	19,690	0	0	19,690
CBS421 5975 TDD	0	0	0	0	0	0	0	211,558	0	0	211,558
Centene Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Centerstate TDD	0	0	0	0	0	0	0	292,367	0	0	292,367
City Hospital Laundry TDD	0	0	0	0	0	0	0	0 *	0	0	0
Chesterfield Valley TDD	0	0	0	0	0	0	0	2,059,701	0	0	2,059,701
College Station TDD	0	0	0	0	0	0	0	0 *	0	0	0
Columbia Mall TDD	0	0	0	0	0	0	0	826,579	0	0	826,579
Commons of Hazel Hill TDD	0	0	0	0	0	0	0	0 *	0	0	0
Conley Road TDD	0	0	0	0	0	0	0	1,198,206	0	0	1,198,206
Coronado Drive TDD	0	0	0	0	0	0	0	498,818	0	0	498,818
Country Club Plaza TDD	0	0	0	0	0	0	0	1,288,911	0	0	1,288,911
Crackerneck Creek TDD	0	0	0	0	0	0	0	358,827	0	0	358,827
Crestwood Point TDD	0	0	0	0	0	0	0	0 *	0	0	0
Crowne Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Dardenne Town Square TDD	0	0	0	0	0	0	0	310,972	0	0	310,972
Des Peres Corners TDD	0	0	0	0	0	0	0	524,310	0	0	524,310
Douglas Square TDD	0	0	0	0	0	0	0	168,337	0	0	168,337
Douglas Station TDD	0	0	0	0	0	0	0	65,880	0	0	65,880
East Gateway TDD	0	0	0	0	0	0	0	0 *	0	0	0
Ehrhardt Properties TDD	0	0	0	0	0	0	0	56,156	0	0	56,156
Elm Grove TDD	0	0	0	0	0	0	0	0 *	0	0	0
Euclid Buckingham TDD	0	0	0	0	0	0	0	0 *	0	0	0
Eureka Commercial Park TDD	0	0	0	0	0	0	0	11,208	0	0	11,208
Eureka Old Town TDD	0	0	0	0	0	0	0	29,922	0	0	29,922
Farris Family TDD	0	0	0	0	0	0	0	54,974	0	0	54,974
Fenton Crossing TDD	0	0	0	0	0	0	0	377,165	0	0	377,165
Francis Place TDD	0	0	0	0	0	0	0	347,460	0	0	347,460
Fulton South Business 54 TDD	0	0	0	0	0	0	0	61,840	0	0	61,840
Glenwood Watson TDD	0	0	0	0	0	0	0	249,861	0	0	249,861
Gravois Bluffs TDD	0	0	0	0	0	0	0	3,089,244	0	0	3,089,244
Grindstone Plaza TDD	0	0	0	0	0	0	0	443,606	0	0	443,606
Harrisonville Market Place A TDD	0	0	0	0	0	0	0	0 *	0	0	0
Harrisonville Market Place B TDD	0	0	0	0	0	0	0	65,044	0	0	65,044
Harrisonville Towne Center TDD	0	0	0	0	0	0	0	0 *	0	0	0
Hanley Eager Road TDD	0	0	0	0	0	0	0	491,205	0	0	491,205
Hanley Road Corridor TDD	0	0	0	0	0	0	0	5,486,142	0	0	5,486,142
Hanley Station TDD	0	0	0	0	0	0	0	99,585	0	0	99,585
Hawk Ridge TDD	0	0	0	0	0	0	0	1,015,065	0	0	1,015,065
Hawthorne Development TDD	0	0	0	0	0	0	0	407,044	0	0	407,044
Highlands TDD	0	0	0	0	0	0	0	0 *	0	0	0
Highway 367 and Parker Road TDD	0	0	0	0	0	0	0	62,592	0	0	62,592
Highway 71 and 291 Partners in Progress TDD	0	0	0	0	0	0	0	1,048,367	0	0	1,048,367
Horseshoe Bend TDD	0	0	0	0	0	0	0	0 *	0	0	0
Horseshoe Bend Pedestrian TDD	0	0	0	0	0	0	0	0 *	0	0	0
Hospital Interchange TDD	0	0	0	0	0	0	0	0 *	0	0	0
Hutchings Farm TDD	0	0	0	0	0	0	0	27,360	0	0	27,360
I-44 and Highway 47 Triangle TDD	0	0	0	0	0	0	0	91,424	0	0	91,424
I-470 and 350 TDD	0	0	0	0	0	0	0	2,121,388	0	0	2,121,388
I-70 and Adams Dairy Parkway TDD	0	0	0	0	0	0	0	0 *	0	0	0
Independence Ave Colbern TDD	0	0	0	0	0	0	0	0 *	0	0	0

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Inter St Plaza N Town Village TDD	0	0	0	0	0	0	0	719,032	0	0	719,032
Kingsmill TDD	0	0	0	0	0	0	0	0 *	0	0	0
Koch Plaza TDD	0	0	0	0	0	0	0	123,312	0	0	123,312
Lake of the Woods TDD	0	0	0	0	0	0	0	53,427	0	0	53,427
Laurel TDD	0	0	0	0	0	0	0	0 *	0	0	0
Lindbergh E Concord TDD	0	0	0	0	0	0	0	0 *	0	0	0
Loop Trolley TDD	0	0	0	0	0	0	0	713,867	0	0	713,867
Lucas and Hunt Chandler TDD	0	0	0	0	0	0	0	0 *	0	0	0
M150 and 135th Street TDD	0	0	0	0	0	0	0	706,873	0	0	706,873
Manchester Highlands TDD	0	0	0	0	0	0	0	1,495,788	0	0	1,495,788
Mark Twain Mall TDD	0	0	0	0	0	0	0	639,350	0	0	639,350
Market at McKnight I TDD	0	0	0	0	0	0	0	137,243	0	0	137,243
Meadows TDD	0	0	0	0	0	0	0	420,382	0	0	420,382
Megan Shoppe's TDD	0	0	0	0	0	0	0	59,263	0	0	59,263
Meramec State and Highway 141 TDD	0	0	0	0	0	0	0	128,161	0	0	128,161
Merchants Laclede TDD	0	0	0	0	0	0	0	82,679	0	0	82,679
Mexico Road TDD	0	0	0	0	0	0	0	306,269	0	0	306,269
Mid Rivers N TDD	0	0	0	0	0	0	0	81,701	0	0	81,701
Neosho TDD	0	0	0	0	0	0	0	171,892	0	0	171,892
New Longview TDD	0	0	0	0	0	0	0	40,549	0	0	40,549
Northwoods TDD	0	0	0	0	0	0	0	0 *	0	0	0
Olive Boulevard TDD	0	0	0	0	0	0	0	399,296	0	0	399,296
Olive Graeser TDD	0	0	0	0	0	0	0	87,625	0	0	87,625
Osage Station TDD	0	0	0	0	0	0	0	12,758	0	0	12,758
Ozark Centre TDD	0	0	0	0	0	0	0	352,962	0	0	352,962
Park Hills TDD	0	0	0	0	0	0	0	24,868	0	0	24,868
Park Plaza TDD	0	0	0	0	0	0	0	0 *	0	0	0
Parkville Commons TDD	0	0	0	0	0	0	0	393,865	0	0	393,865
Pershall Road TDD	0	0	0	0	0	0	0	0 *	0	0	0
Platte County MO S I TDD	0	0	0	0	0	0	0	1,416,501	0	0	1,416,501
Platte County MO S II TDD	0	0	0	0	0	0	0	335,112	0	0	335,112
Platte Valley Plaza TDD	0	0	0	0	0	0	0	8,349	0	0	8,349
Poplar Bluff Conference Center TDD	0	0	0	0	0	0	0	0 *	0	0	0
Prewitt Point TDD	0	0	0	0	0	0	0	713,632	0	0	713,632
Railway Exchange Building TDD	0	0	0	0	0	0	0	79,137	0	0	79,137
Raintree Lake Village TDD	0	0	0	0	0	0	0	17,131	0	0	17,131
Raintree North TDD	0	0	0	0	0	0	0	159,677	0	0	159,677
Raytown Highway 350 TDD	0	0	0	0	0	0	0	0 *	0	0	0
Residence Inn St. Louis Downtown TDD	0	0	0	0	0	0	0	0 *	0	0	0
Rock Bridge Center TDD	0	0	0	0	0	0	0	188,264	0	0	188,264
Salt Lick Road TDD	0	0	0	0	0	0	0	184,943	0	0	184,943
Shoppe's at Cross Keys TDD	0	0	0	0	0	0	0	710,136	0	0	710,136
Shoppe's at Hilltop TDD	0	0	0	0	0	0	0	0 *	0	0	0
Shoppe's at Stadium TDD	0	0	0	0	0	0	0	302,994	0	0	302,994
Shoppe's Old Webster TDD	0	0	0	0	0	0	0	24,086	0	0	24,086
South Manchester TDD	0	0	0	0	0	0	0	112,983	0	0	112,983
St. Charles Riverfront TDD	0	0	0	0	0	0	0	0 *	0	0	0
St. Cyr Road TDD	0	0	0	0	0	0	0	0 *	0	0	0

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
St. John Crossing TDD	0	0	0	0	0	0	0	68,511	0	0	68,511
St. John's Church Road TDD	0	0	0	0	0	0	0	622,079	0	0	622,079
St. Joseph Gateway TDD	0	0	0	0	0	0	0	0 *	0	0	0
St. Louis Convention Center Hotel TDD	0	0	0	0	0	0	0	382,540	0	0	382,540
Stadium Corridor A TDD	0	0	0	0	0	0	0	335,320	0	0	335,320
Stardust Mung Diamond TDD	0	0	0	0	0	0	0	441,196	0	0	441,196
Stone Ridge TDD	0	0	0	0	0	0	0	0 *	0	0	0
Strother Interchange TDD	0	0	0	0	0	0	0	194,986	0	0	194,986
Station Plaza TDD	0	0	0	0	0	0	0	46,162	0	0	46,162
Toad Cove Complex TDD	0	0	0	0	0	0	0	0 *	0	0	0
Toad Cove Resort TDD	0	0	0	0	0	0	0	0 *	0	0	0
Tower TDD	0	0	0	0	0	0	0	0 *	0	0	0
Town and Country Cross TDD	0	0	0	0	0	0	0	410,496	0	0	410,496
Town and Country Village TDD	0	0	0	0	0	0	0	0 *	0	0	0
Tuileries Plaza TDD	0	0	0	0	0	0	0	81,179	0	0	81,179
University Place TDD	0	0	0	0	0	0	0	0 *	0	0	0
US Hwy 36 Int 72 Corridor TDD	0	0	0	0	0	0	0	2,991,949	0	0	2,991,949
US Hwy 50/63 Cityview TDD	0	0	0	0	0	0	0	0 *	0	0	0
US Hwy 65 Truman Dam TDD	0	0	0	0	0	0	0	0 *	0	0	0
Washington Avenue TDD	0	0	0	0	0	0	0	0 *	0	0	0
Wentzville TDD	0	0	0	0	0	0	0	349,533	0	0	349,533
Wentzville II TDD	0	0	0	0	0	0	0	211,525	0	0	211,525
Wentzville III TDD	0	0	0	0	0	0	0	119,220	0	0	119,220
Wentzville Parkway I TDD	0	0	0	0	0	0	0	146,967	0	0	146,967
Winghaven TDD	0	0	0	0	0	0	0	139,322	0	0	139,322
COMMUNITY IMPROVEMENT DISTRICTS (CID):											
58 Highway Regional Market CID	0	0	0	3,888	0	0	0	117,296	0	0	121,184
63 Bypass CID	0	0	0	2,453	0	0	0	45,397	0	0	47,850
620 Market CID	0	0	0	7,453	0	0	0	64,932	0	0	72,385
840 E Taylor CID	0	0	0	70	0	0	0	55,132	0	0	55,202
1100 Washington Ave CID	0	0	0	0	0	0	0	0 *	0	0	0
1133 Washington Ave CID	0	0	0	0	0	0	0	0 *	0	0	0
1201 Washington CID	0	0	0	3,328	0	0	0	5,407	0	0	8,735
1225 Washington CID	0	0	0	0	0	0	0	105,083	0	0	105,083
2017 Chouteau CID	0	0	0	3,193	0	0	0	52,822	0	0	56,015
8750 Manchester Road CID	0	0	0	1,375	0	0	0	51,071	0	0	52,446
Airport Plaza CID	0	0	0	0	0	0	0	45,646	0	0	45,646
American Center CID	0	0	0	0	0	0	0	11,735	0	0	11,735
Antioch Center CID	0	0	0	0	0	0	0	293,113	0	0	293,113
Belleau CID	0	0	0	11,174	0	0	0	4,876	0	0	16,050
Big Spring Plaza CID	0	0	0	4,276	0	0	0	59,381	0	0	63,657
Biltmore East CID	0	0	0	0	0	0	0	66,125	0	0	66,125
Black Mountain CID	0	0	0	0	0	0	0	0 *	0	0	0
Blue Jay Crossing CID	0	0	0	252	0	0	0	65,766	0	0	66,018
Branson Hills Infrastructure and Recreational CID	0	0	0	0	0	0	0	28,447	0	0	28,447
Bridgewood Plaza CID	0	0	0	0	0	0	0	37,507	0	0	37,507
Broadway Hotel CID	0	0	0	5,146	0	0	0	322,475	0	0	327,621
Brywood Centre CID	0	0	0	40	0	0	0	224,313	0	0	224,353

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Chambers West Florissant CID	0	0	0	338	0	0	0	59,841	0	0	60,179
Cheshire CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Chouteau Crossing CID	0	0	0	0 *	0	0	0	0 *	0	0	0
City Hospital RPA2 CID	0	0	0	0 *	0	0	0	0 *	0	0	0
College Station CID	0	0	0	0	0	0	0	0 *	0	0	0
Collins CID	0	0	0	0	0	0	0	0 *	0	0	0
Commercial St CID	0	0	0	2,289	0	0	0	27,905	0	0	30,194
Cook Crossings CID	0	0	0	0	0	0	0	0 *	0	0	0
Cozens MLK Grand CID	0	0	0	1,657	0	0	0	35,783	0	0	37,440
Crestwood Square CID	0	0	0	639	0	0	0	70,194	0	0	70,833
Crocker Highway 17 CID	0	0	0	0	0	0	0	0 *	0	0	0
Crossroads Shopping Center CID	0	0	0	3,392	0	0	0	67,960	0	0	71,352
Crowne Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
CWE Business CID	0	0	0	1,850	0	0	0	728,164	0	0	730,014
Ditzler CID	0	0	0	1,208	0	0	0	22,221	0	0	23,429
Downtown CID	0	0	0	7	0	0	0	33,452	0	0	33,459
Downtown Springfield CID	0	0	0	1,306	0	0	0	135,329	0	0	136,635
East Highway 60 CID	0	0	0	0	0	0	0	80,030	0	0	80,030
East Hills CID	0	0	0	12,650	0	0	0	691,036	0	0	703,686
East Main & Highway 47 CID	0	0	0	5,125	0	0	0	67,204	0	0	72,329
Elm and 370 CID	0	0	0	2,678	0	0	0	11,848	0	0	14,526
Elms Hotel CID	0	0	0	42	0	0	0	544	0	0	586
Eureka Pointe CID	0	0	0	0	0	0	0	29,975	0	0	29,975
Eureka South I-44 CID	0	0	0	3,089	0	0	0	388	0	0	3,477
Flintlock Plaza CID	0	0	0	260	0	0	0	46,123	0	0	46,383
Flintlock Shoppes CID	0	0	0	396	0	0	0	252,418	0	0	252,814
Flori Drive CID	0	0	0	18	0	0	0	70,169	0	0	70,187
Fountain Lakes CID	0	0	0	0	0	0	0	0 *	0	0	0
Fountains CID	0	0	0	0	0	0	0	25,228	0	0	25,228
Foxwood Village CID	0	0	0	0	0	0	0	0 *	0	0	0
Georgian Square CID	0	0	0	188	0	0	0	48,148	0	0	48,336
Greenview CID	0	0	0	0	0	0	0	8,606	0	0	8,606
Grove CID	0	0	0	4,101	0	0	0	100,324	0	0	104,425
Hadley Dean Building CID	0	0	0	0	0	0	0	0 *	0	0	0
Hail Ridge CID	0	0	0	0	0	0	0	0 *	0	0	0
Hayti Ventures CID	0	0	0	89	0	0	0	12,046	0	0	12,135
Hazelwood Commerce Center CID	0	0	0	4,072	0	0	0	71	0	0	4,143
Heers Tower CID	0	0	0	0	0	0	0	0 *	0	0	0
Highway 350 CID	0	0	0	3,929	0	0	0	543,405	0	0	547,334
Highway 100 CID	0	0	0	2,866	0	0	0	7,121	0	0	9,987
Highway J and 17th Street CID	0	0	0	0	0	0	0	0 *	0	0	0
Hilltop CID	0	0	0	0	0	0	0	479,276	0	0	479,276
Historic Downtown Branson CID	0	0	0	0	0	0	0	303,380	0	0	303,380
I-470 Square CID	0	0	0	0	0	0	0	18,140	0	0	18,140
Imperial Main CID	0	0	0	6,531	0	0	0	13,034	0	0	19,565
Independence Event Center CID	0	0	0	0	0	0	0	3,557,435	0	0	3,557,435
James River Commons CID	0	0	0	1,778	0	0	0	856,207	0	0	857,985
Jeter Farm CID	0	0	0	6	0	0	0	0	0	0	6

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Kansas Battlefield CID	0	0	0	7,657	0	0	0	99,539	0	0	107,196
Kearney West Side CID	0	0	0	0	0	0	0	67,674	0	0	67,674
Laclede Landing CID	0	0	0	688	0	0	0	159,122	0	0	159,810
Landing Mall CID	0	0	0	98	0	0	0	123,316	0	0	123,414
Landing River Center CID	0	0	0	0	0	0	0	0 *	0	0	0
Langsford Plaza CID	0	0	0	123	0	0	0	27,088	0	0	27,211
Laurel CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Lebanon Marketplace CID	0	0	0	0	0	0	0	34,510	0	0	34,510
Liberty Corners CID	0	0	0	451	0	0	0	272,170	0	0	272,621
Liberty Triangle CID	0	0	0	4,982	0	0	0	581,131	0	0	586,113
Liberty Tri Shop Center CID	0	0	0	0	0	0	0	78,343	0	0	78,343
Lincoln Crossing CID	0	0	0	3,210	0	0	0	56,534	0	0	59,744
Logan Estates CID	0	0	0	987	0	0	0	0	0	0	987
Loughborough Commons CID	0	0	0	0	0	0	0	658,979	0	0	658,979
Manchester Ballas CID	0	0	0	12,270	0	0	0	2,122,624	0	0	2,134,894
Maple Valley Plaza CID	0	0	0	2,065	0	0	0	46,958	0	0	49,023
Mayfair Plaza CID	0	0	0	2,495	0	0	0	125,343	0	0	127,838
McCroskey Street CID	0	0	0	0	0	0	0	1,146	0	0	1,146
McNutt Road Corridor CID	0	0	0	0	0	0	0	448,888	0	0	448,888
Midwest Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Mid Rivers Commons CID	0	0	0	347	0	0	0	23,524	0	0	23,871
Miner Gateway CID	0	0	0	1,534	0	0	0	53,774	0	0	55,308
Moberly Crossings CID	0	0	0	62	0	0	0	11,266	0	0	11,328
Mountain Farm CID	0	0	0	2,577	0	0	0	8,063	0	0	10,640
North 763 CID	0	0	0	0	0	0	0	0 *	0	0	0
North Oak Village CID	0	0	0	2,997	0	0	0	255,731	0	0	258,728
North Oaks Plaza Shopping Center CID	0	0	0	492	0	0	0	88,967	0	0	89,459
Northmoor Associates CID	0	0	0	1	0	0	0	19,359	0	0	19,360
Northwest Area CID	0	0	0	1,680	0	0	0	56,721	0	0	58,401
Old Town Cottleville CID	0	0	0	3,792	0	0	0	107,074	0	0	110,866
Orpheum Theatre CID	0	0	0	0	0	0	0	0 *	0	0	0
Osage Commercial Area CID	0	0	0	351	0	0	0	119,938	0	0	120,289
Paddock Forest CID	0	0	0	3,405	0	0	0	47,618	0	0	51,023
Parkville Old Towne Market CID	0	0	0	2,853	0	0	0	70,370	0	0	73,223
Peachtree CID	0	0	0	2,088	0	0	0	1,122	0	0	3,210
Peach Tree CID	0	0	0	0	0	0	0	0 *	0	0	0
Phoenix Center I CID	0	0	0	0	0	0	0	333,312	0	0	333,312
Phoenix Center II CID	0	0	0	0	0	0	0	308,343	0	0	308,343
Platte City Market CID	0	0	0	53	0	0	0	149,180	0	0	149,233
Plattner CID	0	0	0	0	0	0	0	0 *	0	0	0
Plaza at Noah's Ark CID	0	0	0	7,863	0	0	0	35,580	0	0	43,443
Plaza on the Boulevard in Jennings CID	0	0	0	275	0	0	0	212,320	0	0	212,595
Qulin Highway N CID	0	0	0	0	0	0	0	0 *	0	0	0
Railway Exchange Building CID	0	0	0	627	0	0	0	102,179	0	0	102,806
Raintree 150 Center CID	0	0	0	0	0	0	0	45,380	0	0	45,380
Raytown Crossing Center CID	0	0	0	0	0	0	0	0 *	0	0	0
Raytown Square CID	0	0	0	289	0	0	0	147,068	0	0	147,357
Red Bridge CID	0	0	0	137	0	0	0	85,646	0	0	85,783

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
Richardson Crossing CID	0	0	0	11,106	0	0	0	12,285	0	0	23,391
Riverfront Hotel CID	0	0	0	7,384	0	0	0	476,952	0	0	484,336
Rogers Plaza CID	0	0	0	4	0	0	0	136,301	0	0	136,305
Route 141 Marshall Road CID	0	0	0	0	0	0	0	0 *	0	0	0
Russellville Route C CID	0	0	0	0	0	0	0	0 *	0	0	0
Sappington Square CID	0	0	0	545	0	0	0	35,324	0	0	35,869
Senath Commerical Street CID	0	0	0	0	0	0	0	0 *	0	0	0
Shops on Blue Parkway CID	0	0	0	1,706	0	0	0	132,785	0	0	134,491
Shops at James River CID	0	0	0	0	0	0	0	52,352	0	0	52,352
Skelly CID	0	0	0	263	0	0	0	25,332	0	0	25,595
Soda Fountain Square CID	0	0	0	476	0	0	0	19,351	0	0	19,827
South 160 CID	0	0	0	0	0	0	0	110,025	0	0	110,025
South 63 Corridor CID	0	0	0	0	0	0	0	95,784	0	0	95,784
South Grand CID	0	0	0	1,257	0	0	0	94,703	0	0	95,960
Southern Hills CID	0	0	0	0	0	0	0	536,245	0	0	536,245
Southtowne CID	0	0	0	6,219	0	0	0	258,426	0	0	264,645
St. Joseph Downtown CID	0	0	0	0	0	0	0	4,899	0	0	4,899
St. Louis Convention Center Hotel CID	0	0	0	0	0	0	0	382,521	0	0	382,521
Steele Highway 61 CID	0	0	0	0	0	0	0	0 *	0	0	0
Strafford Plaza CID	0	0	0	0	0	0	0	0 *	0	0	0
Stoneybrooke CID	0	0	0	524	0	0	0	216,096	0	0	216,620
SueMandy Mid Rivers CID	0	0	0	11,054	0	0	0	1,322,022	0	0	1,333,076
SueMandy Drive 1 CID	0	0	0	105	0	0	0	90,191	0	0	90,296
SueMandy Drive 2 CID	0	0	0	161	0	0	0	140,730	0	0	140,891
Summit Fair CID	0	0	0	0	0	0	0	580,138	0	0	580,138
Sunrise Farms CID	0	0	0	13	0	0	0	0	0	0	13
Syndicate Trust CID	0	0	0	0	0	0	0	0 *	0	0	0
Toad Cove Complex CID	0	0	0	0	0	0	0	6,849	0	0	6,849
Toad Cove Resort CID	0	0	0	0	0	0	0	0 *	0	0	0
Tori Pines Commons CID	0	0	0	4,817	0	0	0	5	0	0	4,822
Town and Country Village CID	0	0	0	6,627	0	0	0	10,514	0	0	17,141
Town Plaza CID	0	0	0	4,898	0	0	0	141,397	0	0	146,295
Truman Road CID	0	0	0	796	0	0	0	125,498	0	0	126,294
Truman Village CID	0	0	0	1,267	0	0	0	254	0	0	1,521
Veteran's Memorial Parkway CID	0	0	0	0	0	0	0	25,632	0	0	25,632
Viaduct Commercial Area CID	0	0	0	4,117	0	0	0	60,330	0	0	64,447
Victoria Crossings CID	0	0	0	1,883	0	0	0	7,991	0	0	9,874
Viking Conference Center CID	0	0	0	1	0	0	0	41,861	0	0	41,862
Union CID	0	0	0	170	0	0	0	31,917	0	0	32,087
Waldo CID	0	0	0	6,049	0	0	0	537,112	0	0	543,161
Ward Parkway Shop Center CID	0	0	0	14,680	0	0	0	679,933	0	0	694,613
Waterbury Storm Water CID	0	0	0	368	0	0	0	17,973	0	0	18,341
Watson-Laclede Station Road CID	0	0	0	126	0	0	0	37,804	0	0	37,930
Wentzville Bluffs CID	0	0	0	4,381	0	0	0	24,231	0	0	28,612
Westgate CID	0	0	0	0 *	0	0	0	0 *	0	0	0
Wilson Creek Market Place CID	0	0	0	0	0	0	0	0 *	0	0	0
Windsor Place CID	0	0	0	918	0	0	0	28,999	0	0	29,917
Zumbahl Road/Hwy 94 CID	0	0	0	3,275	0	0	0	46,191	0	0	49,466

Appendix D-3

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2012

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	St. Louis Capital Improvements	Total (Memorandum Only)
COMMUNITY DEVELOPMENT DISTRICTS (CDD):											
3 Trails Village CDD	0	0	0	2,748	0	0	0	47,167	0	0	49,915
39th Street CDD	0	0	0	7,150	0	0	0	113,857	0	0	121,007
Branson Hills CDD	0	0	0	0	0	0	0	792,498	0	0	792,498
Brookside CDD	0	0	0	3,323	0	0	0	370,237	0	0	373,560
Bryan Road CDD	0	0	0	53	0	0	0	17,565	0	0	17,618
Caledonia CDD	0	0	0	15,038	0	0	0	19,417	0	0	34,455
Crossings CDD	0	0	0	3,303	0	0	0	82,672	0	0	85,975
Grandview Crossing CDD	0	0	0	28,422	0	0	0	13,634	0	0	42,056
KC International Airport CDD	0	0	0	40,301	0	0	0	371,941	0	0	412,242
Lake Lotawana CDD	0	0	0	2,173	0	0	0	21,527	0	0	23,700
Martin City CDD	0	0	0	2,675	0	0	0	280,048	0	0	282,723
Performing Arts CDD	0	0	0	4,524	0	0	0	120,301	0	0	124,825
Residence Inn Downtown/St. Louis CDD	0	0	0	18,272	0	0	0	46,263	0	0	64,535
Springdale CDD	0	0	0	3,201	0	0	0	29,219	0	0	32,420
St. Charles Riverfront CDD	0	0	0	88,622	0	0	0	239,171	0	0	327,793
Westport CDD	0	0	0	1,169	0	0	0	345,259	0	0	346,428
MISCELLANEOUS DISTRICTS:											
Jefferson County Emergency Services District	0	0	0	0	0	0	0	7,519,253	0	0	7,519,253
Iron County Hospital District	0	0	0	0	0	0	0	97,546	0	0	97,546
Daviess/Dekalb Regional Jail District	0	0	0	0	0	0	0	925,244	0	0	925,244
Boone County Fairground Regional Recreation District	0	0	0	0	0	0	0	1,029	0	0	1,029
Branson/Lakes Area Tourism Community District	0	0	0	0	0	0	0	6,052,170	0	0	6,052,170
Kansas City Zoological District	0	0	0	0	0	0	0	4,542,779	0	0	4,542,779
TOTAL	\$ 545,023,902	427,701,583	427,373,468	96,972,091	268,067,748	524,896,146	156,464,911	151,329,329	245,876,270	54,149,887	2,897,855,335

* To preserve confidentiality, sales and use tax distributions for political subdivisions with less than 6 taxpayers are reported as zero in accordance with Department of Revenue policy.

Appendix E

Department of Revenue Sales and Use Tax Description of Sales and Use Tax Funds and Accounts

Sales and use tax receipts collected from businesses, motor vehicle sales tax receipts collected from businesses and individuals, and highway use tax receipts collected on vehicles purchased outside of Missouri but titled in Missouri, are deposited into various state and local funds. Marine and ATV sales and use tax collections are deposited into the same funds as state sales and use tax. Motor vehicle leasing sales tax collections are deposited into the same funds as motor vehicle sales tax.

For operating purposes, the Department of Revenue (DOR) has been charged with the responsibility of administering transactions in the funds and accounts listed below.

State Funds

The State Treasurer, as fund custodian, and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly for all state funds.

General Revenue Fund: This fund, authorized by Section 144.700, RSMo, receives a general 3 percent state sales and use tax. State sales tax is collected pursuant to Section 144.020, RSMo, and state use tax is collected pursuant to Section 144.610, RSMo. Retail sales of food are exempt from this 3 percent tax as defined in Section 144.014, RSMo. This fund also receives payments from common carriers in interstate air transportation, as authorized by Section 144.807, RSMo. In addition, the General Revenue Fund pays all motor vehicle sales tax refunds and receives motor vehicle sales tax collections as reimbursement from other state funds for their applicable share of the refunds.

Aviation Trust Fund: This fund, authorized by Section 144.805, RSMo, receives sales and use tax on aviation jet fuel from common carriers. These taxes are paid as a result of exemptions to General Revenue sales tax. The exemptions are a result of direct-pay agreements between common carriers and the DOR.

Conservation Commission Fund: This fund, authorized by Article IV, Section 43(a), Missouri Constitution, receives collections of the 0.125 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

State Highways and Transportation Department Fund: This fund, as authorized by Section 144.440, RSMo, received 75 percent of the collections from the 4 percent highway use tax during fiscal years 2013 and 2012. Effective July 5, 2013, the highway use tax was repealed and all motor vehicle transactions are now assessed a sales tax as authorized by Section 144.020, RSMo, which goes into the State Road Fund and the State Road Bond Fund.

Parks Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

School District Trust Fund: This fund, authorized by Section 144.701, RSMo, receives collections from a 1 percent state sales and use tax and receives 12.5 percent of collections from the 4 percent motor vehicles sales tax. This tax is collected pursuant to Section 144.701, RSMo, and Article IV, Section 30 (b) 2, Missouri Constitution, respectively.

Soil and Water Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax and motor vehicle sales tax.

State Road Bond Fund: This fund, authorized by Article IV, Section 30(b), Missouri Constitution (Amendment 3), receives 37.5 percent of the collections from the 4 percent motor vehicle sales tax.

State Road Fund and State Transportation Fund: These funds, authorized by Article IV, Section 30(b), Missouri Constitution, receive 37.5 percent of the collections from the 4 percent motor vehicle sales tax.

Local Funds

Actual tax proceeds for local funds are deposited into interest-bearing bank accounts until distributed. Subsequently 99 percent of the collections and earned interest are distributed to the various political subdivisions with the remaining 1 percent going to the General Revenue Fund for a collection fee, except for the Local Fuel Tax and Bond Trust Fund which receives all of the collections. The DOR has sole responsibility for maintaining and disbursing fund resources for all local funds.

Local Fuel Tax and Bond Trust Fund: This fund receives 12.5 percent of the collections from the 4 percent motor vehicle sales tax, pursuant to Section 144.020, RSMo. In addition, this fund receives collections from the motor fuel tax authorized by Section 142.803, RSMo.

Local Sales and Use Tax Trust Fund:

This fund:

- Receives collections generated from local sales taxes imposed by local political subdivisions, as authorized by Chapters 66, 67, 70, 92, 94, 162, 190, 238, 321, and 644, RSMo.
- Receives collections generated by a use tax, authorized by Section 144.757, RSMo, based on the local sales tax in effect, upon all transactions subject to taxes imposed under Sections 144.600 to 144.745, RSMo, except as otherwise provided. Net taxes and interest are subsequently distributed to the counties and cities.
- Receives collections from motor vehicle sales and use tax paid under protest. Protested motor vehicle sales and use taxes and the related earned interest, are either returned to the taxpayer or remitted to the state and the appropriate political subdivisions, based upon decisions reached by the DOR, the Administrative Hearing Commission, or various courts.
- Receives collections from local sales and use taxes paid under protest. These monies paid under protest are either returned to the taxpayer or remitted to the state and the appropriate political subdivisions, based upon decisions reached by the DOR, the Administrative Hearing Commission, or various courts.
- Receives collections from Web/Internet based sales and use tax filings. These collections are paid through ACH debit transactions initiated by the taxpayer through a DOR approved service provider. The DOR transfers the collections to the appropriate state and local funds after processing the corresponding sales tax returns.

- Receives unidentified sales and use tax collections when these collections are unable to post to the automated Missouri Integrated Tax System (MITS). When these collections become identifiable, they are posted to MITS and are then transferred to the appropriate sales tax funds.

Custodial Accounts

The DOR has been charged with the responsibility of administering transactions in the custodial accounts. Except for the Protested Sales Tax General Revenue Account and Sales Tax Bond Account held by the State Treasurer, actual custody of accounts' resources rests with the DOR. Collections for the custodial accounts held by the DOR are deposited in interest-bearing bank accounts.

Compliance Clearing Account: This account receives tax payments from taxpayer audits. The DOR holds these payments in this account pending final audit review. Depending on the results of the audit review, the DOR transfers the tax payment to the appropriate state and local funds or issues a refund to the taxpayer.

Motor Vehicle Clearing Account: This account receives collections from motor vehicle agent offices and the central office for various taxes and fees. These receipts are subsequently transferred to various state and local funds.

Protested Sales Tax General Revenue Account: This account receives the 3 percent General Revenue Fund portion of the state sales taxes paid under protest. These protested monies are deposited in the General Revenue Fund. However, these protested monies are reported by the DOR in this account.

Sales Tax Bond Account: The DOR receives cash bonds posted by taxpayers as authorized by Section 144.087, RSMo. All bond collections are deposited in the General Revenue Fund and reported by the DOR in this account. Cash bonds and related interest are to be refunded to the taxpayer after 2 years if the taxpayer is determined to have satisfactory tax compliance and if the bond was posted before January 1, 1984. If the bond was posted on or after January 1, 1984, the Attorney General has ruled that no interest should be refunded. In the event of uncollectible sales tax liabilities, the bonds and related interest, if any, are forfeited to the DOR which subsequently distributes the monies to the state and the appropriate political subdivisions.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of DeKalb County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of DeKalb County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-081

ANNUAL FINANCIAL REPORT

DEKALB COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

DEKALB COUNTY, MISSOURI
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

LIST OF ELECTED OFFICIALS	i
---------------------------	---

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	ii-iii
------------------------------	--------

MANAGEMENT’S DISCUSSION AND ANALYSIS	1
--------------------------------------	---

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Comparative Government-wide Statements of Net Position – Cash Basis	7
---------------------------------------------------------------------	---

Government-wide Statement of Activities – Cash Basis – 2014	8
-------------------------------------------------------------	---

Government-wide Statement of Activities – Cash Basis – 2013	9
-------------------------------------------------------------	---

Fund Financial Statements:

Balance Sheet – Governmental Funds – Cash Basis – December 31, 2014	10
---------------------------------------------------------------------	----

Balance Sheet – Governmental Funds – Cash Basis – December 31, 2013	11
---------------------------------------------------------------------	----

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis – 2014	12
----------------------------------------------------------------------------------------------------------------	----

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis – 2013	13
----------------------------------------------------------------------------------------------------------------	----

Comparative Statements of Fiduciary Assets and Liabilities	14
------------------------------------------------------------	----

Notes to Financial Statements	15
-------------------------------	----

SUPPLEMENTARY INFORMATION

Comparative Statements of Receipts, Disbursements and Changes In Fund Balances – Budget and Actual – Cash Basis	27
--------------------------------------------------------------------------------------------------------------------	----

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	42
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

FINDINGS AND RECOMMENDATIONS SECTION

Findings and Recommendations	44
------------------------------	----

Follow-up on Prior Year Audit Findings	50
----------------------------------------	----

INTRODUCTORY SECTION

DEKALB COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Harold Allison

Eastern Commissioner – Garry McFee

Western Commissioner – Joe Kagay

Other Elected Officials

Assessor – Ruth Ross

Circuit Clerk – Julie Whitsell

Collector/Treasurer – Joan (Jody) Pearl

Coroner – Heath Turner

County Clerk – Melissa Meek

Prosecuting Attorney – Erik Tate

Public Administrator – Connie Bray

Recorder – JoAnn Marshall

Sheriff – Wesley Raines

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of DeKalb County, Missouri

Report on Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Missouri, as of December 31, 2014 and 2013, and the respective changes in cash basis financial position thereof for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise DeKalb County, Missouri's basic financial statements. The Management's Discussion and Analysis and the Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2015 on our consideration of DeKalb County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DeKalb County, Missouri's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 22, 2015

FINANCIAL SECTION

DEKALB COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013

The discussion and analysis of DeKalb County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2014 and 2013. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's Basic Financial Statements. These basic financial statements are made up of three components: 1) the government-wide financial statements, 2) the governmental fund financial statements, and 3) the notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as a whole. The two statements included in this grouping are:

- Statement of Net Position – presents information related to the County's cash balances (assets), with the balances being reported as the County's net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating.

- Statement of Activities – presents information demonstrating how the County's net position changed during the most recent fiscal year as compared with the previous fiscal year. All changes in net position are reported as soon as cash is received or disbursed, in accordance with the cash basis of accounting.

The government-wide financial statements report only governmental activities – activities such as general government operations, public safety, roads and bridges, and health and welfare that are usually financed through taxes and intergovernmental receipts. The County has no business-like activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

A fund is an accounting device that a government uses to maintain control over and account for specific sources of funding that are to be spent for specific purposes. DeKalb County, like other state

and local governments, uses fund accounting to ensure and demonstrate compliance with statutory requirements. These statements focus more on the individual functions of the County, reporting on financial operations in a more detailed format than is found in the government-wide statements. Certain funds are required by state law or established by bond covenants. Other funds are established by the County Commission to control and manage resources for particular purposes or to show that certain revenue sources (i.e., taxes, grants) are used appropriately. DeKalb County funds can be divided into the following two categories:

-Governmental – Most of the County’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the County’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources available to spend in the near future to finance the County’s programs.

-Fiduciary – These funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own programs.

The County maintains 3 major governmental funds and 22 non-major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. By definition the General Revenue fund is always considered a major fund. Other funds must be reported as major funds if they report at least 10 percent of all governmental funds total assets, receipts, or disbursements. Funds that do not meet the 10% criteria, but are considered to be of particular importance to the financial statements may also be reported as major funds. The ACCD 911 Board, the Senate Bill 40 Board and the Senior Services Board, which are component units of the County, are presented as major funds. Data for the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided elsewhere in this report.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis for all of the County’s governmental funds.

Financial Analysis of the County as a Whole

The following information was derived from the Statement of Net Position for 2013 and 2014 and unaudited 2012 information from the County's budget documents:

	Net Position		
	Governmental Activities		
	2012	2013	2014
ASSETS			
Cash	\$ 1,702,881	\$ 1,911,640	\$ 2,064,420
Total Assets	<u>\$ 1,702,881</u>	<u>\$ 1,911,640</u>	<u>\$ 2,064,420</u>
NET POSITION			
Restricted	\$ 1,576,274	\$ 1,859,508	\$ 2,053,688
Unrestricted	<u>126,607</u>	<u>52,132</u>	<u>10,732</u>
Total Net Position	<u>\$ 1,702,881</u>	<u>\$ 1,911,640</u>	<u>\$ 2,064,420</u>

The primary government's assets (cash balances) increased by \$361,539 (21.2%) over the three year period. The restricted net position of the County represents balances of special revenue funds which are restricted for use for a specific purpose and represents 99.5%, 97.3%, and 92.6% of the County's total net position for the years ended December 31, 2014, 2013, and 2012, respectively. The County's restricted net position increased by \$477,414 (30.3%) over the three year period. The unrestricted portion of the County's net position represents the balances of the General Revenue fund and represents 0.5%, 2.7%, and 7.4% of the County's total net position for the years ended December 31, 2014, 2013, and 2012, respectively. The County's unrestricted net position decreased by \$115,875 (91.5%) over the three year period.

The following information was derived from the Statement of Activities for 2013 and 2014 and unaudited 2012 information from the County's budget documents:

	Changes in Net Position		
	Governmental Activities		
	2012	2013	2014
RECEIPTS			
Program Receipts:			
Charges for Services	\$ 592,847	\$ 523,861	\$ 536,466
Operating Grants	820,702	966,799	961,754
Capital Grants	42,687	-	166,435
General Receipts:			
Property Taxes	2,637	2,667	48,888
Sales Taxes	1,401,975	1,461,190	1,397,107
Interest	47,033	22,905	6,120
Other	398,755	245,474	280,429
Transfers	-	-	-
Total Receipts	<u>\$ 3,306,636</u>	<u>\$ 3,222,896</u>	<u>\$ 3,397,199</u>
DISBURSEMENTS			
Program Disbursements:			
General county government	\$ 1,911,018	\$ 984,651	\$ 997,433
Public safety	86,157	685,850	703,869
Judicial	137,710	164,957	166,787
Roads and bridges	1,264,440	1,133,314	1,334,408
Health and welfare	43,501	45,365	41,922
Total Disbursements	<u>\$ 3,442,826</u>	<u>\$ 3,014,137</u>	<u>\$ 3,244,419</u>
Increase/(Decrease) in Net Position	<u>\$ (136,190)</u>	<u>\$ 208,759</u>	<u>\$ 152,780</u>

Receipts for the primary government exceeded disbursements in 2013 and 2014, while disbursements exceeded receipts in 2012. Receipts in 2013 decreased from the prior year by \$83,740 (2.5%) mainly due to a decrease in Other revenues. This was a result of the County cashing in \$56,355 of certificates of deposit in the Cemeteries fund in 2012, receipt of a \$31,388 grant in the Victim Service Grant (VOCA) fund in 2012, and receiving less money from selling tubes and scrap iron in the Special Road and Bridge fund in 2013. Receipts in 2014 increased from the prior year by \$174,303 (5.4%) mainly due to an increase in property taxes received and reimbursements for off-system bridges. Disbursements in 2013 decreased from the prior year by \$428,689 (12.5%) mainly due to a decrease in General county government expenditures, including decreases in repairs and upkeep on the courthouse, less materials purchased in Special Road and Bridge, less disbursements made to townships in the Capital Improvement Sales Tax fund, and no disbursements made in 2013 in the LEPC Fund. Disbursements in 2014 increased from the previous year by \$230,282 (7.6%) mainly due to an increase in roads and bridges, which resulted from construction of bridges. Additionally, General county government disbursements increased due to increases in payroll and an increase in election expenditures.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on receipts and disbursements, as well as what resources remain available for future spending. Such information is useful in assessing the County's financing requirements. As the County is reporting on the cash basis of accounting, fund balances of the County's governmental funds are the same as the net position reported for the County as a whole. However, net position that is classified as unrestricted on the government-wide financial statements is identified as unassigned on the fund financial statements.

The primary government reports three major funds: General Revenue, Special Road and Bridge, and Capital Improvement Sales Tax.

The General Revenue fund is the primary operating fund of the County through which all receipts and payments of ordinary County operations are processed, unless they are required to be accounted for in another fund. The fund balance of the General Revenue fund decreased from \$126,607 at the end of 2012 to \$10,732 at the end of 2014. The December 31, 2014 fund balance represents just .5% of the budgeted expenditures for 2015. Receipts had only a modest increase in 2014 from 2013, while disbursements had only a modest decrease in 2014 from 2013. Receipts increased by \$18,020 (1%), while disbursements decreased by \$15,055 (.94%) in 2014. In 2013, receipts and disbursements decreased significantly from 2012 due to the County completing courthouse renovations. Receipts decreased by \$273,400 (15.2%) and disbursements decreased by \$161,751 (9.2%) in 2013.

The fund balance of the Special Road and Bridge fund increased from \$1,318,613 at the end of 2012 to \$1,707,923 at the end of 2014. Receipts in 2014 increased by \$156,940 (21.2%) due to construction of a BRO bridge project whose expenditures were reimbursed by a Federal grant passed through the state. Receipts in 2013 decreased by \$73,093 (9%) from 2012 due to less Other receipts from sales of tubes and scrap iron during 2013 and from lack of reimbursement for BRO-off system bridges during 2013. Disbursements in 2014 increased by \$191,258 (36%) due to the purchase of equipment. Disbursements in 2013 decreased by \$291,098 (36.8%) from 2012 due to a loan for construction of the courthouse in 2012.

The fund balance of the Capital Improvement Sales Tax fund increased from \$0 at the end of 2012 to \$10,935 at the end of 2014. Receipts had only slight increases in 2014 and 2013 of \$1,246 (.19%) and \$28,851 (4.5%), respectively, when compared to the previous years. Disbursements in 2014 had only a modest decrease of \$9,689 (1.5%). Disbursements in 2013 decreased by \$42,458 (6%) from 2012 due to less sales tax revenue distributed to townships.

General Revenue Fund Budgetary Highlights

Actual receipts were less than budgeted receipts by \$45,609 (2.9%) in 2014 due to fewer transfers in than expected from the Local Use Tax fund and Sheriff-Civil Fees fund. Actual receipts were less than budgeted receipts by \$110,185 (6.8%) in 2013 because of lesser than expected charges for services received for Sheriff fees. Actual disbursements were less than the budgeted amount in 2014 by \$34,476 (2.1%), due to less than expected expenses for buildings and grounds, less office expenses purchased and fewer transfers out than budgeted. Actual disbursements were less than the budgeted amount in 2013 by \$125,227 (7.3%), due to fewer than expected transfers out and less expenditures in the Sheriff's department. There were no budget amendments made in either 2013 or 2014.

Next Year's Budget and Economic Factors

The budget for 2015 is projecting an increase in the General Revenue fund balance to \$50,000 based on projected receipts of \$2,083,939 and projected disbursements of \$2,044,671.

Requests for Information

This financial report is designed to provide our constituents and other interested parties with a general overview of DeKalb County's finances and to demonstrate the County's accountability for the monies it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the County Clerk's office, 109 West Main Street, Maysville, Missouri 64469, (816) 449-5402.

DEKALB COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET POSITION - CASH BASIS
DECEMBER 31, 2014 AND 2013

		December 31,							
		2013				2014			
	Primary County Government	Component Units			Primary County Government	Component Units			
		Senior Services Board	ACCD 911 Board	Senate Bill 40 Board		Senior Services Board	ACCD 911 Board	Senate Bill 40 Board	
ASSETS									
Cash and Investments	\$ 1,911,640	\$ 24,392	\$ 790,528	\$ 125,559	\$ 2,064,420	\$ 22,132	\$ 462,069	\$ 131,331	
Total Assets	<u>\$ 1,911,640</u>	<u>\$ 24,392</u>	<u>\$ 790,528</u>	<u>\$ 125,559</u>	<u>\$ 2,064,420</u>	<u>\$ 22,132</u>	<u>\$ 462,069</u>	<u>\$ 131,331</u>	
NET POSITION									
Restricted	\$ 1,859,508	\$ 24,392	\$ 790,528	\$ 125,559	\$ 2,053,688	\$ 22,132	\$ 462,069	\$ 131,331	
Unrestricted	52,132	-	-	-	10,732	-	-	-	
Total Net Position	<u>\$ 1,911,640</u>	<u>\$ 24,392</u>	<u>\$ 790,528</u>	<u>\$ 125,559</u>	<u>\$ 2,064,420</u>	<u>\$ 22,132</u>	<u>\$ 462,069</u>	<u>\$ 131,331</u>	

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	Disbursements	Program Receipts		Primary Government Governmental Activities	Net Receipts/(Disbursements) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions		Component Units		
			Capital Grants and Contributions		Senior Services Board	ACCD 911 Board	Senate Bill 40 Board
PRIMARY GOVERNMENT:							
Governmental Activities:							
General county government	\$ 997,433	\$ 268,044	\$ 197,133	\$ -	\$ (532,256)		
Public safety	703,869	257,661	82,292	-	(363,916)		
Judicial	166,787	10,761	-	-	(156,026)		
Roads and bridges	1,334,408	-	650,716	166,435	(517,257)		
Health and welfare	41,922	-	31,613	-	(10,309)		
Total Governmental Activities	<u>\$ 3,244,419</u>	<u>\$ 536,466</u>	<u>\$ 961,754</u>	<u>\$ 166,435</u>	<u>\$ (1,579,764)</u>		
COMPONENT UNITS:							
Health and welfare	\$ 236,897	\$ -	\$ 77,643	\$ -	\$ (43,225)	\$ -	\$ (116,029)
Public safety	812,813	-	-	-	-	(812,813)	-
Total Component Units	<u>\$ 1,049,710</u>	<u>\$ -</u>	<u>\$ 77,643</u>	<u>\$ -</u>	<u>\$ (43,225)</u>	<u>\$ (812,813)</u>	<u>\$ (116,029)</u>
GENERAL RECEIPTS							
Taxes							
Property taxes				\$ 48,888	\$ 40,947	\$ -	\$ 103,323
Sales taxes				1,397,107	-	-	-
Emergency telephone tax				-	-	484,354	-
Interest				6,120	18	-	75
Other				280,429	-	-	18,403
Transfers				-	-	-	-
Total General Receipts				<u>\$ 1,732,544</u>	<u>\$ 40,965</u>	<u>\$ 484,354</u>	<u>\$ 121,801</u>
Changes in Net Position				\$ 152,780	\$ (2,260)	\$ (328,459)	\$ 5,772
NET POSITION, JANUARY 1				<u>1,911,640</u>	<u>24,392</u>	<u>790,528</u>	<u>125,559</u>
NET POSITION, DECEMBER 31				<u>\$ 2,064,420</u>	<u>\$ 22,132</u>	<u>\$ 462,069</u>	<u>\$ 131,331</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	Disbursements	Program Receipts		Primary Government Governmental Activities	Net Receipts/(Disbursements) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions		Component Units		
			Capital Grants and Contributions		Senior Services Board	ACCD 911 Board	Senate Bill 40 Board
PRIMARY GOVERNMENT:							
Governmental Activities:							
General county government	\$ 984,651	\$ 311,493	\$ 218,789	\$ -	\$ (454,369)		
Public safety	685,850	203,545	82,817	-	(399,488)		
Judicial	164,957	8,823	-	-	(156,134)		
Roads and bridges	1,133,314	-	634,246	-	(499,068)		
Health and welfare	45,365	-	30,947	-	(14,418)		
Total Governmental Activities	<u>\$ 3,014,137</u>	<u>\$ 523,861</u>	<u>\$ 966,799</u>	<u>\$ -</u>	<u>\$ (1,523,477)</u>		
COMPONENT UNITS:							
Health and welfare	\$ 202,038	\$ -	\$ 93,413	\$ -	\$ (36,964)	\$ -	\$ (71,661)
Public safety	521,887	-	-	-	-	(521,887)	-
Total Component Units	<u>\$ 723,925</u>	<u>\$ -</u>	<u>\$ 93,413</u>	<u>\$ -</u>	<u>\$ (36,964)</u>	<u>\$ (521,887)</u>	<u>\$ (71,661)</u>
GENERAL RECEIPTS							
Taxes							
Property taxes				\$ 2,667	\$ 38,454	\$ -	\$ 115,288
Sales taxes				1,461,190	-	-	-
Emergency telephone tax				-	-	474,765	-
Interest				22,905	18	4,613	69
Other				245,474	-	-	-
Transfers				-	-	-	-
Total General Receipts				<u>\$ 1,732,236</u>	<u>\$ 38,472</u>	<u>\$ 479,378</u>	<u>\$ 115,357</u>
Changes in Net Position				\$ 208,759	\$ 1,508	\$ (42,509)	\$ 43,696
NET POSITION, JANUARY 1				1,702,881	22,884	833,037	81,863
NET POSITION, DECEMBER 31				<u>\$ 1,911,640</u>	<u>\$ 24,392</u>	<u>\$ 790,528</u>	<u>\$ 125,559</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	CAPITAL IMPROVEMENT SALES TAX	SENIOR SERVICES BOARD	ACCD 911 BOARD	SENATE BILL 40 BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Cash and Investments	\$ 10,732	\$ 1,707,923	\$ 10,935	\$ 22,132	\$ 462,069	\$ 131,331	\$ 334,830	\$ 2,679,952
Total Assets	<u>\$ 10,732</u>	<u>\$ 1,707,923</u>	<u>\$ 10,935</u>	<u>\$ 22,132</u>	<u>\$ 462,069</u>	<u>\$ 131,331</u>	<u>\$ 334,830</u>	<u>\$ 2,679,952</u>
FUND BALANCES								
Restricted - Special Revenue Funds	\$ -	\$ 1,707,923	\$ 10,935	\$ 22,132	\$ 462,069	\$ 131,331	\$ 334,830	\$ 2,669,220
Unassigned	<u>10,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,732</u>
Total Fund Balances	<u>\$ 10,732</u>	<u>\$ 1,707,923</u>	<u>\$ 10,935</u>	<u>\$ 22,132</u>	<u>\$ 462,069</u>	<u>\$ 131,331</u>	<u>\$ 334,830</u>	<u>\$ 2,679,952</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	CAPITAL IMPROVEMENT SALES TAX	SENIOR SERVICES BOARD	ACCD 911 BOARD	SENATE BILL 40 BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Cash and Investments	\$ 52,132	\$ 1,530,427	\$ -	\$ 24,392	\$ 790,528	\$ 125,559	\$ 329,081	\$ 2,852,119
Total Assets	<u>\$ 52,132</u>	<u>\$ 1,530,427</u>	<u>\$ -</u>	<u>\$ 24,392</u>	<u>\$ 790,528</u>	<u>\$ 125,559</u>	<u>\$ 329,081</u>	<u>\$ 2,852,119</u>
FUND BALANCES								
Restricted - Special Revenue Funds	\$ -	\$ 1,530,427	\$ -	\$ 24,392	\$ 790,528	\$ 125,559	\$ 329,081	\$ 2,799,987
Unassigned	52,132	-	-	-	-	-	-	52,132
Total Fund Balances	<u>\$ 52,132</u>	<u>\$ 1,530,427</u>	<u>\$ -</u>	<u>\$ 24,392</u>	<u>\$ 790,528</u>	<u>\$ 125,559</u>	<u>\$ 329,081</u>	<u>\$ 2,852,119</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	CAPITAL IMPROVEMENT SALES TAX	SENIOR SERVICES BOARD	ACCD 911 BOARD	SENATE BILL 40 BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS								
Property taxes	\$ 48,888	\$ -	\$ -	\$ 40,947	\$ -	\$ 103,323	\$ -	\$ 193,158
Sales taxes	665,895	-	665,871	-	-	-	65,341	1,397,107
Emergency telephone tax	-	-	-	-	484,354	-	-	484,354
Intergovernmental	112,184	817,151	-	-	-	77,643	198,854	1,205,832
Charges for services	485,588	-	-	-	-	-	50,878	536,466
Interest	401	4,680	182	18	-	75	857	6,213
Other	185,738	75,851	-	-	-	18,403	18,840	298,832
Transfers in	40,895	-	-	-	-	-	12,434	53,329
Total Receipts	<u>\$ 1,539,589</u>	<u>\$ 897,682</u>	<u>\$ 666,053</u>	<u>\$ 40,965</u>	<u>\$ 484,354</u>	<u>\$ 199,444</u>	<u>\$ 347,204</u>	<u>\$ 4,175,291</u>
DISBURSEMENTS								
General government	\$ 753,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,355	\$ 997,433
Public safety	661,086	-	-	-	812,813	-	42,783	1,516,682
Judicial	146,898	-	-	-	-	-	19,889	166,787
Roads and Bridges	-	685,891	648,517	-	-	-	-	1,334,408
Health and welfare	7,500	-	-	43,225	-	193,672	34,422	278,819
Transfers out	12,427	34,295	6,601	-	-	-	6	53,329
Total Disbursements	<u>\$ 1,580,989</u>	<u>\$ 720,186</u>	<u>\$ 655,118</u>	<u>\$ 43,225</u>	<u>\$ 812,813</u>	<u>\$ 193,672</u>	<u>\$ 341,455</u>	<u>\$ 4,347,458</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (41,400)	\$ 177,496	\$ 10,935	\$ (2,260)	\$ (328,459)	\$ 5,772	\$ 5,749	\$ (172,167)
FUND BALANCE, JANUARY 1	<u>52,132</u>	<u>1,530,427</u>	<u>-</u>	<u>24,392</u>	<u>790,528</u>	<u>125,559</u>	<u>329,081</u>	<u>2,852,119</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 10,732</u></u>	<u><u>\$ 1,707,923</u></u>	<u><u>\$ 10,935</u></u>	<u><u>\$ 22,132</u></u>	<u><u>\$ 462,069</u></u>	<u><u>\$ 131,331</u></u>	<u><u>\$ 334,830</u></u>	<u><u>\$ 2,679,952</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	CAPITAL IMPROVEMENT SALES TAX	SENIOR SERVICES BOARD	ACCD 911 BOARD	SENATE BILL 40 BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS								
Property taxes	\$ 2,667	\$ -	\$ -	\$ 38,454	\$ -	\$ 115,288	\$ -	\$ 156,409
Sales taxes	634,215	-	634,211	-	-	-	192,764	1,461,190
Emergency telephone tax	-	-	-	-	474,765	-	-	474,765
Intergovernmental	137,315	634,246	-	-	-	93,413	195,238	1,060,212
Charges for services	464,469	-	-	-	-	-	59,392	523,861
Interest	2,396	16,595	922	18	4,613	69	2,992	27,605
Other	148,550	57,273	923	-	-	-	38,728	245,474
Transfers in	131,957	32,628	28,751	-	-	-	8,026	201,362
Total Receipts	<u>\$ 1,521,569</u>	<u>\$ 740,742</u>	<u>\$ 664,807</u>	<u>\$ 38,472</u>	<u>\$ 479,378</u>	<u>\$ 208,770</u>	<u>\$ 497,140</u>	<u>\$ 4,150,878</u>
DISBURSEMENTS								
General government	\$ 803,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,544	\$ 984,651
Public safety	636,170	-	-	-	521,887	-	49,680	1,207,737
Judicial	138,106	-	-	-	-	-	26,851	164,957
Roads and Bridges	-	476,359	656,955	-	-	-	-	1,133,314
Health and welfare	10,788	-	-	36,964	-	165,074	34,577	247,403
Transfers out	7,873	52,569	7,852	-	-	-	133,068	201,362
Total Disbursements	<u>\$ 1,596,044</u>	<u>\$ 528,928</u>	<u>\$ 664,807</u>	<u>\$ 36,964</u>	<u>\$ 521,887</u>	<u>\$ 165,074</u>	<u>\$ 425,720</u>	<u>\$ 3,939,424</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (74,475)	\$ 211,814	\$ -	\$ 1,508	\$ (42,509)	\$ 43,696	\$ 71,420	\$ 211,454
FUND BALANCE, JANUARY 1	<u>126,607</u>	<u>1,318,613</u>	<u>-</u>	<u>22,884</u>	<u>833,037</u>	<u>81,863</u>	<u>257,661</u>	<u>2,640,665</u>
FUND BALANCE, DECEMBER 31	<u>\$ 52,132</u>	<u>\$ 1,530,427</u>	<u>\$ -</u>	<u>\$ 24,392</u>	<u>\$ 790,528</u>	<u>\$ 125,559</u>	<u>\$ 329,081</u>	<u>\$ 2,852,119</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
December 31,

	<u>2013</u>	<u>2014</u>
Assets		
Cash	<u>\$ 10,550,198</u>	<u>\$ 12,373,766</u>
Total Assets	<u><u>\$ 10,550,198</u></u>	<u><u>\$ 12,373,766</u></u>
Liabilities		
Due to Other Entities	<u>\$ 10,550,198</u>	<u>\$ 12,373,766</u>
Total Liabilities	<u><u>\$ 10,550,198</u></u>	<u><u>\$ 12,373,766</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DeKalb County, Missouri ("County"), is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, and Sheriff.

The financial statements of DeKalb County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements referred to above include the primary government of DeKalb County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The following component units are separate legal entities that are required to be included in the scope of our audit:

ACCD 911 Board – The Board was established under Section 190.309, RSMo to provide emergency telephone dispatch services within DeKalb, Andrew, Clinton and Caldwell Counties. The operations of the Board are funded by a telephone tax collected from various telephone service providers and from contributions from entities within DeKalb, Andrew, Clinton and Caldwell County that benefit from the Board's services.

DeKalb County Senior Services Board – The Board was established to provide programs and services that enhance the health, nutrition, and quality of life of DeKalb County seniors aged 60 or older. These programs and services are funded by a property tax levy passed specifically for the Board's purpose and are distributed to local service providers at the Board's discretion.

Senate Bill 40 Board– The Board was established to serve individuals in DeKalb County who have been diagnosed with a developmental disability. These services are funded by a property tax levy passed specifically for the Board’s purpose and are distributed to local service providers at the Board’s discretion.

B. Basis of Presentation

Government-wide Financial Statements:

The statements of net assets and the statements of activities display financial information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements:

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund balance, revenues, and expenditure/expenses.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county’s major governmental funds are as follows:

General Revenue Fund - The General Revenue Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Revenue Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Capital Improvement Sales Tax Fund – A special revenue fund used to account for receipts of County sales taxes and related expenditures for road maintenance.

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Comparative

Statements of Fiduciary Assets and Liabilities because the County cannot use those assets to finance its operations. The County's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations. The agency funds include balances held by the County Collector/Treasurer for distribution to various school, fire, road, and other districts within the County.

C. Basis of Accounting

The Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, notes payable, revenue bonds, and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary funds and all government-wide financial statements would be presented on the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. All funds had budgeted expenditures which did not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. The County adopted a formal budget for all funds except for the Sheriff-IPDS fund in 2014.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2013</u>	<u>2014</u>
Capital Improvement Sales Tax	X	X
Senior Services Board		X
ACCD 911 Board		X
Collector Maintenance	X	X
Emergency Management	X	
Local Use Tax	X	
NH Sales Tax		X
Prosecuting Attorney Training		X
PA Collections Delinquent Tax	X	
Sheriff-CCW	X	
Sheriff-Civil Fees	X	
Sheriff-Law Enforcement Training	X	
Cemeteries	X	
Veteran's Memorial		X
Victim Service Grant (VOCA)		X
Victims of Domestic Violence		X

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar years 2014 and 2013, for purposes of taxation were:

	<u>2014</u>	<u>2013</u>
Real Estate	\$110,761,820	\$112,763,040
Personal Property	31,331,233	32,053,646
Railroad & Utilities	8,533,425	8,184,993
Total	<u>\$150,626,478</u>	<u>\$153,001,679</u>

The Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2014 and 2013, for purposes of County taxation, as follows:

	2014	2013
General Revenue	\$ 0.3023	\$ -
Senior Services Board	0.0300	0.0300
Senate Bill 40 Board	0.0900	0.0900

During 2013, the General Revenue fund received property tax receipts from past due taxes.

F. Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in two components:

1. Restricted net position—Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position—All other net assets that do not meet the definition of “restricted”.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the County Commission through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the Commission. Assigned fund balances is a limitation imposed by a designee of the Commission. Unassigned fund balance in the General Revenue Fund is the net resources in excess of what can be properly classified in one of the above four categories.

G. Cash Deposits and Investments

Cash and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds’ average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds

in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

H. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Interfund transfers between funds of the primary government have been eliminated from the government-wide financial statements.

I. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

J. New Accounting Pronouncements

The County has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for periods beginning after June 15, 2010, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Implementation of this statement changed the way the County reported net position on the governmental fund Balance Sheet.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes both deposits and certificates of deposit with maturities less than 90 days. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills. Investments consist of certificates of deposit with maturities greater than 90 days.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the primary County government's deposits were \$2,064,420 and \$1,911,640, respectively, and the bank balances were \$2,245,423 and \$2,092,807, respectively. Of the bank balances, \$254,705 for December 31, 2014 and \$259,199 for December 31, 2013 were covered by federal depository insurance. The remainder of the balances at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the carrying amounts of the Senior Services Board's deposits were \$22,132 and \$24,392, respectively. The bank balances of \$24,728 and \$25,076 at December 31, 2014 and 2013, respectively, were covered entirely by federal depository insurance.

At December 31, 2014 and 2013, the carrying amounts of the ACCD 911 Board's deposits were \$462,069 and \$790,528, respectively, and the bank balances were \$682,881 and \$793,093, respectively. Of the bank balances, \$250,000 for both December 31, 2014 and 2013, were covered by federal depository insurance. The remainder of the balances at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the carrying amounts of the Senate Bill 40 Board's deposits were \$131,331 and \$125,559, respectively. The bank balances of \$134,127 and \$127,206 at December 31, 2014 and 2013, respectively, were covered entirely by federal depository insurance.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$11,632,010 and \$9,195,377 at December 31, 2014 and 2013, respectively. Of the bank balances, \$500,000 for both December 31, 2014 and December 31, 2013, were covered by federal depository insurance. The remainder of the balances at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. INTERFUND TRANSFERS

The County made the following interfund transfers between governmental funds of the primary government:

Year Ended December 31, 2014				
Transfers Out	Transfers In			
	General Revenue	Non-Major Funds		
Capital Improvement Sales Tax	\$ 6,601	\$ -		
Special Road and Bridge	34,295	-		
General Revenue	-	12,427		
Non-Major Funds	-	6		

Year Ended December 31, 2013				
Transfers Out	Transfers In			
	General Revenue	Capital Improvement Sales Tax	Special Road and Bridge	Non-Major Funds
Capital Improvement Sales Tax	\$ 7,852	\$ -	\$ -	\$ -
Special Road and Bridge	23,818	28,751	-	-
General Revenue	-	-	-	7,873
Non-Major Funds	100,287	-	32,628	153

4. COUNTY EMPLOYEES RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five with a reduced benefit. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF is not required for LAGERS participants hired before February 2002, while a contribution of 4% of annual salary is required of LAGERS participants hired after February 2002, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF employee contributions of approximately \$22,490 and \$23,753 respectively, for the years then ended.

B. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

1) Plan Description

DeKalb County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of DeKalb County do not contribute to the pension plan. The County is required to contribute at an actuarially determined rate. For 2014, the general rate was 7.7 percent of annual covered payroll and the law enforcement rate was 6.6 percent. For 2013, the general rate was 8.2 percent of annual covered payroll and the law enforcement rate was 7.4 percent. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2014 and 2013, the County contributed \$67,982 and \$74,016 to LAGERS.

C. DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

1) Plan Description

DeKalb County offers employees the opportunity to participate in the CERF defined contribution plan and Internal Revenue Code (IRC) Section 457 deferred compensation plan. The plans' provisions and contribution requirements were established by and may be amended only by the Missouri General Assembly. Pension plan members are eligible to participate.

2) Contributions

Employees elect a contribution level, subject to IRC limitations. The CERF Board of Directors may provide limited matching contributions, with pension plan trust funds, to the defined contribution plan accounts.

3) Administration

Maintenance of individual member accounts and custody of assets have been contracted to a third-party administrator and investment custodian, respectively. The County sends member contributions directly to the third-party administrator. Members may select from several options for investing their contributions and their share of matching contributions.

5. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

6. CLAIMS, COMMITMENTS, AND CONTINGENCIES

A. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

B. Compensated Absences

The County provides full time employees with up to 90 days of sick time – to accrue at one and one quarter days per complete calendar month of employment. Unused sick leave benefits will not be paid to employees upon termination of employment. Employees with one to nine year(s) of service accumulate annual leave at one and one quarter days per month, up to a maximum of 15 days. Employees with 10 to 14 years of service accumulate annual leave at one and one half days per month, up to a maximum of 20 days. Employees with 15 or more years of service accumulate annual leave at one and three quarters days per month, up to a maximum of 25 days. Annual leave may be carried forward from year to year up to the maximum amounts noted above. Upon termination of employment, employees will be paid for unused annual leave time that has been earned through the last day of work.

C. Litigation

The County is involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

D. Industrial Development Revenue Bonds

In June 2006, the County entered into an agreement to issue taxable Industrial Development Revenue Bonds as authorized by Article VI, Section 27 of the Missouri Constitution and Sections 100.010 to 100.200, RSMo. The proceeds of the bonds, which were issued in 2007 in the amount of approximately \$30 million, are to be used for the construction and furnishing costs related to an industrial development project in the City of Cameron. The bonds are payable solely from lease payments generated by the project, and the County is not liable for ultimate repayment of the bonds.

7. RISK MANAGEMENT

The County is exposed to various risks of losses related, to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

8. OUTSTANDING DEBT

On August 8, 2013, the County entered into an agreement with UMB Bank for Certificates of Participation to make improvements to the Courthouse in the amount of \$1,355,000 with interest due of \$451,391, totaling \$1,806,391 to be paid in full by March 1, 2028. There are four principal balances, \$245,000; \$265,000; \$290,000, and \$555,000, with interest rates of 2.25%; 2.75%; 3.25%; and 4.50%, respectively. Payments are due on March 1 and September 1 of each year, with interest due semi-annually and principal payments due annually in March of each year. At December 31, 2014, the County owed \$1,756,175, including interest. On March 1, 2015, the first principal payment of \$80,000 was paid.

9. CAPITAL LEASES

The County has the following capital leases:

- A. At December 31, 2014, the County owed \$12,493 under a two-year lease-purchase agreement for a Sheriff's vehicle. The lease is to be paid in annual payments of \$13,485, which include interest at 7.95%, with the final payment scheduled on May 23, 2015. At the end of the lease, the County will own the vehicle.
- B. At December 31, 2014, the County owed \$31,861 on a lease-purchase agreement with Government Capital Corporation for data and software licenses that was entered into on April 23, 2012, in the amount of \$81,838. An initial payment of \$11,145 was paid on May 1, 2012, which included principal and interest. After the initial payment, \$1,178 is due monthly on the first day of each month, with the last payment due on May 1, 2017. After the final lease payment, the County has the option to the licenses for \$1.

10. COOPERATIVE VENTURES

- A. In October 1992, the Counties of Andrew, Clinton, Caldwell and DeKalb and the City of Cameron agreed to establish a venture called ACCD 911, for the purpose of providing 911 emergency telephone services. Pursuant to Section 190.300, RSMo, the voters of the respective government entities involved approved a 15% Emergency Telephone System Tax on local telephone charges to fund the service. Pursuant to the agreement, the ACCD Regional Enhanced 911 System Board was created to be the governing body of the ACCD 911, authorized to enter into contracts, employ staff, hold/dispose of property, and incur debt, with only the ACCD 911 Venture being obligated for the debt incurred.
- B. In May 2005, the County, in conjunction with Daviess County, created the Daviess-DeKalb Regional Jail District to house prisoners for the counties as well as other governments on contractual basis. A four member commission which governs the District is comprised of the presiding commissioners and sheriffs from the two counties. In November 2005, the District voters approved a one-half cent sales tax to provide regional jail services and court facilities and equipment for the two counties. Also in November 2005, the District assumed operations at the jail facility. The counties will share equally in any net operating losses of the regional jail. Neither Daviess County nor DeKalb County is obligated for debt incurred by the District.

11. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 22, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2013		2014	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 3,010	\$ 2,667	\$ 2,705	\$ 48,888
Sales taxes	640,000	634,215	635,000	665,895
Intergovernmental	64,850	137,315	155,153	112,184
Charges for services	588,575	464,469	472,125	485,588
Interest	4,000	2,396	2,400	401
Other	190,269	148,550	152,915	185,738
Transfers in	141,050	131,957	164,900	40,895
Total Receipts	<u>\$ 1,631,754</u>	<u>\$ 1,521,569</u>	<u>\$ 1,585,198</u>	<u>\$ 1,539,589</u>
DISBURSEMENTS				
County Commission	\$ 85,321	\$ 84,836	\$ 85,211	\$ 85,842
County Clerk	77,810	77,038	76,363	76,299
Elections	30,500	37,504	52,000	51,354
Buildings and Grounds	85,503	86,913	57,300	42,224
Employee Fringe Benefits	224,830	225,342	226,600	226,735
Treasurer	91,850	95,752	92,200	89,901
Recorder of Deeds	65,910	63,196	60,957	59,478
Circuit Clerk	31,950	31,362	38,050	34,411
Public Administrator	22,825	21,922	22,100	21,213
Sheriff	641,168	594,595	608,367	612,104
Prosecuting Attorney	104,559	101,975	100,210	96,665
Juvenile Officer	22,693	18,634	22,693	23,173
Coroner	19,563	17,392	17,338	17,235
Other	124,297	121,210	122,014	124,428
Public Health and Welfare Services	10,500	10,500	9,000	7,500
Transfers Out	81,992	7,873	25,062	12,427
Total Disbursements	<u>\$ 1,721,271</u>	<u>\$ 1,596,044</u>	<u>\$ 1,615,465</u>	<u>\$ 1,580,989</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (89,517)	\$ (74,475)	\$ (30,267)	\$ (41,400)
FUND BALANCE, JANUARY 1	<u>126,607</u>	<u>126,607</u>	<u>52,132</u>	<u>52,132</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 37,090</u></u>	<u><u>\$ 52,132</u></u>	<u><u>\$ 21,865</u></u>	<u><u>\$ 10,732</u></u>

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SPECIAL ROAD AND BRIDGE FUND				CAPITAL IMPROVEMENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	648,000	634,211	635,000	665,871
Intergovernmental	812,200	634,246	802,000	817,151	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	34,500	16,595	18,000	4,680	2,500	922	1,900	182
Other	53,000	57,273	81,500	75,851	-	923	-	-
Transfers in	31,985	32,628	33,000	-	-	28,751	-	-
Total Receipts	\$ 931,685	\$ 740,742	\$ 934,500	\$ 897,682	\$ 650,500	\$ 664,807	\$ 636,900	\$ 666,053
DISBURSEMENTS								
Salaries	\$ 117,321	\$ 106,908	\$ 116,500	\$ 96,383	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	33,183	28,654	38,800	28,952	-	-	-	-
Materials and Supplies	239,100	146,030	243,600	114,494	-	-	-	-
Services and Other	87,600	57,838	91,700	48,274	643,500	656,955	628,650	648,517
Capital Outlay	45,000	38,070	230,000	202,788	-	-	-	-
Construction	300,000	98,859	300,000	195,000	-	-	-	-
Transfers out	32,000	52,569	27,475	34,295	7,000	7,852	6,350	6,601
Total Disbursements	\$ 854,204	\$ 528,928	\$ 1,048,075	\$ 720,186	\$ 650,500	\$ 664,807	\$ 635,000	\$ 655,118
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 77,481	\$ 211,814	\$ (113,575)	\$ 177,496	\$ -	\$ -	\$ 1,900	\$ 10,935
FUND BALANCE, JANUARY 1	1,318,613	1,318,613	1,530,427	1,530,427	-	-	-	-
FUND BALANCE, DECEMBER 31	\$ 1,396,094	\$ 1,530,427	\$ 1,416,852	\$ 1,707,923	\$ -	\$ -	\$ 1,900	\$ 10,935

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SENIOR SERVICES BOARD				ACCD 911 BOARD			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 36,950	\$ 38,454	\$ 37,679	\$ 40,947	\$ -	\$ -	\$ -	\$ -
Emergency telephone tax	-	-	-	-	510,100	474,765	426,000	484,354
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	100	18	50	18	-	4,613	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 37,050	\$ 38,472	\$ 37,729	\$ 40,965	\$ 510,100	\$ 479,378	\$ 426,000	\$ 484,354
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	250	467	1,000	1,382
Services and Other	37,046	36,964	37,700	43,225	478,218	496,419	533,668	602,451
Capital Outlay	-	-	-	-	150,000	25,001	15,000	208,980
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 37,046	\$ 36,964	\$ 37,700	\$ 43,225	\$ 628,468	\$ 521,887	\$ 549,668	\$ 812,813
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 4	\$ 1,508	\$ 29	\$ (2,260)	\$ (118,368)	\$ (42,509)	\$ (123,668)	\$ (328,459)
FUND BALANCE, JANUARY 1	22,884	22,884	24,392	24,392	833,037	833,037	790,528	790,528
FUND BALANCE, DECEMBER 31	\$ 22,888	\$ 24,392	\$ 24,421	\$ 22,132	\$ 714,669	\$ 790,528	\$ 666,860	\$ 462,069

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SENATE BILL 40 BOARD				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 104,500	\$ 115,288	\$ 115,000	\$ 103,323	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	93,413	-	77,643	145,146	152,583	153,831	156,115
Charges for services	-	-	-	-	-	-	-	-
Interest	948	69	60	75	1,100	952	950	142
Other	75,000	-	150,000	18,403	11,100	13,634	6,700	5,539
Transfers in	-	-	-	-	24,099	-	9,612	-
Total Receipts	\$ 180,448	\$ 208,770	\$ 265,060	\$ 199,444	\$ 181,445	\$ 167,169	\$ 171,093	\$ 161,796
DISBURSEMENTS								
Salaries	\$ 77,000	\$ 73,290	\$ 77,000	\$ 59,414	\$ 107,745	\$ 107,745	\$ 107,745	\$ 91,597
Employee fringe benefits	-	-	-	-	34,800	34,266	34,300	30,877
Materials and Supplies	10,500	13,045	16,060	10,315	33,100	18,400	27,700	16,276
Services and Other	151,948	78,739	172,000	123,823	21,485	4,762	16,000	2,128
Capital Outlay	-	-	-	120	-	3,029	-	2,986
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 239,448	\$ 165,074	\$ 265,060	\$ 193,672	\$ 197,130	\$ 168,202	\$ 185,745	\$ 143,864
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (59,000)	\$ 43,696	\$ -	\$ 5,772	\$ (15,685)	\$ (1,033)	\$ (14,652)	\$ 17,932
FUND BALANCE, JANUARY 1	81,863	81,863	125,559	125,559	15,685	15,685	14,652	14,652
FUND BALANCE, DECEMBER 31	\$ 22,863	\$ 125,559	\$ 125,559	\$ 131,331	\$ -	\$ 14,652	\$ -	\$ 32,584

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	BOND FORFEITURE FUND				COLLECTOR MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	14,250	17,446	17,500	15,426
Interest	70	13	13	6	450	216	250	49
Other	4,300	4,600	4,600	1,225	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,370	\$ 4,613	\$ 4,613	\$ 1,231	\$ 14,700	\$ 17,662	\$ 17,750	\$ 15,475
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ 250	\$ 1,250	\$ 1,546
Employee fringe benefits	-	-	-	-	-	-	-	23
Materials and Supplies	-	-	-	-	5,200	1,228	15,790	6,002
Services and Other	4,370	3,146	3,144	-	2,100	4,979	1,800	3,203
Capital Outlay	-	-	-	-	-	1,689	-	15,402
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 4,370	\$ 3,146	\$ 3,144	\$ -	\$ 7,550	\$ 8,146	\$ 18,840	\$ 26,176
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 1,467	\$ 1,469	\$ 1,231	\$ 7,150	\$ 9,516	\$ (1,090)	\$ (10,701)
FUND BALANCE, JANUARY 1	32	32	1,499	1,499	13,080	13,080	22,596	22,596
FUND BALANCE, DECEMBER 31	\$ 32	\$ 1,499	\$ 2,968	\$ 2,730	\$ 20,230	\$ 22,596	\$ 21,506	\$ 11,895

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	ELECTION FUND				EMERGENCY MANAGEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	7,566	11,708	12,550	11,126
Charges for services	-	-	-	-	-	-	-	-
Interest	-	21	20	3	56	13	12	-
Other	-	-	2,500	1,200	-	-	-	-
Transfers in	-	-	-	-	7,566	4,973	12,550	10,302
Total Receipts	\$ -	\$ 21	\$ 2,520	\$ 1,203	\$ 15,188	\$ 16,694	\$ 25,112	\$ 21,428
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ 1,800	\$ 1,500	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Employee fringe benefits	-	-	-	-	2,532	4	2,600	-
Materials and Supplies	-	-	200	-	100	-	1,100	28
Services and Other	-	-	500	500	500	4,690	9,400	9,400
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ 2,500	\$ 2,000	\$ 15,132	\$ 16,694	\$ 25,100	\$ 21,428
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 21	\$ 20	\$ (797)	\$ 56	\$ -	\$ 12	\$ -
FUND BALANCE, JANUARY 1	1,701	1,701	1,722	1,722	-	-	-	-
FUND BALANCE, DECEMBER 31	\$ 1,701	\$ 1,722	\$ 1,742	\$ 925	\$ 56	\$ -	\$ 12	\$ -

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	LAW ENFORCEMENT RESTITUTION FUND				LOCAL USE TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	130,000	192,764	225,000	65,341
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,500	1,866	1,500	611	-	-	-	-
Interest	10	12	10	8	1,800	1,005	1,250	349
Other	-	-	-	-	7,000	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,510	\$ 1,878	\$ 1,510	\$ 619	\$ 138,800	\$ 193,769	\$ 226,250	\$ 65,690
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,510	-	-	-	-	-	-	42,413
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	95,000	127,628	208,000	-
Total Disbursements	\$ 1,510	\$ -	\$ -	\$ -	\$ 95,000	\$ 127,628	\$ 208,000	\$ 42,413
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 1,878	\$ 1,510	\$ 619	\$ 43,800	\$ 66,141	\$ 18,250	\$ 23,277
FUND BALANCE, JANUARY 1	687	687	2,565	2,565	34,363	34,363	100,504	100,504
FUND BALANCE, DECEMBER 31	\$ 687	\$ 2,565	\$ 4,075	\$ 3,184	\$ 78,163	\$ 100,504	\$ 118,754	\$ 123,781

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	NH SALES TAX FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,850	197	200	204	13	1	1	-
Other	70	70	70	84	550	488	480	505
Transfers in	-	-	-	-	-	-	-	6
Total Receipts	\$ 1,920	\$ 267	\$ 270	\$ 288	\$ 563	\$ 489	\$ 481	\$ 511
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	21,691	616	446	480	607
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ -	\$ 21,691	\$ 616	\$ 446	\$ 480	\$ 607
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 1,920	\$ 267	\$ 270	\$ (21,403)	\$ (53)	\$ 43	\$ 1	\$ (96)
FUND BALANCE, JANUARY 1	73,325	73,325	73,592	73,592	53	53	96	96
FUND BALANCE, DECEMBER 31	\$ 75,245	\$ 73,592	\$ 73,862	\$ 52,189	\$ -	\$ 96	\$ 97	\$ -

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	PA COLLECTIONS DELINQUENT TAX FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	10,000	8,814	8,800	9,394
Interest	145	85	80	16	500	230	225	45
Other	1,500	1,463	1,000	196	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,645	\$ 1,548	\$ 1,080	\$ 212	\$ 10,500	\$ 9,044	\$ 9,025	\$ 9,439
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 9,214	\$ 10,080	\$ 12,000	\$ 10,375
Employee fringe benefits	-	-	-	-	786	589	850	503
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	2,761	3,000	-	5,000	873	2,500	971
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	2,400	152	-	6
Total Disbursements	\$ -	\$ 2,761	\$ 3,000	\$ -	\$ 17,400	\$ 11,694	\$ 15,350	\$ 11,855
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 1,645	\$ (1,213)	\$ (1,920)	\$ 212	\$ (6,900)	\$ (2,650)	\$ (6,325)	\$ (2,416)
FUND BALANCE, JANUARY 1	6,466	6,466	5,253	5,253	17,787	17,787	15,137	15,137
FUND BALANCE, DECEMBER 31	\$ 8,111	\$ 5,253	\$ 3,333	\$ 5,465	\$ 10,887	\$ 15,137	\$ 8,812	\$ 12,721

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	RECORDER FUND				SHERIFF-CCW FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,300	3,434	3,500	2,835	6,000	11,219	8,000	8,583
Interest	-	21	20	10	50	39	50	10
Other	-	-	-	-	-	553	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 3,300	\$ 3,455	\$ 3,520	\$ 2,845	\$ 6,050	\$ 11,811	\$ 8,050	\$ 8,593
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,161	807	2,958	2,830	6,000	11,200	8,000	6,823
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 4,161	\$ 807	\$ 2,958	\$ 2,830	\$ 6,000	\$ 11,200	\$ 8,000	\$ 6,823
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (861)	\$ 2,648	\$ 562	\$ 15	\$ 50	\$ 611	\$ 50	\$ 1,770
FUND BALANCE, JANUARY 1	1,148	1,148	3,796	3,796	2,458	2,458	3,069	3,069
FUND BALANCE, DECEMBER 31	\$ 287	\$ 3,796	\$ 4,358	\$ 3,811	\$ 2,508	\$ 3,069	\$ 3,119	\$ 4,839

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SHERIFF-CIVIL FEES FUND				SHERIFF-LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	14,119	-	12,060	-	-	-	-
Interest	400	161	400	8	20	16	15	1
Other	16,000	-	15,000	-	3,300	2,911	4,100	2,852
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 16,400	\$ 14,280	\$ 15,400	\$ 12,068	\$ 3,320	\$ 2,927	\$ 4,115	\$ 2,853
DISBURSEMENTS								
Salaries	\$ 8,500	\$ 8,500	\$ 8,500	\$ 1,645	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	6,550	1,802	4,550	885	-	-	-	-
Services and Other	500	7,659	4,000	8,959	3,550	3,824	3,750	2,635
Capital Outlay	-	-	-	409	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	5,288	-	-	-	-	-	-
Total Disbursements	\$ 15,550	\$ 23,249	\$ 17,050	\$ 11,898	\$ 3,550	\$ 3,824	\$ 3,750	\$ 2,635
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 850	\$ (8,969)	\$ (1,650)	\$ 170	\$ (230)	\$ (897)	\$ 365	\$ 218
FUND BALANCE, JANUARY 1	10,648	10,648	1,679	1,679	1,417	1,417	520	520
FUND BALANCE, DECEMBER 31	\$ 11,498	\$ 1,679	\$ 29	\$ 1,849	\$ 1,187	\$ 520	\$ 885	\$ 738

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	TECHNICAL ASSISTANCE FUND				CEMETERIES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,100	2,494	2,550	1,969	-	-	-	-
Interest	-	1	-	1	-	-	-	-
Other	-	-	-	-	555	10,769	745	306
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,100	\$ 2,495	\$ 2,550	\$ 1,970	\$ 555	\$ 10,769	\$ 745	\$ 306
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,099	77	3,700	319	-	-	-	-
Services and Other	-	-	-	500	2,340	2,425	2,950	2,705
Capital Outlay	-	1,749	-	1,685	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,099	\$ 1,826	\$ 3,700	\$ 2,504	\$ 2,340	\$ 2,425	\$ 2,950	\$ 2,705
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 1	\$ 669	\$ (1,150)	\$ (534)	\$ (1,785)	\$ 8,344	\$ (2,205)	\$ (2,399)
FUND BALANCE, JANUARY 1	481	481	1,150	1,150	62,786	62,786	71,130	71,130
FUND BALANCE, DECEMBER 31	\$ 482	\$ 1,150	\$ -	\$ 616	\$ 61,001	\$ 71,130	\$ 68,925	\$ 68,731

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	VETERAN'S MEMORIAL FUND				VICTIM SERVICE GRANT (VOCA) FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	31,487	30,947	29,865	31,613
Charges for services	-	-	-	-	-	-	-	-
Interest	18	5	6	1	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	3,785	3,053	2,900	2,126
Total Receipts	\$ 18	\$ 5	\$ 6	\$ 1	\$ 35,272	\$ 34,000	\$ 32,765	\$ 33,739
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 22,008	\$ 19,958	\$ 19,958	\$ 22,008
Employee fringe benefits	-	-	-	-	9,479	9,913	9,914	9,725
Materials and Supplies	-	-	-	-	2,785	696	1,127	241
Services and Other	250	137	137	170	1,000	2,425	1,422	1,765
Capital Outlay	-	-	-	-	-	1,008	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 250	\$ 137	\$ 137	\$ 170	\$ 35,272	\$ 34,000	\$ 32,421	\$ 33,739
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (232)	\$ (132)	\$ (131)	\$ (169)	\$ -	\$ -	\$ 344	\$ -
FUND BALANCE, JANUARY 1	420	420	288	288	-	-	-	-
FUND BALANCE, DECEMBER 31	\$ 188	\$ 288	\$ 157	\$ 119	\$ -	\$ -	\$ 344	\$ -

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SHERIFF-IPDS FUND				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	3	15	4	5	1
Other	-	-	-	3,415	660	630	630	578
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ 3,418	\$ 675	\$ 634	\$ 635	\$ 579
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	675	576	577	683
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ -	\$ -	\$ 675	\$ 576	\$ 577	\$ 683
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 3,418	\$ -	\$ 58	\$ 58	\$ (104)
FUND BALANCE, JANUARY 1	-	-	-	-	576	576	634	634
FUND BALANCE, DECEMBER 31	\$ -	\$ -	\$ -	\$ 3,418	\$ 576	\$ 634	\$ 692	\$ 530

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

LAW LIBRARY FUND				
Year Ended December 31,				
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	5,000	3,610	3,500	2,940
Transfers in	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ 3,610</u>	<u>\$ 3,500</u>	<u>\$ 2,940</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	9,000	6,255	6,500	7,304
Capital Outlay	1,000	2,704	1,000	130
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 8,959</u>	<u>\$ 7,500</u>	<u>\$ 7,434</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (5,000)	\$ (5,349)	\$ (4,000)	\$ (4,494)
FUND BALANCE, JANUARY 1	<u>14,548</u>	<u>14,548</u>	<u>9,199</u>	<u>9,199</u>
FUND BALANCE, DECEMBER 31	<u>\$ 9,548</u>	<u>\$ 9,199</u>	<u>\$ 5,199</u>	<u>\$ 4,705</u>

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of DeKalb County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Missouri, as of and for the year ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise DeKalb County, Missouri's basic financial statements, and have issued our report thereon dated June 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DeKalb County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DeKalb County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of DeKalb County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies as items 1 through 5.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DeKalb County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 6 and 7.

We also noted other matters that we reported to management of DeKalb County, Missouri in the accompanying schedule of findings and recommendations as items 8, 9 and 10.

DeKalb County, Missouri's Response to Findings

DeKalb County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. DeKalb County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 22, 2015

FINDINGS AND RECOMMENDATIONS SECTION

DEKALB COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESS IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Senior Services Board Financial Reporting Controls

Condition: During review of the Senior Services Board bank accounts and check register, which serves as the general ledger, it was noted that there were no formal bank reconciliations performed. Additionally, it was noted that there were \$8,288 in deposits that were not recorded in the check register and \$17 in interest not recorded in check register. There was also a deposit recorded in check register that was not able to be traced to bank statements for \$155.

Recommendation: We recommend that the Senior Services Board perform formal bank reconciliations on a monthly basis. Additionally, we recommend that the Board ensure that all transactions are recorded timely in the check register or other accounting system in order to ensure the propriety of financial information reported.

County Response: DeKalb County will advise the Senior Services Board of your findings and ask that they do reconciliations on a monthly basis and ensure all transactions are recorded timely.

Auditor's Evaluation: The response is appropriate to correct the concern.

2. Interfund Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. The recorded transfers in did not equal the recorded transfers out in either 2014 or 2013. In 2014, this was due to the expenditures of the Local Use Tax fund being recorded as transfers out. In 2013, there were two transfers between funds that were not recorded in the disbursements of the transferring fund as presented in the County's annual budget document. The financial statements presented in this report have been adjusted so that transfers in are equal to transfers out.

Recommendation: In order to ensure that transfers are properly reported and are in balance, we recommend transfers in always be accompanied by an equal transfer out and that the transfers be clearly identified on the budget.

County Response: We will make sure that all transfers in and out are properly recorded. We also will ensure that all transfers that are done are clearly noted in our budget.

Auditor's Evaluation: The response is appropriate to correct the concern.

3. Unreported Certificates of Deposit

Condition: The ACCD 911 Board has investments in Certificates of Deposit (CD's) that are not reported on the budget or in the published financial statements. The value of unreported CD's amounted to \$626,066 at December 31, 2013 and \$320,384 at December 31, 2014. When the CD's were acquired, the Board improperly recorded these transactions as expenditures and the Board has not been recording interest revenue related to the investments. The financial statements presented in this report have been adjusted to include CD's and the interest earned during the audit period in the cash balances of the Board.

Recommendation: We recommend that investments in certificates of deposit be included in cash balances for purposes of reporting on the annual budgets and published financial statements. We also recommend that the Board record the interest earned on these investments as revenue.

County Response: The ACCD 911 will now report on our annual budget and published financial statements the CD's as cash available instead of reporting as revenues.

Auditor's Evaluation: The response is appropriate to correct the concern.

4. Payroll and Personnel Procedures

Condition: The County does not maintain proper documentation of employee pay rates to support the amount of pay for each employee. Officeholders propose a total amount of salary to pay for their employees in the annual budget that is approved by the Commission, however, this does not include a detail of how much each individual employee will be paid. Changes to employee pay rates are made in the County's payroll system by the payroll clerk and are initiated verbally by an officeholder. However, there is no documentation maintained to support the change, such as an approved listing of employee pay rates or an approved document in each employee's individual personnel file.

Additionally, during review of timesheets, it was noted that one out of eight timesheets reviewed did not have a supervisor signature. The County requires that all timesheets be signed by the employee and by a supervisor to verify the accuracy of the time reported.

Recommendation: We recommend that the County Clerk's office maintain documentation of each employee's approved rate of compensation, either with a centralized record or in each employee's individual personnel file. We also recommend that the County ensure that all timesheets are signed by both the employee and the employee's supervisor.

County's Response: I, as County Clerk, will ensure that all time sheets are signed by the proper supervisor and ensure proper documentation is in each employee's file with their current rate of pay.

Auditor's Evaluation: The response is appropriate to correct the concern.

5. Procurement Procedures

Condition: Out of twenty five transactions tested for each year, eight voucher packets in 2013 and seven voucher packets in 2014 were not approved or initialed by the officeholder as required by the County's internal control procedures. This control is intended to ensure that all purchases presented for payment were approved and the goods or services were received by the officeholder who made the purchase. Additionally, we noted one instance where the rate paid by the County for rock did not agree to the agreed upon rate per the contract with the vendor. The County was invoiced for \$1,409 of rock at a rate of \$14.56 per ton, while the County's agreed upon rate with the vendor was \$14.54 per ton. The County Clerk indicated that this invoice was paid without checking the rate charged against the rate accepted by the County in the vendors bid. We also noted that there was no invoice or other support for the purchase of equipment in the amount of \$30,500 in the Special Road and Bridge fund during 2013.

Recommendation: We recommend the County Commission ensure that proper approval is indicated by each officeholder on voucher packets and that agreed upon rates are being used by vendors before payment is made. Additionally, we recommend that the County Commission maintain proper documentation and records in the County Clerk's office to support all transactions.

County's Response: DeKalb County will ensure that proper approval has been made before payments are made to vendors. We will also make sure proper documentation is kept in the County Clerk's office to support all transactions.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

6. Budgetary Controls

Condition: We noted two issues with the County's budgeting process during 2014 and 2013, as follows:

- A. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Sheriff-IPDS fund for 2014. Chapter 50, RSMo. requires the preparation and filing of annual budgets for all funds to present a complete financial plan for the ensuing year.
- B. Actual expenditures exceeded budgeted amounts for nine funds in 2014 and 2013. A list of the individual funds can be found at Note 1.D.10 in the notes to the financial statements. State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refrain from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response:

- A. The Sheriff's IPDS fund was not in the budget in 2014 due to it not being in place at the time the budget was set. The County realizes that the budget should have been amended to add in this new fund and the monies collected for 2014. The fund was added in the 2015 budget as required.
- B. The County will comply with State Statutes by adopting a formal budget for all funds and amending said budget when the statute calls for it.

Auditor's Evaluation: The response is appropriate to correct the concern.

7. Procurement Procedures

Condition: The County did not consistently solicit bids and/or retain bid documentation for various purchases of goods and services. RSMo 50.660 states that, "All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition...except that the advertising is not required in case of contracts or purchases involving an expenditure of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety days...." RSMO 50.783.1 states that, "The county commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies." Out of twenty five transactions tested for each year, there were six instances in 2013 and five instances in 2014 in which bids were not solicited or sole source documentation was not included within the Commission minutes as required.

Recommendation: We recommend the County Commission solicit bids in accordance with Missouri state law and maintain bid documentation in conjunction with associated disbursement records in the County Clerk's office and include pertinent bid information in the Commission minutes.

County's Response: The County will solicit bids in accordance with Missouri State Law. We will maintain the proper bid documentation with associated records in the County Clerk's office. We will also make sure to include all pertinent information in the Commission's minutes.

Auditor's Evaluation: The response is appropriate to correct the concern.

OTHER MATTERS

8. Outstanding Checks

Condition: A review of the bank reconciliations of all County bank accounts noted two accounts that had checks listed as outstanding for two years or more. The Prosecuting Attorney's account and the Circuit Clerk's account each had checks that appeared on both the December 31, 2013 and 2014 bank reconciliations. The Circuit Clerk account had three outstanding checks that amounted to \$213. The Circuit Clerk's office has been in the process of switching computer

systems, so the Circuit Clerk stated that she is aware of the outstanding checks and within the next few months she will remit the outstanding checks to unclaimed fees. The Prosecuting Attorney's account had seven outstanding checks, including two checks that were voided and reissued that amounted to \$649. The Prosecuting Attorney's office stated that there has been confusion as to when the outstanding checks should be sent to unclaimed fees, so no action has been taken for several years.

Recommendation: We recommend that the Circuit Clerk and Prosecuting Attorney remove stale checks from the monthly bank reconciliations on a timely basis and ensure that checks are properly moved to unclaimed fees at year end.

County Response: The Circuit Clerk has advised that she will remit the outstanding checks to unclaimed fees in the next few months. The Prosecuting Attorney is stating that per their instructions that nothing is to be done with outstanding checks for 5 years.

Auditor's Evaluation: In order to ensure the propriety of reported cash balances, the Prosecuting Attorney should investigate outstanding checks before they are outstanding for five years.

9. Discrepancies in Annual Budget Documents

Condition: The annual budget documents prepared by the County include information about actual results for each fund from the previous year, including the beginning cash balance, actual receipts and disbursements, and the cash balance at year end. We noted several instances where the ending cash balance of a fund on the budget document for one year did not correspond to the beginning cash balance for the same fund on the next year's budget document. For example, the cash balance at December 31, 2013 (ending balance) for the Special Road and Bridge fund as stated in the 2014 budget document was \$1,559,177, however, the cash balance of the fund at December 31, 2013 (beginning balance) as stated on the 2015 budget document was \$1,530,426. There were several instances of these variances between the 2013 and 2014 budgets.

Recommendation: We recommend that the County Clerk ensure that the actual results and cash balances presented for each fund in the County's budget documents are accurate and that the ending cash balances of each fund carryover as the beginning balance of the fund on the next year's budget.

County Response: I inadvertently did my budget before I did any transfers. This has been corrected since brought to my attention and my office will take measures to make sure all budget documents are accurate.

Auditor's Evaluation: The response is appropriate to correct the concern.

10. Absence of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however, an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270,

RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County's Response: DeKalb County will follow statute and adopt an investment policy in 2015.

Auditor's Evaluation: The response is appropriate to correct the concern.

DEKALB COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by DeKalb County, Missouri, on the applicable findings in the most recent prior audit report issued for the years ended December 31, 2009 and 2008.

1. A review of the bank reconciliations of all County bank accounts noted four accounts that had checks listed as outstanding for two years or more. The Collector's account, Sheriff Trust account, Prosecuting Attorney's account, and Collector of Revenue partial payment account all had checks that appeared on both the December 31, 2008 and 2009 bank reconciliations.

Status – Not resolved. See Finding 8.

2. The bank accounts for the Law Library and Prosecuting Attorney were not reconciled after September 2009 when the former Prosecuting Attorney was appointed to be a judge. The temporary Prosecuting Attorney also did not perform the bank reconciliations on these accounts. Reconciliations were not performed on these accounts after the current Prosecuting Attorney was appointed in early 2010.

Status – Resolved.

3. Out of thirty expenditures tested, ten invoices were not approved by a department head prior to reaching the County Commission. Additionally, invoices were not marked as paid at the time they are approved for payment by the Commission. Rather, the warrants that are attached to the invoices are marked "filed".

Status – Partially resolved. See Finding 5.

4. The financial statements of the County as presented in the annual budget document present transfers between funds. The recorded transfers in did not equal the recorded transfers out in either 2008 or 2009. This was due to a number of transfers out being incorrectly recorded as expenditures.

Status – Not resolved. See Finding 2.

5. The Cemetery Trust, ACCD 911, and Senate Bill 40 funds all have investments in Certificates of Deposit (CD's) that are not reported on the budget or in the published financial statements. The value of unreported CD's amounted to \$692,931 at December 31, 2009 and \$669,410 at December 31, 2008, including \$600,230 and \$577,313, respectively, in ACCD 911 Board investments. When the CD's were acquired, the County improperly recorded these transactions as expenditures of the funds and has not been recording interest revenue related to the ACCD 911 or Senate Bill 40 Board investments.

Status – Not resolved. See Finding 3.

6. The cash balances of the Law Library and Senior Services funds were misstated on the annual budgets prepared by the County Clerk. The 2010 budget reported a cash balance at December 31, 2009 for the Law Library fund of \$25,876, which included a deposit of \$1,270 that was made on January 15, 2010. The Senior Services fund cash balances were understated by minor amounts at December 31, 2009 and December 31, 2008 because interest earned in December was not included in revenues on the budgets in either year.

Salary expenditures were incorrectly recorded on the budget in the General Fund in 2009. The Form 941's filed with the IRS were reconciled to the County Clerk's payroll register. However, salaries recorded on the payroll register exceeded the salaries recorded on the budget.

Status – Partially resolved. See Finding 9.

7. The County Commission did not adopt a formal budget as required by law for the Bond Forfeiture fund in 2009. While no expenditures were incurred from the Bond Forfeiture fund, revenues were received and a budget was not adopted as required by state statutes. Also, the County Commission did not exercise adequate budgetary control over a number of funds during the audit period. There were 7 different funds for which expenditures were approved for payments in excess of the approved budgets.

Status – Not resolved. See Finding 6.

8. The County has not adopted an investment policy.

Status – Not resolved. See Finding 10.

9. A discrepancy was noted in the published financial statements regarding the cash balance of the Cemetery Trust fund at December 31, 2008. The 2008 published financials have an ending cash balance of \$4,930, while the 2009 published financial statements report the beginning cash balance of the fund as \$5,543. There were also two typographical errors noted that resulted in misstated ending cash balances. On the 2008 published financials, the ending balance of the Assessment fund is incorrectly stated as \$3,897 while the cash available less the disbursements is correctly reported on the statement as \$6,897. On the 2009 published financials, the disbursements of the Law Library fund are reported as \$2,682 instead of \$2,862, causing the ending cash balance to differ with the balance reported in the accounting records.

Status – Resolved.

10. A review of the current signature card for the County Clerk's Election account noted that a former employee was listed as an authorized signer.

Status – Resolved.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Monroe County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Monroe County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Beard-Boehmer & Associates, PC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-082

AUDITED FINANCIAL STATEMENTS

MONROE COUNTY, MISSOURI

**FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013**

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BEARD-BOEHMER & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI

MONROE COUNTY, MISSOURI
TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report	1 – 2
FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash— All Governmental Funds—Regulatory Basis For the Years ended December 31, 2014 and 2013.....	3
Comparative Statements of Receipts, Disbursements and Changes in Cash— Budget and Actual—Regulatory Basis For the Years ended December 31, 2014 and 2013.....	4 – 14
Notes to Financial Statements	15 – 22
Supplementary Information:	
Schedule of Expenditures of Federal Awards For the Years Ended December 31, 2014 and 2013.....	24
Notes to the Schedule of Expenditures of Federal Awards	25
COMPLIANCE SECTION	
AUDITORS' REPORTS PURSUANT TO GOVERNMENTAL AUDITING STANDARDS	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27 – 28
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	29 – 30
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action) For the Years Ended December 31, 2014 and 2013	
Section I – Summary of Auditors' Results	31
Section II – Financial Statement Findings.....	32 – 33
Section III – Federal Award Findings and Questioned Costs	33
Summary of Findings and Responses	34 - 35
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	36

July 10, 2015

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Monroe County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Monroe County, Missouri, which collectively comprise cash for each fund as of December 31, 2014 and 2013, and the related statements of cash receipts and disbursements—budget to actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Monroe County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1

**MONROE COUNTY, MISSOURI
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014**

and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Monroe County, Missouri, as of December 31, 2014 and 2013, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Monroe County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2015, on our consideration of Monroe County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe County, Missouri's internal control over financial reporting and compliance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Monroe County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

MONROE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Fund	Cash January 1, 2013	Receipts	Disbursements	Cash December 31, 2013	Receipts	Disbursements	Cash December 31, 2014
General Revenue	\$ 208,693	1,781,221	1,651,568	338,346	1,755,785	1,872,941	\$ 221,190
Special Road and Bridge	187,576	1,183,006	1,225,545	145,037	1,651,829	1,473,593	323,273
Assessment	7,577	132,026	139,550	53	141,305	133,440	7,918
Law Enforcement Training	283	2,685	1,825	1,143	2,354	2,422	1,075
Prosecuting Attorney Training	815	450	397	868	398	440	826
Mark Twain Reservoir	449,263	21,380	4,306	466,337	14,959	22,593	458,703
Recorder's	434	7,894	3,615	4,713	6,153	3,766	7,100
Pleasant View-Economic Development	8,330	15,141	12,792	10,679	5,231	12,899	3,011
Domestic Violence	389	440	389	440	381	440	381
Election Machine	10,272	1,766	1,394	10,644	16	539	10,121
Sheriff Civil Fees	28,367	15,179	21,721	21,825	12,297	17,154	16,968
Prosecuting Attorney Administrative Handling Cost	103	2,946	1,033	2,016	2,063	1,144	2,935
Election Services	7,781	1,753	1,901	7,633	2,250	1,895	7,988
Prosecuting Attorney Delinquent Sales Tax	3,226	5	7	3,224	5	5	3,224
Local Emergency Planning Council	436	2,407	2,843	-	5,448	2,654	2,794
Collector's Tax Maintenance	35,132	12,183	11,957	35,358	11,848	31,511	15,695
County Law Enforcement Restitution	48,089	18,357	35,461	30,985	17,232	27,811	20,406
DARE Donation	1,397	1,407	1,741	1,063	2,626	1,324	2,365
Prisoner Inmate Detainee	-	849	-	849	3,770	208	4,411
County Sheriff's Revolving	6,491	14,608	4,410	16,689	6,478	14,279	8,888
Senate Bill 40 Board	83,976	125,911	127,912	81,975	170,957	132,262	120,670
Totals	\$ 1,088,630	3,341,614	3,250,367	1,179,877	3,813,385	3,753,320	\$ 1,239,942

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

General Revenue Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 419,470	427,526	8,056	\$ 411,007	420,179	9,172
Sales taxes	515,000	549,369	34,369	478,000	523,711	45,711
Intergovernmental	50,220	53,577	3,357	64,060	50,556	(13,504)
Charges for services	466,422	455,301	(11,121)	452,170	523,159	70,989
Enhanced 911 fees	178,870	179,413	543	186,160	182,533	(3,627)
Interest income	500	739	239	500	655	155
Other	11,930	28,675	16,745	11,850	19,464	7,614
Operating transfers in	61,248	61,185	(63)	63,250	60,964	(2,286)
Total Receipts	\$ 1,703,660	1,755,785	52,125	\$ 1,666,997	1,781,221	114,224
DISBURSEMENTS						
General County Government-						
County Commission	\$ 117,840	115,932	(1,908)	\$ 116,320	115,725	(595)
County Clerk	130,740	127,272	(3,468)	123,726	117,437	(6,289)
Elections	71,400	58,141	(13,259)	31,115	13,589	(17,526)
Buildings and grounds	95,451	84,875	(10,576)	95,471	93,313	(2,158)
Employee fringe benefits	3,000	1,111	(1,889)	14,000	2,980	(11,020)
Treasurer	55,106	54,382	(724)	55,078	54,639	(439)
Collector	98,589	93,671	(4,918)	97,495	93,608	(3,887)
Recorder of Deeds	56,652	55,604	(1,048)	56,502	56,067	(435)
Circuit Clerk	19,950	15,075	(4,875)	17,750	16,095	(1,655)
Court Administrator	5,855	4,894	(961)	6,106	4,923	(1,183)
Public Administrator	33,500	32,711	(789)	33,270	32,755	(515)
Other	155,815	155,287	(528)	125,225	120,577	(4,648)
Public Safety-						
Sheriff	432,615	407,978	(24,637)	402,859	383,448	(19,411)
Jail	41,032	86,148	45,116	40,972	41,980	1,008
Prosecuting Attorney	101,488	101,549	61	101,047	100,673	(374)
Juvenile Officer	40,034	30,510	(9,524)	45,371	23,982	(21,389)
Coroner	24,291	23,559	(732)	24,375	24,660	285
Salaries - 911	214,112	212,053	(2,059)	207,852	210,564	2,712
Benefits - 911	77,124	69,425	(7,699)	83,590	65,671	(17,919)
Other - 911	67,352	75,800	8,448	52,300	58,879	6,579
Operating transfers out	76,705	66,964	(9,741)	25,003	20,003	(5,000)
Emergency Fund	51,036	-	(51,036)	49,980	-	(49,980)
Total Disbursements	\$ 1,969,687	1,872,941	(96,746)	\$ 1,805,407	1,651,568	(153,839)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (266,027)	(117,156)	148,871	\$ (138,410)	129,653	268,063
CASH, JANUARY 1	338,346	338,346	-	208,693	208,693	-
CASH, DECEMBER 31	\$ 72,319	221,190	148,871	\$ 70,283	338,346	268,063

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Special Road and Bridge Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 252,000	251,984	(16)	\$ 253,000	251,243	(1,757)
Sales taxes	87,000	98,504	11,504	87,000	87,528	528
Intergovernmental	1,481,083	1,236,261	(244,822)	1,465,633	782,980	(682,653)
Interest income	300	483	183	600	423	(177)
Other	37,000	15,612	(21,388)	37,000	60,832	23,832
Operating transfers in	58,728	48,985	(9,743)	-	-	-
Total Receipts	\$ 1,916,111	1,651,829	(264,282)	\$ 1,843,233	1,183,006	(660,227)
DISBURSEMENTS						
Salaries	\$ 322,000	309,746	(12,254)	\$ 317,862	314,630	(3,232)
Employee fringe benefits	152,055	145,207	(6,848)	154,176	149,319	(4,857)
Supplies	149,700	141,726	(7,974)	153,050	152,561	(489)
Insurance	20,000	17,736	(2,264)	21,000	20,328	(672)
Road and bridge materials	268,500	203,399	(65,101)	265,000	241,162	(23,838)
Equipment repairs	50,000	26,343	(23,657)	45,000	60,773	15,773
Equipment purchases	40,000	7,500	(32,500)	60,000	58,606	(1,394)
Road and bridge construction	907,933	592,493	(315,440)	871,275	198,723	(672,552)
Debt service-emergency fund	57,486	-	(57,486)	55,297	-	(55,297)
Operating transfers out	44,443	29,443	(15,000)	44,443	29,443	(15,000)
Total Disbursements	\$ 2,012,117	1,473,593	(538,524)	\$ 1,987,103	1,225,545	(761,558)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (96,006)	178,236	274,242	\$ (143,870)	(42,539)	101,331
CASH, JANUARY 1	145,037	145,037	-	187,576	187,576	-
CASH, DECEMBER 31	\$ 49,031	323,273	274,242	\$ 43,706	145,037	101,331

Assessment Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 129,892	129,746	(146)	\$ 127,135	129,165	2,030
Charges for services	1,500	2,330	830	1,600	1,602	2
Interest income	20	54	34	100	59	(41)
Operating transfers in	9,175	9,175	-	6,200	1,200	(5,000)
Total Receipts	\$ 140,587	141,305	718	\$ 135,035	132,026	(3,009)
DISBURSEMENTS						
Assessor	\$ 140,585	133,440	(7,145)	\$ 142,556	139,550	(3,006)
Total Disbursements	\$ 140,585	133,440	(7,145)	\$ 142,556	139,550	(3,006)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2	7,865	7,863	\$ (7,521)	(7,524)	(3)
CASH, JANUARY 1	53	53	-	7,577	7,577	-
CASH, DECEMBER 31	\$ 55	7,918	7,863	\$ 56	53	(3)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Law Enforcement Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,890	1,683	(207)	\$ 1,890	1,755	(135)
Charges for services	850	670	(180)	850	930	80
Interest income	-	1	1	1	-	(1)
Total Receipts	\$ 2,740	2,354	(386)	\$ 2,741	2,685	(56)
DISBURSEMENTS						
Sheriff	\$ 3,290	2,422	(868)	\$ 3,000	1,825	(1,175)
Total Disbursements	\$ 3,290	2,422	(868)	\$ 3,000	1,825	(1,175)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (550)	(68)	482	\$ (259)	860	1,119
CASH, JANUARY 1	1,143	1,143	-	283	283	-
CASH, DECEMBER 31	\$ 593	1,075	482	\$ 24	1,143	1,119

Prosecuting Attorney Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 445	397	(48)	\$ 480	449	(31)
Interest income	1	1	-	2	1	(1)
Total Receipts	\$ 446	398	(48)	\$ 482	450	(32)
DISBURSEMENTS						
Prosecuting Attorney	\$ 500	440	(60)	\$ 500	397	(103)
Total Disbursements	\$ 500	440	(60)	\$ 500	397	(103)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (54)	(42)	12	\$ (18)	53	71
CASH, JANUARY 1	868	868	-	815	815	-
CASH, DECEMBER 31	\$ 814	826	12	\$ 797	868	71

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Mark Twain Reservoir Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 440,200	-	(440,200)	\$ -	-	-
Interest income	5,500	8,656	3,156	6,000	10,775	4,775
Other	4,000	-	(4,000)	-	4,302	4,302
Operating transfers in	21,303	6,303	(15,000)	21,303	6,303	(15,000)
Total Receipts	\$ 471,003	14,959	(456,044)	\$ 27,303	21,380	(5,923)
DISBURSEMENTS						
Road projects	\$ 567,700	22,593	(545,107)	\$ 15,000	4,306	(10,694)
Total Disbursements	\$ 567,700	22,593	(545,107)	\$ 15,000	4,306	(10,694)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (96,697)	(7,634)	89,063	\$ 12,303	17,074	4,771
CASH, JANUARY 1	366,337	466,337	100,000	449,263	449,263	-
CASH, DECEMBER 31	\$ 269,640	458,703	189,063	\$ 461,566	466,337	4,771

Recorder's Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,000	6,130	1,130	\$ 7,000	7,888	888
Interest income	5	23	18	-	6	6
Total Receipts	\$ 5,005	6,153	1,148	\$ 7,000	7,894	894
DISBURSEMENTS						
Recorder of Deeds	\$ 5,000	3,766	(1,234)	\$ 3,560	3,615	55
Total Disbursements	\$ 5,000	3,766	(1,234)	\$ 3,560	3,615	55
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5	2,387	2,382	\$ 3,440	4,279	839
CASH, JANUARY 1	4,713	4,713	-	434	434	-
CASH, DECEMBER 31	\$ 4,718	7,100	2,382	\$ 3,874	4,713	839

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Pleasant View-Economic Development Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 5	5	-	\$ 15	14	(1)
Other	2,600	2,726	126	2,627	2,627	-
Operating transfers in	2,500	2,500	-	12,500	12,500	-
Total Receipts	\$ 5,105	5,231	126	\$ 15,142	15,141	(1)
DISBURSEMENTS						
Economic development	\$ 13,000	12,899	(101)	\$ 14,750	12,792	(1,958)
Total Disbursements	\$ 13,000	12,899	(101)	\$ 14,750	12,792	(1,958)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,895)	(7,668)	227	\$ 392	2,349	1,957
CASH, JANUARY 1	10,679	10,679	-	8,330	8,330	-
CASH, DECEMBER 31	\$ 2,784	3,011	227	\$ 8,722	10,679	1,957

Domestic Violence Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 400	381	(19)	\$ 350	440	90
Total Receipts	\$ 400	381	(19)	\$ 350	440	90
DISBURSEMENTS						
Payments to shelters	\$ 440	440	-	\$ 389	389	-
Total Disbursements	\$ 440	440	-	\$ 389	389	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (40)	(59)	(19)	\$ (39)	51	90
CASH, JANUARY 1	440	440	-	389	389	-
CASH, DECEMBER 31	\$ 400	381	(19)	\$ 350	440	90

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Election Machine Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 500	-	(500)	\$ 500	500	-
Interest income	5	16	11	15	16	1
Other	-	-	-	1,250	1,250	-
Total Receipts	\$ 505	16	(489)	\$ 1,765	1,766	1
DISBURSEMENTS						
Election machine expenses	\$ 1,500	539	(961)	\$ 4,314	1,394	(2,920)
Total Disbursements	\$ 1,500	539	(961)	\$ 4,314	1,394	(2,920)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (995)	(523)	472	\$ (2,549)	372	2,921
CASH, JANUARY 1	10,644	10,644	-	10,272	10,272	-
CASH, DECEMBER 31	\$ 9,649	10,121	472	\$ 7,723	10,644	2,921

Sheriff Civil Fees Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ 2,613	2,625	12
Charges for services	12,500	12,202	(298)	14,000	12,423	(1,577)
Interest income	50	28	(22)	30	54	24
Other	-	67	67	12	77	65
Total Receipts	\$ 12,550	12,297	(253)	\$ 16,655	15,179	(1,476)
DISBURSEMENTS						
Equipment and other	\$ 21,100	17,154	(3,946)	\$ 32,450	21,721	(10,729)
Total Disbursements	\$ 21,100	17,154	(3,946)	\$ 32,450	21,721	(10,729)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,550)	(4,857)	3,693	\$ (15,795)	(6,542)	9,253
CASH, JANUARY 1	21,825	21,825	-	28,367	28,367	-
CASH, DECEMBER 31	\$ 13,275	16,968	3,693	\$ 12,572	21,825	9,253

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Prosecuting Attorney Administrative Handling Cost Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,250	2,053	(197)	\$ 1,500	2,943	1,443
Interest income	2	10	8	-	3	3
Total Receipts	\$ 2,252	2,063	(189)	\$ 1,500	2,946	1,446
DISBURSEMENTS						
Prosecuting Attorney	\$ 1,500	1,144	(356)	\$ 1,500	1,033	(467)
Total Disbursements	\$ 1,500	1,144	(356)	\$ 1,500	1,033	(467)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 752	919	167	\$ -	1,913	1,913
CASH, JANUARY 1	2,016	2,016	-	103	103	-
CASH, DECEMBER 31	\$ 2,768	2,935	167	\$ 103	2,016	1,913

Election Services Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,500	2,239	739	\$ 500	1,515	1,015
Interest income	5	11	6	10	13	3
Other	-	-	-	500	225	(275)
Total Receipts	\$ 1,505	2,250	745	\$ 1,010	1,753	743
DISBURSEMENTS						
Election expenses	\$ 2,000	1,895	(105)	\$ 2,000	1,901	(99)
Total Disbursements	\$ 2,000	1,895	(105)	\$ 2,000	1,901	(99)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (495)	355	850	\$ (990)	(148)	842
CASH, JANUARY 1	7,633	7,633	-	7,781	7,781	-
CASH, DECEMBER 31	\$ 7,138	7,988	850	\$ 6,791	7,633	842

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Prosecuting Attorney Delinquent Sales Tax Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 5	5	-	\$ 5	5	-
Total Receipts	\$ 5	5	-	\$ 5	5	-
DISBURSEMENTS						
Prosecuting Attorney	\$ 5	5	-	\$ 1,007	7	(1,000)
Total Disbursements	\$ 5	5	-	\$ 1,007	7	(1,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	-	-	\$ (1,002)	(2)	1,000
CASH, JANUARY 1	3,224	3,224	-	3,226	3,226	-
CASH, DECEMBER 31	\$ 3,224	3,224	-	\$ 2,224	3,224	1,000

Local Emergency Planning Council Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 2,407	5,448	3,041	\$ 2,400	2,407	7
Other	-	-	-	5	-	(5)
Total Receipts	\$ 2,407	5,448	3,041	\$ 2,405	2,407	2
DISBURSEMENTS						
Equipment and other	\$ 2,407	2,654	247	\$ 2,836	2,843	7
Total Disbursements	\$ 2,407	2,654	247	\$ 2,836	2,843	7
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	2,794	2,794	\$ (431)	(436)	-
CASH, JANUARY 1	-	-	-	436	436	-
CASH, DECEMBER 31	\$ -	2,794	2,794	\$ -	-	-

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Collector's Tax Maintenance Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 11,350	11,688	338	\$ 11,200	12,019	819
Interest income	150	160	10	-	164	164
Total Receipts	\$ 11,500	11,848	348	\$ 11,200	12,183	983
DISBURSEMENTS						
Collector	\$ 37,320	25,711	(11,609)	\$ 22,320	6,157	(16,163)
Operating transfers out	-	5,800	5,800	-	5,800	5,800
Total Disbursements	\$ 37,320	31,511	(5,809)	\$ 22,320	11,957	(10,363)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (25,820)	(19,663)	6,157	\$ (11,120)	226	11,346
CASH, JANUARY 1	35,358	35,358	-	35,132	35,132	-
CASH, DECEMBER 31	\$ 9,538	15,695	6,157	\$ 24,012	35,358	11,346

County Law Enforcement Restitution Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 20,300	17,203	(3,097)	\$ 15,000	18,300	3,300
Interest income	50	29	(21)	50	57	7
Total Receipts	\$ 20,350	17,232	(3,118)	\$ 15,050	18,357	3,307
DISBURSEMENTS						
Equipment	\$ -	-	-	\$ 12,000	7,156	(4,844)
Prosecuting Attorney	4,985	1,870	(3,115)	8,000	2,584	(5,416)
Operating transfers out	26,000	25,941	(59)	28,000	25,721	(2,279)
Total Disbursements	\$ 30,985	27,811	(3,174)	\$ 48,000	35,461	(12,539)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,635)	(10,579)	56	\$ (32,950)	(17,104)	15,846
CASH, JANUARY 1	30,985	30,985	-	48,089	48,089	-
CASH, DECEMBER 31	\$ 20,350	20,406	56	\$ 15,139	30,985	15,846

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

DARE Donation Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ -	6	6	\$ 5	7	2
Other	1,550	2,620	1,070	1,200	1,400	200
Operating transfers in	1,000	-	(1,000)	-	-	-
Total Receipts	\$ 2,550	2,626	76	\$ 1,205	1,407	202
DISBURSEMENTS						
Supplies and dues	\$ 1,740	1,324	(416)	\$ 2,040	1,741	(299)
Total Disbursements	\$ 1,740	1,324	(416)	\$ 2,040	1,741	(299)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 810	1,302	492	\$ (835)	(334)	501
CASH, JANUARY 1	1,063	1,063	-	1,397	1,397	-
CASH, DECEMBER 31	\$ 1,873	2,365	492	\$ 562	1,063	501

Prisoner Inmate Detainee Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 2	7	5	\$ -	-	-
Other	1,000	3,763	2,763	-	849	849
Total Receipts	\$ 1,002	3,770	2,768	\$ -	849	849
DISBURSEMENTS						
Prisoner inmate expenses	\$ 750	208	(542)	\$ -	-	-
Total Disbursements	\$ 750	208	(542)	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 252	3,562	3,310	\$ -	849	849
CASH, JANUARY 1	849	849	-	-	-	-
CASH, DECEMBER 31	\$ 1,101	4,411	3,310	\$ -	849	849

MONROE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

County Sheriff's Revolving Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 14,600	6,414	(8,186)	\$ 6,000	14,564	8,564
Interest income	40	64	24	10	44	34
Total Receipts	\$ 14,640	6,478	(8,162)	\$ 6,010	14,608	8,598
DISBURSEMENTS						
Sheriff	\$ 15,860	14,279	(1,581)	\$ 7,602	4,410	(3,192)
Total Disbursements	\$ 15,860	14,279	(1,581)	\$ 7,602	4,410	(3,192)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,220)	(7,801)	(6,581)	\$ (1,592)	10,198	11,790
CASH, JANUARY 1	16,689	16,689	-	6,491	6,491	-
CASH, DECEMBER 31	\$ 15,469	8,888	(6,581)	\$ 4,899	16,689	11,790

Senate Bill 40 Board Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 114,991	110,458	(4,533)	\$ 113,864	110,107	(3,757)
Interest income	-	161	161	120	67	(53)
Other	15,000	60,338	45,338	50,000	15,737	(34,263)
Total Receipts	\$ 129,991	170,957	40,966	\$ 163,984	125,911	(38,073)
DISBURSEMENTS						
Nutrition Center	\$ 12,000	11,382	(618)	\$ 12,000	12,000	-
Salaries and taxes	7,356	6,913	(443)	7,356	7,020	(336)
Sheltered Workshop	54,995	54,995	-	52,495	52,495	-
Medicaid waiver match	20,000	20,000	-	20,000	20,000	-
Insurance	1,114	1,114	-	1,314	1,114	(200)
Learning Opportunities	23,833	23,833	-	19,633	19,633	-
Office expense	325	216	(109)	690	220	(470)
Targeted case management	13,809	13,809	-	50,557	15,430	(35,127)
Total Disbursements	\$ 133,432	132,262	(1,170)	\$ 164,045	127,912	(36,133)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,441)	38,695	42,136	\$ (61)	(2,001)	(1,940)
CASH, JANUARY 1	81,975	81,975	-	83,976	83,976	-
CASH, DECEMBER 31	\$ 78,534	120,670	42,136	\$ 83,915	81,975	(1,940)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, the Senate Bill 40 Board, or elected county officials.

The financial statements referred to above include the primary government of Monroe County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. This would include the Senate Bill 40 Board.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The Senate Bill 40 Board will prepare its budget document and submit its budget to the County Commission also.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The County or the Senate Bill 40 Board did not have any funds that reflected a deficit budgeted cash balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Senate Bill 40 Board, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission and the Senate Bill 40 Board for its budget document.
7. Subsequent to its formal approval of the budget, the County Commission and Senate Bill 40 Board have the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission or Senate Bill 40 Board. The County Commission amended budgets for various funds during the year ended December 31, 2014 and 2013.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and Senate Bill 40 Board.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2014 and 2013. The Prisoner Inmate Detainee Fund was established late in 2013 so a budget was not created.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Recorder's Fund for the year ended December 31, 2013 and for the Local Emergency Planning Council Fund for the year ended December 31, 2014 and 2013.

1. E. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. E. PROPERTY TAXES (CONTINUED)

The total assessed valuation for the county of the tangible property for calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
Real Estate	\$ 74,689,860	\$ 72,862,790
Personal Property	28,741,044	27,669,543
Railroad and Utilities	14,463,309	14,459,302
Total Assessed Valuation	\$ <u>117,894,213</u>	\$ <u>114,991,635</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
General Revenue Fund	\$ 0.2850	\$ 0.2850
Special Road and Bridge Fund *	0.2983	0.2971
Senate Bill 40 Board Fund	0.1000	0.1000

* The county retains all tax proceeds from areas not within special road districts. The county has two road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

1. F. SALES TAXES AND USE TAX

The county has the following sales tax and use tax rates:

General sales tax-subject to rollback 50%	\$.00500
General sales tax	<u>.00500</u>
Total sales tax rate	\$ <u>.01000</u>
Use tax	\$.01000

1. G. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

I. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "operating transfers in" by the recipient fund and as "operating transfers out" by the disbursing fund. Transfers between funds for the years ended December 31, 2014 and 2013 were as follows:

FUNDS:	Year Ended December 31, 2014	
	Transfers In	Transfers Out
General Revenue	\$ 61,185	\$ 66,964
Special Road and Bridge	48,985	29,443
Assessment	9,175	-
Mark Twain Reservoir	6,303	-
Pleasant View-Economic Development	2,500	-
Collector's Tax Maintenance	-	5,800
County Law Enforcement Restitution	-	25,941
Totals	\$ 128,148	\$ 128,148

FUNDS:	Year Ended December 31, 2013	
	Transfers In	Transfers out
General Revenue	\$ 60,964	\$ 20,003
Special Road and Bridge	-	29,443
Assessment	1,200	-
Mark Twain Reservoir	6,303	-
Pleasant View-Economic Development	12,500	-
Collector's Tax Maintenance	-	5,800
County Law Enforcement Restitution	-	25,721
Totals	\$ 80,967	\$ 80,967

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2014 and 2013, the published financial statements included all applicable funds. The Senate Bill 40 Board also published its financial statements for the two years ended December 31, 2014.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All bank balances at the depository banks at December 31, 2014 and December 31, 2013 were covered by federal depository insurance and additional collateral securities held at the County's safekeeping bank agent in the County's name or by its agent in the County's name.

The Senate Bill 40 Board's deposits at December 31, 2014 and 2013 were not exposed to custodial credit risk because they were entirely covered by federal depository insurance or by collateral securities held by the board's custodial bank in the board's name.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Monroe County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of credited service will be refunded accumulated plan contributions. As of December 31, 2014, Monroe County had 41 employees enrolled in LAGERS.

3) Funding Policy

Monroe County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2014 is 10.1% (general) and 10.6% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2014 and 2013, total payments to LAGERS were \$120,078 and \$137,906, respectively.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any County elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each County of the state, except for any city not within a County and any County of the first classification having a charter form of government. It does not include County prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; County sheriffs covered under sections 57.949 to 57.997, RSMo; and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

As of December 31, 2014, Monroe County had 49 employees enrolled in CERF.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203 or toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF total contributions of \$19,691, and \$13,354, respectively, for the years then ended.

C. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$2,244 for each of the years ended December 31, 2014 and 2013.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Vacation time is accrued for every full-time employee that has completed twelve consecutive calendar months of service and accrues at different rates up to a maximum of 160 hours per year. All vacation earned in one year must be taken in its entirety each calendar year. Compensation for unused vacation is at the discretion of the County Commission. The County provides full-time employees from the first month of employment one day (8 hours) of sick leave time per month and may accumulate to a maximum of 60 days. Sick leave is not paid upon termination of employment unless an employee leaves after 15 years of service, where the employee receives \$25 a day for accrued sick leave. Vacation and personal leave amounts are reported as disbursements when they are paid.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

The county has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
TWO YEARS ENDED DECEMBER 31, 2014

NOTE 6. RISK MANAGEMENT

The County carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The County is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. COOPERATIVE AGREEMENT AND CONTRACTS

- A. The County Commission entered into an annual cooperative agreement with the U.S. Army Corps of Engineers to provide law enforcement services for the Mark Twain Lake and Clarence Cannon Dam areas during the recreation season. The County received \$34,032 and \$31,015 for 2014 and 2013, respectively, for these services.
- B. The County Commission entered into an annual contract with the City of Madison to provide law enforcement services for the City. The County received \$12,000 for both 2014 and 2013, respectively.
- C. The County Commission entered into an agreement on January 27, 2014 for the purchase of voting machines, including hardware, software, training, and services. The total cost under the contract is \$71,820 with additional service fees of \$7,035 waived for 2014 and 2015. The agreement is for 48 months with four annual payments of \$18,000 plus fees for 2016 and 2017. At December 31, 2014, the County owed the following amounts:

<u>Year Ended December 31,</u>	<u>Principal</u>
2015	\$ 18,000
2016	18,000
2017	25,035
2018	25,035
Totals	<u>\$ 86,070</u>

- D. The County Commission entered into an agreement on June 23, 2014 with a company for software purchase for the Assessor and Collector. The agreement covers four years with annual payments starting in 2014 of \$27,595. The remaining amount on the agreement as of December 31, 2014 is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>
2015	\$ 27,595
2016	27,595
2017	27,595
Totals	<u>\$ 82,785</u>

SUPPLEMENTARY INFORMATION

MONROE COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2014	2013
U. S. DEPARTMENT OF JUSTICE				
	Passed through state:			
	Department of Public Safety-			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	44-6000987	-	2,613
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-39	-	79,838
		BRO-40	377,853	38,887
		BRO-41	26,100	21,839
		BRO-42	181,913	31,165
GENERAL SERVICES ADMINISTRATION				
39.011	Passed through state:			
	Office of Secretary of State-			
	Election Reform Payments	N/A	885	819
ELECTION ASSISTANCE COMMISSION				
	Passed through state:			
	Office of Secretary of State-			
90.401	Help America Vote Act Requirements Payments	N/A	-	2,069
Total Expenditures of Federal Awards			\$ 586,751	\$ 177,230

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

MONROE COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Monroe County, Missouri.

B. BASIS OF PRESENTATION

OMB Circular A-133 includes these definitions, which govern the contents of the schedule.

Federal financial assistance means assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

D. MATCHING REQUIREMENTS

Certain Federal programs require that the county contribute non-federal funds (matching funds) to support the federally-funded programs. The county has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

NOTE 2. SUBRECIPIENTS

The county provided no federal awards to subrecipients during the years ended December 31, 2014 and 2013.

COMPLIANCE SECTION

July 10, 2015

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Commission
and Officeholders of
Monroe County, MO

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the county funds of Monroe County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Monroe County, Missouri's basic financial statements, and have issued our report thereon dated July 10, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2014-01 that we consider to be a significant deficiency.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

However, we noted one immaterial instance of noncompliance and other matters we have reported to Monroe County, Missouri in the accompanying Summary of Findings and Responses as item 1.

Monroe County, Missouri's Responses to Findings

Monroe County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Monroe County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

July 10, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

To the County Commission
and Officeholders of
Monroe County, MO

Report on Compliance for Each Major Federal Program

We have audited Monroe County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Monroe County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Monroe County, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Monroe County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Monroe County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Monroe County, Missouri's compliance.

Opinion on Major Federal Program

In our opinion, Monroe County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2014 and 2013.

Report on Internal Control over Compliance

Management of Monroe County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Monroe County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133 (CONTINUED)**

the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Monroe County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

MONROE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGERIALS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

**MONROE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

SECTION II – FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

2014-01 County's Financial Statements per the County Budget Documents Not Properly Stated

Condition: The County's budget documents prepared and approved and submitted to the State Auditor's Office for the years ended December 31, 2014 and 2013 materially misclassified various classifications of receipts in many county funds. All revenues in all county funds were properly accounted for but misclassifications occurred as follows:

- A. Many funds showed several classifications of intergovernmental receipts on the budget documents when they should have been classified as Sales Tax, Property Tax, or Charges for Services. Several funds showed classifications of grants and fees under Other Revenues when they should have shown under the classification of Intergovernmental or Charges for Services.
- B. The Mark Twain Reservoir Fund on the budget document showed a \$100,000 certificate of deposit cashed in 2013 and 2014 as a receipt and expenditure within the fund thereby overstating receipts and disbursements. In addition, a budgeted amount for \$100,000 was also shown as an estimated receipt on the 2014 budget thereby causing the estimated ending cash balance at December 31, 2014 to be understated by the \$100,000.

In addition, the budget document for this fund did not include the interest income on the certificates of deposit held for both 2014 and 2013 and did not include the total of the certificates of deposit in the beginning and ending cash balances on the budget documents for both years. The cash balance presented only indicated what the actual cash balance was for the bank account.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded on the budget documents.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within many county funds. For the audit report financial statements, the various misclassifications of receipts for all funds were corrected and properly stated for both 2014 and 2013. The cash and certificate of deposit balances were properly stated for the Mark Twain Reservoir Fund for both 2014 and 2013.

Recommendations:

1. The County Commission and County Clerk take more care in preparation of the budget document each year to ensure that the classifications of receipts within the county funds are properly stated.
2. The County should ensure budget documents contain all interest income and certificate of deposit balances for the Mark Twain Reservoir Fund as part of its beginning and ending cash balances and do not report a certificate of deposit being cashed as a receipt or disbursement within the fund.

**MONROE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Response: The Monroe County Commission and the Monroe County Clerk will try to adhere to the recommendation of the auditor by taking more care in preparation of the budget to ensure that classifications of grants and fees within county funds are properly stated. We will continue to document all interest income and certificate of deposit balances for the Mark Twain Reservoir Fund and ensure that all budget documents reflect as such.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings reported concerning federal awards.

MONROE COUNTY, MISSOURI
SUMMARY OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NONCOMPLIANCE OR OTHER MATTERS

1. Budgetary Procedures not in Compliance with State Law

Condition: We noted the following issues with the county's budgeting process during our audit:

- A. Total expenditures of the Recorder's Fund and the Local Emergency Planning Council Fund exceeded the total budgeted appropriations for the year ended December 31, 2013 by \$55 and \$7, respectively. The Local Emergency Planning Council Fund expenditures also exceeded the total budgeted appropriation by \$247 for the year ended December 31, 2014. No amended budgets were prepared for these funds by the County Commission.
- B. The County Commission and County Clerk did not include the long-term contracts for the purchase of election machines and accompanying services and the purchase of computer software in the section of the budget document for Long-Term Contracts and Leases for the year ended December 31, 2014. This section reports the beginning balances, additions, principal payments, and the ending balance for each type of long-term contract.

Criteria: Section 50.540 RSMo, requires that a budget be prepared for all county funds and that the budget be revised prior to authorizing expenditures in excess of the budget. Section 50.540 RSMo, also requires the completion of a budget document that includes all information for the County for the ensuing year.

Cause: County officials did not prepare proper amended budgets and did not prepare a budget document in 2014 that would include all information pertaining to the County for the ensuing year.

Effect: The County Commission, County Clerk, and other County officials did not follow state law on the preparation of budget documents and expenditures of funds.

Recommendation:

- 1. The County Commission and County Clerk keep total expenditures within the total appropriation for each fund for each year or prepare a budget amendment for any funds that will exceed the total budgeted appropriation.
- 2. The County Commission and County Clerk include any long-term agreements, contracts, or long-term debt in the applicable section of the budget document.

Response: In response to the overage expenditure of the Recorder's Special Fund in the year 2013, that specific office had technology difficulty which resulted in new equipment to operate that office.

In response to the expenditures of the Local Emergency Planning Committee, those funds are received by the county from the state every year, amount undetermined, which is then transferred to the regional Local Emergency Planning District. It is difficult to determine the total amount to transfer at the beginning of the budget year. These specific funds were sent to the county in excess of the budgeted amount at the end of the year 2014 that the county commission disbursed to the Local Emergency Planning District; however, unfortunately, this was not listed in the budget. We will continue to estimate how much in funds we suspect will be given to the county each year and document it as such.

MONROE COUNTY, MISSOURI
SUMMARY OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

In response to amending a budget to reflect the \$7 and \$55 overage amount in the year 2013, the Monroe County Commission did not feel it was fiduciary responsible to incur fees in an amount in excess of the overage amounts reflected in order to amend the county budget.

The Monroe County Commission and the Monroe County Clerk have always made public the long-term services and contracts that are held within the county. However, we will try to adhere to the auditor's recommendation of supplying those amounts within the county budget. This will be reflected in the 2016 Monroe County budget.

MONROE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on the action taken by Monroe County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2012.

1. An auditor assisting with clients on the preparation of the financial statements is at least indicative of a significant deficiency.

Status: Partially implemented. The County is under the regulatory basis by preparation of a budget document to the state and this is used as its financial statements. The County does assist in reviewing the audit report and financial statements to take responsibility but more responsibility in the accurate preparation of the budgets should be made. See current finding 2014-01.

2. Inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: Implemented. An internal control policy document has been prepared by the County Clerk and Treasurer and approved by the county.

3. The County did not have a formal fraud risk assessment in place.

Status: Partially implemented. The County is presently working on developing a fraud risk policy to be added to the internal control policy.

4. Actual expenditures exceeded the budgeted expenditures for the year ended December 31, 2012 in the Recorder's Fund and the Pleasant View Economic Development Fund.

Status: Not implemented. Actual expenditures exceeded total budgeted expenditures in the Recorder's Fund for the year ended December 31, 2013 and in the Local Emergency Planning Council Fund for the year ended December 31, 2014 and 2013. See current finding 2014-02.

5. Not all applicable county funds were published in the newspaper as required by state law.

Status: Implemented.



Nicole R. Galloway, CPA
Missouri State Auditor

Monroe County



September 2015
Report No. 2015-083

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Monroe County

Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney does not document her limited review of the accounting records. The Prosecuting Attorney does not maintain a receipt log or require the use of prenumbered receipt slips and does not have a procedure to account for the numerical sequence of receipt slips. The Prosecuting Attorney does not prepare bank reconciliations and had not done so since the current restitution account opened in August 2013. Lastly, the Prosecuting Attorney has been collecting a Missouri Office of Prosecution Services fee on court-ordered restitution cases, which state law does not allow.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting records. The Sheriff's office commissary procedures need improvement. Deposit slips do not accurately reflect the composition of monies deposited.
County Procedures	The Sheriff authorized \$9,503 of unallowable disbursements from the Sheriff's Revolving Fund during 2014. The county does not reconcile fuel usage to fuel purchases. The county has not developed formal procedures to adequately account for the sale of culverts, does not maintain a log of culvert sales, and does not collect retail sales tax on sales for private purposes. The County Clerk does not maintain centralized records of compensatory time for Sheriff's office employees.
Senate Bill Board 40	The Senate Bill 40 Board did not prepare the 2015 budget timely and did not file formal budgets with the State Auditor's office for 2014 and 2015.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was Fair.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Monroe County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Prosecuting Attorney's Controls and Procedures	4
2. Sheriff's Controls and Procedures	7
3. County Procedures	9
4. Senate Bill 40 Board.....	12

Organization and Statistical	13
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Monroe County

We have audited certain operations of Monroe County in fulfillment of our duties under Section 29.230, RSMo. In addition, Beard-Boehmer and Associates, Certified Public Accountants, was engaged to audit the financial statements of Monroe County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

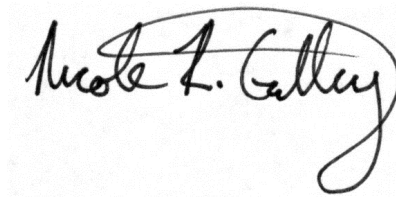
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Monroe County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Sherrye Lesmes Shannon Spicer

Monroe County

Management Advisory Report

State Auditor's Findings

1. Prosecuting Attorney's Controls and Procedures

Weaknesses exist in controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collects bad checks and court-ordered restitution and related fees. The office accepts checks from courts and only money orders from any other source. Checks are deposited and monies are disbursed to the appropriate parties. Money orders for restitution are generally transmitted directly to the victim and money orders for fees are transmitted to the County Treasurer. The Prosecuting Attorney's office collected at least \$5,700 in restitution payments and \$2,000 in fees during the year ended December 31, 2014.

1.1 Supervisory review

The Prosecuting Attorney does not document her limited review of the accounting records. The Prosecuting Attorney has only one employee. The Administrative Assistant collects monies, records transactions, makes deposits, prepares disbursement checks, and transmits monies. Sometimes the Prosecuting Attorney also performs accounting duties. The Prosecuting Attorney indicated she reviews all individual files, which include records of receipts, disbursements, and transmittals, on a case by case basis but she does not document her review. In addition, the Prosecuting Attorney does not maintain summary records of receipts, disbursements, and transmittals for comparison to the records in the individual case files. As a result, there is less assurance all transactions are accounted for properly and accounting records are complete and accurate.

Thorough documented supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded.

1.2 Receipting

The Prosecuting Attorney does not maintain a receipt log or require the use of prenumbered receipt slips and does not have a procedure to account for the numerical sequence of receipt slips. In addition, the Administrative Assistant does not restrictively endorse money orders received for fees payable to the county treasury. The Prosecuting Attorney does not prepare a monthly report of fees. The former Administrative Assistant generated receipt slips from a computer template and manually entered the receipt number. The current Administrative Assistant began using prenumbered receipt slips in January 2015. These receipt slips are placed in individual case files and recorded on an individual case log. A cash count performed on February 18, 2015, identified one check and 6 money orders totaling \$625 with dates ranging from January 7 to February 11, 2015. No receipt slips had been issued for any of these payments. Because the Prosecuting Attorney does not maintain adequate receipt records, it is not clear when the office received these payments. Two of the items were to be deposited into the bank account and were not restrictively endorsed. The other 5 items were payable to the party due the restitution. We also noted the Prosecuting Attorney's office transmitted \$300 to the County Treasurer on February 19, 2015. This money was not included in the cash count on February 18, 2015, and no receipt slip had been issued. The Administrative Assistant indicated



Monroe County Organization and Statistical Information

she must have overlooked this payment since it had been put in a file that had been pulled for processing. According to the bad check log, the Administrative Assistant had received this payment on February 4, 2015.

To adequately account for receipts and reduce the risk of loss, theft, or misuse of funds, official prenumbered receipt slips should be issued for all monies immediately upon receipt, receipts should be recorded on a log when received, and the numerical sequence of those receipt slips should be accounted for. Receipts payable to the county treasury should be restrictively endorsed immediately upon receipt, and monies should either be deposited or transmitted timely. In addition, Section 50.370, RSMo, requires every county official who receives any fees or remuneration for official services to file a monthly report with the county and pay such monies to the County Treasurer.

1.3 Bank reconciliations and unidentified monies

The Prosecuting Attorney does not prepare bank reconciliations. The Prosecuting Attorney had not prepared bank reconciliations for the current restitution account since the account was opened in August 2013. Also, bank reconciliations for the old restitution account had not been prepared since at least September 2011. This account was used until February 2014. The bank balance for the account was \$2,862 as of December 31, 2014. Our review of bank statements and other records for this account identified \$756 in outstanding checks from 2012 and 2013; \$500 for 6 outstanding checks from 2008 to 2010 where a stop payment order was issued in 2011, but replacement checks were not issued; and \$246 in accumulated interest, leaving unidentified monies totaling \$1,360.

Preparing monthly bank reconciliations is necessary to ensure accounting records are in balance and to identify errors timely. Proper follow-up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise allowed by state law. Maintaining unidentified bank balances increases the risk of loss, theft, or misuse of such funds. Various statutory provisions address the disposal of unidentified monies.

1.4 MOPS fees

The Prosecuting Attorney has been collecting the \$5 Missouri Office of Prosecution Services (MOPS) fee on court-ordered restitution cases even though Section 559.100.3, RSMo, does not provide for a fee on such cases.

Similar conditions previously reported

Similar conditions to sections 1.1, 1.2, and 1.3 were noted in our prior 2 audit reports.



Monroe County
Organization and Statistical Information

Recommendations

The Prosecuting Attorney:

- 1.1 Ensure periodic supervisory reviews of accounting records are performed and documented.
- 1.2 Ensure official prenumbered receipt slips are issued for all receipts, all receipts are recorded on a log and restrictively endorsed when received, and these monies are either deposited or transmitted timely. In addition, the Prosecuting Attorney should account for the numerical sequence of receipt slips. The Prosecuting Attorney should also file a monthly report of fees with the County Commission and remit those fees to the County Treasurer.
- 1.3 Prepare formal bank reconciliations monthly and investigate and resolve any differences between the accounting records and bank reconciliations. In addition, the Prosecuting Attorney should establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. The Prosecuting Attorney should also prepare a monthly list of liabilities for the old restitution account and compare to the reconciled bank balance. Amounts identified for which payees cannot be located and any remaining unidentified monies should be disposed of in accordance with state law.
- 1.4 Stop assessing and collecting MOPS fees on court-ordered restitution cases.

Auditee's Response

1.1- 1.4 Our office collects restitution on behalf of crime victims when restitution is ordered by the Court and in certain circumstances without a court order. I will develop written policies regarding the following procedures taking into account the recommendations of the State Auditor's office.

When each payment is received, the offender is issued a receipt for their payment. Until December 2014, we only accepted money orders made out directly to the County for fees and directly to the victim for restitution. Money orders to the county were transmitted to the County Treasurer and money orders made out to victims were transmitted to the victim along with a letter, which included the following information: the money order number, the amount of the money order enclosed, whether or not the money order represented full or partial restitution, and if partial, the amount the offender still owed if it was being paid in monthly installments. Letters were mailed to the offenders after every payment, which included the following information: the total amount of restitution and fees ordered by the court, the monthly payment amount ordered by the



Monroe County Organization and Statistical Information

court if applicable, the date the next payment was due if applicable, who the money order should be made out to, and the remaining balance owed after the last payment was received.

In addition for each order of restitution, an excel spreadsheet was kept that identified the offender's name, case number, restitution ordered, fees ordered, the order date, the victim's name and address, the date of each payment received, the amount received, and the remaining balance owed in restitution and fees. Therefore, for every payment of restitution, the file contains the following five documents: a copy of the money order, a receipt for the money order, a letter to the victim, a letter to the offender, and a spreadsheet. Those documents are reviewed as a part of the criminal case in which they are ordered.

I met with representatives of the State Auditor's office on numerous occasions and made all of my office's files available to those representatives. Based on those discussions, I understand that they believe we can improve our accounting procedures by switching from electronically created receipts to a preprinted booklet and by initialing the above-mentioned documents. Those changes have already been made. We have also discontinued collection of MOPS fees for restitution cases not related to bad checks. I have no concerns about timely receipting and disbursement as we had temporarily adapted our procedure due to training a new employee after the election of Christina Buie as County Clerk.

The main goal and focus of this office is and always has been the protection of the community. We will continue to work hard to ensure the families that call Monroe County home are safe, and that those that fall victim to property crimes are made whole through collection and remittance of restitution.

2. Sheriff's Controls and Procedures

Weaknesses exist in controls and procedures in the Sheriff's office. The Sheriff's office collected monies for civil and criminal fees, concealed carry weapon permits, bonds, jail phone commissions, commissary commissions, and other miscellaneous receipts totaling approximately \$51,000 for the year ended December 31, 2014.

2.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting records. The Sheriff's secretary is responsible for receipting, recording, depositing, disbursing monies received, and reconciling bank accounts. While the Sheriff performs and documents his review of the monthly bank reconciliations, a comparison of monies received to those deposited is not performed.



Monroe County Organization and Statistical Information

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate independent or supervisory review of bank and accounting records.

2.2 Commissary profits and inventory

The Sheriff's office commissary procedures need improvement. During the year ended December 31, 2014, the Sheriff's office spent \$2,878 from the General Revenue (GR) Fund for phone cards and electronic cigarettes to sell in the commissary and remitted \$6,260 in sale proceeds to the GR Fund. Phone cards and electronic cigarettes are the only commissary items for sale.

Commissary profits

The Sheriff is not remitting commissary profits to the Inmate Prisoner Detainee Security Fund. All proceeds are remitted to the GR Fund.

Section 221.102, RSMo (effective August 28, 2013), requires each county jail to keep revenues from its canteen or commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (profits) into the county Inmate Prisoner Detainee Security Fund.

Inventory of commissary items

The Sheriff's office does not maintain records to account for phone cards and electronic cigarettes purchased and sold to inmates, and inventory remaining on hand, or conduct periodic physical inventory counts. As a result, records and procedures are not sufficient to account for these items or monies collected, and loss, theft, or misuse may go undetected.

Detailed inventory records are necessary to account for phone cards and electronic cigarettes. Comparisons of purchases and sales of phone cards and electronic cigarettes to inventory records are necessary to ensure these items and associated monies are properly recorded and handled.

2.3 Deposits

Deposit slips do not accurately reflect the composition of monies deposited. The Sheriff's secretary lists all receipts individually in the check section of the deposit slip regardless of the method of payment. She indicated she generally tries to also put the total amount of cash in the cash section. Our review of July 2014 deposits found cash amounts were noted on 5 of the 7 deposit slips for the criminal account but all deposit slips should have had a cash amount indicated. For the civil account, cash should have been noted on one of the 8 deposit slips reviewed. As a result, the composition of receipts cannot be reconciled to the composition of deposits.

Failure to implement adequate depositing procedures increases the risk that loss, theft, or misuse of monies will go undetected and accounting records will contain errors.



Monroe County
Organization and Statistical Information

Similar conditions
previously reported
Recommendations

Similar conditions to sections 2.1 and 2.3 were noted in our prior audit report.

The Sheriff:

- 2.1 Segregate accounting duties to the extent possible or ensure an adequate independent or supervisory review of bank and accounting records is performed and documented.
- 2.2 Ensure commissary profits not necessary to meet cash flow needs or current operating expenses are turned over to the County Treasurer for deposit to the Inmate Prisoner Detainee Security Fund. In addition, the Sheriff should maintain inventory records of phone cards and electronic cigarettes, reconcile these records to phone cards and electronic cigarettes purchased and sold, and perform periodic physical inventory counts.
- 2.3 Ensure the composition of receipts is properly noted on the deposit slip and reconcile the composition of receipts to the composition of deposits.

Auditee's Response

- 2.1 *I will segregate duties to the extent possible. I will ensure a supervisory review is performed and documented.*
- 2.2 *I will ensure commissary profits are turned over to the Inmate Prisoner Detainee Security Fund. I will ensure inventory records are maintained and periodic physical inventories are performed.*
- 2.3 *I will ensure the composition of receipts is noted on the deposit slips and is reconciled to the composition of deposits.*

3. County Procedures

Disbursements from the Sheriff's Revolving Fund were not always appropriate. Improvements are needed in the county's procedures over fuel and culvert sales. Centralized leave records for compensatory time for Sheriff's office employees are not maintained.

3.1 Sheriff's Revolving Fund

The Sheriff authorized \$9,503 of unallowable disbursements from the Sheriff's Revolving Fund during 2014 out of disbursements totaling \$14,279. None of these purchases were related to the issuance of concealed carry weapon permits as required by state law. The unallowable disbursements were for computers and computer accessories totaling \$8,040 and jail administration software for \$1,463.

Per Section 50.535, RSMo, Sheriff's Revolving Fund monies are to be used to make necessary expenditures to process applications for concealed carry endorsements or renewals, including but not limited to the purchase of



Monroe County Organization and Statistical Information

equipment, training, fingerprinting, background checks, and employment of additional personnel.

3.2 Fuel

The county does not reconcile fuel usage to fuel purchases. The road and bridge department maintains 2 diesel tanks and a gasoline tank at the road and bridge building and one diesel tank at an employee's residence. The fuel tanks are metered. The county paid approximately \$116,000 for fuel during the year ended December 31, 2014.

The road and bridge department and the County Assessor's employees prepare multiple records regarding fuel use (fuel and usage logs and spreadsheets to calculate miles or hours per gallon) but they do not reconcile these records to fuel purchases.

Procedures for reviewing fuel use and reconciling use to purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements, prevent paying vendors for improper billing amounts, and decrease the risk of theft or misuse of fuel occurring without detection.

3.3 Culvert sales

The county has not developed formal procedures to adequately account for sale of culverts, does not maintain a log of culvert sales, and does not collect retail sales tax on sales for private purposes. The county charges residents for the materials, equipment, and labor to install driveway culverts in county right-of-ways. The county also sells culverts to residents, cities, and road districts. Total receipts from culvert sales were approximately \$12,000 for the year ended December 31, 2014. Our review noted the following concerns:

- The county has not developed formal policies and procedures related to culvert sales. Road districts, cities, and residents contact the road and bridge department when purchasing culverts. The county should evaluate the practice of selling culverts and develop a formal policy regarding performing these services. In addition, selling culverts may compete with private businesses performing this service. Formal written policies should be developed to document the county-related purpose, ensure all county residents are treated equally, and prevent misunderstandings.
- The county does not maintain a log of culverts sold. For each culvert installation or sale, the road and bridge supervisor prepares a handwritten unnumbered invoice that is provided to the County Clerk's office. The County Clerk's office prepares and sends the bill and receives payments from culvert sales. Bills are kept in a pending file until paid at which time they are moved to a paid file. To ensure all culverts sold are properly charged, billed, and collected, a log of culverts sold should be maintained and kept current. In addition, the



Monroe County Organization and Statistical Information

invoices prepared by the road and bridge supervisor should be prenumbered and their numerical sequence accounted for.

- The county does not collect retail sales tax on culverts sold for private purposes. As a result, county residents avoided paying sales tax on these purchases. The county may have circumvented sales tax law by selling culverts for private purposes and not collecting and remitting retail sales tax.

3.4 Compensatory time

Although maintained for all other county employees, the County Clerk does not maintain centralized records of compensatory time for Sheriff's office employees.

Without an adequate review process and centralized compensatory time records, the County Commission cannot ensure employee compensatory time balances are accurate and in compliance with county policy. Centralized records also limit potential disputes over amounts owed when an employee stops working for the county, and demonstrate compliance with the Fair Labor Standards Act.

Similar conditions previously reported Recommendations

Similar conditions to sections 3.1 and 3.2 were noted in our prior audit report.

The County Commission:

- 3.1 And the Sheriff use Sheriff's Revolving Fund monies in accordance with state law.
- 3.2 Ensure fuel purchases are reconciled to fuel usage and investigate any significant discrepancies.
- 3.3 Develop formal policies and procedures regarding culvert sales and ensure an adequate log of culverts sold is maintained, account for the numerical sequence of invoices submitted by the road and bridge supervisor, and reconcile all billings to receipts on a periodic basis to ensure outstanding receivables are collected. The county should contact the Department of Revenue regarding the collection and remittance of retail sales tax on sales intended for private purposes.
- 3.4 And County Clerk ensure centralized compensatory time records are maintained for all county employees.



Monroe County
Organization and Statistical Information

Auditee's Response

The County Commission provided the following responses:

- 3.1 *We and the Sheriff agree the Sheriff will use the Sheriff's Revolving Fund in accordance with state law.*
- 3.2 *We have already implemented the recommendation of reconciling fuel purchases and usage.*
- 3.3 *We will develop a formal policy procedure for culvert sales and will develop a log of culvert sales. In addition, the County Clerk will check into collecting retail sales tax with the Department of Revenue.*
- 3.4 *We and the County Clerk will ensure centralized compensatory time records are maintained for all county employees.*

The Sheriff provided the following response.

- 3.1 *I will use the Sheriff's Revolving Fund in accordance with state law.*

4. Senate Bill 40 Board

The Senate Bill 40 Board did not prepare the 2015 budget timely and did not file formal budgets with the State Auditor's office for 2014 and 2015. The 2015 budget form that was prepared at our request by the Board Administrator in March 2015 contained many errors. The Board Administrator submitted a corrected budget form in April 2015. A 2014 budget was on file in the County Clerk's office; however, it had not been forwarded to the State Auditor's office.

Budget documents are an essential tool for the efficient management of finances and should be prepared annually at the beginning of each fiscal year. In addition, Section 50.740, RSMo, requires budgets to be submitted to the State Auditor's office.

A similar condition was noted in our 2 prior reports.

Recommendation

The Senate Bill 40 Board ensure accurate and complete budgets are submitted to the State Auditor's office as required by state law.

Auditee's Response

The Senate Bill 40 Board will appoint a 3 person budget committee to ensure by January 31 each year an accurate and completed copy of the budget for the present year is submitted electronically and mailed to the State Auditor's office and to the County Clerk's office as required by state law. Letters acknowledging receipt of the budget will be requested from the County Clerk's office and the State Auditor's office and will be attached to the budget.

Monroe County

Organization and Statistical Information

Monroe County is a county-organized, third-class county. The county seat is Paris.

Monroe County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 34 full-time employees and 8 part-time employees on December 31, 2014.

In addition, county operations include a Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Michael Minor, Presiding Commissioner	\$	27,080
Glenn E. Turner, Associate Commissioner		25,080
Mike Whelan, Associate Commissioner		25,080
Merry Sue Meals, Recorder of Deeds		38,000
Sandra Francis, County Clerk		38,000
Talley Kendrick, Prosecuting Attorney		45,000
J. David Hoffman, Sheriff		42,000
Rita C. Wilkerson, County Treasurer		38,000
James K. Reinhard, County Coroner		11,000
Marguerite Jones, Public Administrator		20,000
Anita Dunkle, County Collector, year ended February 28,	38,000	
Judy Harmon, County Assessor, year ended August 31,		38,000



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Douglas County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Douglas County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-084

**The County of Douglas
Ava, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2014 & 2013**



**The County of Douglas
Ava, Missouri
Table of Contents**

<u>Financial Section</u>	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2014.....	3
For the year ended December 31, 2013.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2014 and 2013.....	5
Notes to the Financial Statements.....	17
<u>Compliance Section</u>	
Report on Internal Control over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	27
Schedule of Findings and Responses.....	29
Schedule of Prior Year Audit Findings.....	31



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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Douglas County, Missouri

We have audited the accompanying financial statements of Douglas County, Missouri, as of and for the years ended December 31, 2014 and 2013, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Douglas County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

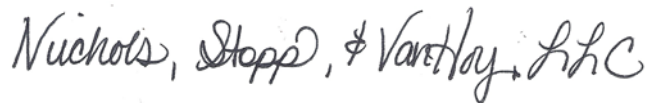
In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Douglas County, Missouri, as of December 31, 2014 and 2013, or the changes in its financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Douglas County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2015, on our consideration of Douglas County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Douglas County, Missouri’s internal control over financial reporting and compliance.

A handwritten signature in dark ink, reading "Nichols, Stopp, & VanHoy, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
August 12, 2015

The County of Douglas
Ava, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2014

<u>Fund</u>	Cash and Equivalents January 1, 2014	Receipts 2014	Disbursements 2014	Cash and Equivalents December 31, 2014
General Revenue	\$ 205,502	\$ 1,757,825	\$ 1,653,873	\$ 309,454
Special Road and Bridge	158,717	1,134,895	1,135,296	158,316
Assessment	15,916	150,513	151,302	15,127
Sheriff's Training	5,737	3,326	3,630	5,433
Sheriff's Civil Service Fee	2,134	5,990	4,296	3,828
Law Enforcement	4,715	8,131	-	12,846
Sheriff's Revolving	3,004	13,647	12,083	4,568
Inmate Security	7,577	5,336	3,887	9,026
Prosecuting Attorney Training	321	534	700	155
Prosecuting Attorney Bad Check	1,802	12,584	11,855	2,531
Prosecuting Attorney Delinquent Tax	162	360	517	5
Election Services	6,690	3,270	665	9,295
Collector's Tax Maintenance	12,229	14,386	23,331	3,284
Recorder's User Fee	424	7,315	6,388	1,351
Victims of Domestic Violence	487	1,090	1,475	102
Election Improvement	24,400	2,000	-	26,400
Emergency Management	7,070	8,913	12,147	3,836
Local Emergency Planning Commission	3,306	2,051	1,018	4,339
Hemp	1,000	-	-	1,000
Addressing Location Project	-	15,741	14,800	941
Senate Bill 40 Board	94,458	113,549	112,970	95,037
Total	<u>\$ 555,651</u>	<u>\$ 3,261,456</u>	<u>\$ 3,150,233</u>	<u>\$ 666,874</u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2013

<u>Fund</u>	Cash and Equivalents January 1, 2013	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue	\$ 116,315	\$ 1,646,134	\$ 1,556,947	\$ 205,502
Special Road and Bridge	264,422	1,061,244	1,166,949	158,717
Assessment	19,868	143,679	147,631	15,916
Sheriff's Training	4,736	3,116	2,115	5,737
Sheriff's Civil Service Fee	2,023	5,905	5,794	2,134
Law Enforcement	31	4,684	-	4,715
Sheriff's Revolving	16,248	18,664	31,908	3,004
Inmate Security	4,708	2,869	-	7,577
Prosecuting Attorney Training	248	523	450	321
Prosecuting Attorney Bad Check	2,801	11,990	12,989	1,802
Prosecuting Attorney Delinquent Tax	83	898	819	162
Election Services	4,693	6,026	4,029	6,690
Collector's Tax Maintenance	12,444	13,289	13,504	12,229
Recorder's User Fee	5,225	8,668	13,469	424
Victims of Domestic Violence	689	1,298	1,500	487
Election Improvement	12,000	12,400	-	24,400
Emergency Management	5,111	8,409	6,450	7,070
Local Emergency Planning Commission	2,261	2,063	1,018	3,306
Hemp	1,000	-	-	1,000
Addressing Location Project	-	-	-	-
Senate Bill 40 Board	75,663	112,885	94,090	94,458
Total	<u>\$ 550,569</u>	<u>\$ 3,064,744</u>	<u>\$ 3,059,662</u>	<u>\$ 555,651</u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	General Revenue Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 185,000	\$ 205,847	\$ 179,000	\$ 184,943
Sales Taxes	925,000	957,544	830,000	871,482
Intergovernmental	315,478	331,485	270,883	286,102
Charges for Services	169,838	171,988	168,500	180,267
Interest	3,500	4,344	2,000	3,814
Other Receipts	25,650	59,892	34,802	74,799
Transfers In	70,082	26,725	69,807	44,727
Total Receipts	<u>\$ 1,694,548</u>	<u>\$ 1,757,825</u>	<u>\$ 1,554,992</u>	<u>\$ 1,646,134</u>
<u>Disbursements</u>				
General County Government:				
County Commission	\$ 84,800	\$ 83,885	\$ 84,800	\$ 84,256
County Clerk	66,910	66,766	66,195	66,102
Elections	81,825	80,298	29,732	29,381
Buildings and Grounds	69,760	50,028	58,595	51,242
Employee Fringe Benefits	243,252	206,658	232,552	204,720
County Treasurer	43,800	43,761	43,800	43,440
County Collector	80,310	80,235	78,112	78,973
Recorder of Deeds	44,796	43,963	53,152	52,462
Circuit Clerk	10,300	9,890	9,250	9,080
Court Administration	12,550	9,084	13,944	12,191
Public Administrator	44,980	45,265	44,700	44,940
Public Safety:				
Sheriff	407,472	413,345	372,135	384,226
Jail	101,859	90,924	116,946	119,261
Prosecuting Attorney	142,487	142,502	133,047	133,189
Juvenile Officer	38,958	30,375	38,980	30,499
County Coroner	13,640	13,451	13,640	13,501
Other:				
Victim Advocate	16,747	16,746	18,471	18,162
44th Judicial Drug Court	29,627	29,274	29,627	29,301
Child Support	53,314	53,314	53,314	53,019
Other Disbursements	95,928	107,491	73,590	66,984
Transfers Out	43,920	36,618	38,738	32,018
Emergency Fund	50,836	-	46,650	-
Total Disbursements	<u>\$ 1,778,071</u>	<u>\$ 1,653,873</u>	<u>\$ 1,649,970</u>	<u>\$ 1,556,947</u>
Receipts Over (Under)				
Disbursements	\$ (83,523)	\$ 103,952	\$ (94,978)	\$ 89,187
Cash and Equivalents, Jan 1	<u>205,502</u>	<u>205,502</u>	<u>116,315</u>	<u>116,315</u>
Cash and Equivalents, Dec 31	<u><u>\$ 121,979</u></u>	<u><u>\$ 309,454</u></u>	<u><u>\$ 21,337</u></u>	<u><u>\$ 205,502</u></u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Special Road and Bridge Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 297,000	\$ 299,009	\$ 297,500	\$ 297,543
Sales Taxes	-	-	-	-
Intergovernmental	1,568,860	806,731	1,029,060	746,642
Charges for Services	1,825	640	850	2,416
Interest	3,850	3,201	4,500	4,463
Other Receipts	6,000	25,314	7,891	10,180
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,877,535</u>	<u>\$ 1,134,895</u>	<u>\$ 1,339,801</u>	<u>\$ 1,061,244</u>
<u>Disbursements</u>				
Salaries	\$ 486,704	\$ 451,350	\$ 461,672	\$ 425,766
Employee Fringe Benefits	161,608	149,293	171,144	154,165
Supplies	178,400	182,095	151,100	194,225
Insurance	22,800	26,433	17,800	24,183
Road and Bridge Materials	55,350	72,313	82,250	61,656
Equipment Repairs	80,000	93,584	100,000	130,729
Rentals	-	-	-	-
Equipment Purchases	62,603	54,203	123,217	117,920
Construction, Repair & Maintenance	900,000	83,635	350,000	36,675
Other Expenditures	16,400	15,890	20,900	15,630
Transfers Out	6,000	6,500	6,000	6,000
Total Disbursements	<u>\$ 1,969,865</u>	<u>\$ 1,135,296</u>	<u>\$ 1,484,083</u>	<u>\$ 1,166,949</u>
Receipts Over (Under)				
Disbursements	\$ (92,330)	\$ (401)	\$ (144,282)	\$ (105,705)
Cash and Equivalents, Jan 1	<u>158,717</u>	<u>158,717</u>	<u>264,422</u>	<u>264,422</u>
Cash and Equivalents, Dec 31	<u><u>\$ 66,387</u></u>	<u><u>\$ 158,316</u></u>	<u><u>\$ 120,140</u></u>	<u><u>\$ 158,717</u></u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Assessment Fund				Sheriff's Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	104,562	108,091	101,962	105,120	950	978	950	950
Charges for Services	4,000	4,778	3,000	7,856	1,900	2,093	1,750	2,086
Interest	500	405	500	547	90	75	60	80
Other Receipts	3,000	7,239	-	156	-	180	-	-
Transfers In	30,000	30,000	30,000	30,000	-	-	-	-
Total Receipts	<u>\$ 142,062</u>	<u>\$ 150,513</u>	<u>\$ 135,462</u>	<u>\$ 143,679</u>	<u>\$ 2,940</u>	<u>\$ 3,326</u>	<u>\$ 2,760</u>	<u>\$ 3,116</u>
<u>Disbursements</u>								
Salaries	\$ 55,000	\$ 52,916	\$ 55,667	\$ 53,374	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	12,000	11,430	7,400	11,910	-	-	-	-
Materials and Supplies	26,615	26,038	29,879	21,201	-	-	-	-
Services	51,366	51,809	50,635	51,272	4,300	3,430	2,185	2,115
Other Expenditures	10,000	8,952	11,749	9,634	200	200	200	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	157	-	240	-	-	-	-
Total Disbursements	<u>\$ 154,981</u>	<u>\$ 151,302</u>	<u>\$ 155,330</u>	<u>\$ 147,631</u>	<u>\$ 4,500</u>	<u>\$ 3,630</u>	<u>\$ 2,385</u>	<u>\$ 2,115</u>
Receipts Over (Under)								
Disbursements	\$ (12,919)	\$ (789)	\$ (19,868)	\$ (3,952)	\$ (1,560)	\$ (304)	\$ 375	\$ 1,001
Cash and Equivalents, Jan 1	<u>15,916</u>	<u>15,916</u>	<u>19,868</u>	<u>19,868</u>	<u>5,737</u>	<u>5,737</u>	<u>4,736</u>	<u>4,736</u>
Cash and Equivalents, Dec 31	<u>\$ 2,997</u>	<u>\$ 15,127</u>	<u>\$ -</u>	<u>\$ 15,916</u>	<u>\$ 4,177</u>	<u>\$ 5,433</u>	<u>\$ 5,111</u>	<u>\$ 5,737</u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Sheriff's Civil Service Fee Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	6,500	5,951	8,200	5,880
Interest	20	39	50	25
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 6,520</u>	<u>\$ 5,990</u>	<u>\$ 8,250</u>	<u>\$ 5,905</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	5,100	2,258	5,700	3,236
Services	-	100	1,400	731
Other Expenditures	1,750	1,938	2,600	1,827
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 6,850</u>	<u>\$ 4,296</u>	<u>\$ 9,700</u>	<u>\$ 5,794</u>
Receipts Over (Under)				
Disbursements	\$ (330)	\$ 1,694	\$ (1,450)	\$ 111
Cash and Equivalents, Jan 1	<u>2,134</u>	<u>2,134</u>	<u>2,023</u>	<u>2,023</u>
Cash and Equivalents, Dec 31	<u><u>\$ 1,804</u></u>	<u><u>\$ 3,828</u></u>	<u><u>\$ 573</u></u>	<u><u>\$ 2,134</u></u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Law Enforcement Fund				Sheriff's Revolving Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	15,876	8,036	10,000	4,674	18,000	13,577	14,000	18,422
Interest	20	95	40	10	200	70	300	242
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 15,896	\$ 8,131	\$ 10,040	\$ 4,684	\$ 18,200	\$ 13,647	\$ 14,300	\$ 18,664
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,000	-	1,900	740
Services	-	-	-	-	-	-	600	-
Other Expenditures	-	-	10,000	-	5,000	285	6,339	7,764
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	15,876	-	-	-	10,800	11,798	19,760	23,404
Total Disbursements	\$ 15,876	\$ -	\$ 10,000	\$ -	\$ 16,800	\$ 12,083	\$ 28,599	\$ 31,908
Receipts Over (Under)								
Disbursements	\$ 20	\$ 8,131	\$ 40	\$ 4,684	\$ 1,400	\$ 1,564	\$ (14,299)	\$ (13,244)
Cash and Equivalents, Jan 1	4,715	4,715	31	31	3,004	3,004	16,248	16,248
Cash and Equivalents, Dec 31	<u>\$ 4,735</u>	<u>\$ 12,846</u>	<u>\$ 71</u>	<u>\$ 4,715</u>	<u>\$ 4,404</u>	<u>\$ 4,568</u>	<u>\$ 1,949</u>	<u>\$ 3,004</u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Inmate Security Fund				Prosecuting Attorney Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,950	5,234	1,650	2,777	525	530	500	520
Interest	100	102	50	92	3	4	4	3
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 3,050	\$ 5,336	\$ 1,700	\$ 2,869	\$ 528	\$ 534	\$ 504	\$ 523
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,000	3,887	-	-	-	-	-	-
Services	-	-	-	-	600	700	550	450
Other Expenditures	-	-	-	-	150	-	100	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 4,000	\$ 3,887	\$ -	\$ -	\$ 750	\$ 700	\$ 650	\$ 450
Receipts Over (Under)								
Disbursements	\$ (950)	\$ 1,449	\$ 1,700	\$ 2,869	\$ (222)	\$ (166)	\$ (146)	\$ 73
Cash and Equivalents, Jan 1	7,577	7,577	4,708	4,708	321	321	248	248
Cash and Equivalents, Dec 31	<u>\$ 6,627</u>	<u>\$ 9,026</u>	<u>\$ 6,408</u>	<u>\$ 7,577</u>	<u>\$ 99</u>	<u>\$ 155</u>	<u>\$ 102</u>	<u>\$ 321</u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Prosecuting Attorney Bad Check Fund				Prosecuting Attorney Delinquent Tax Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	900	315	1,200	895
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	12,100	12,529	13,500	11,427	-	-	-	-
Interest	60	55	120	63	4	1	6	3
Other Receipts	500	-	-	500	-	-	-	-
Transfers In	-	-	-	-	-	44	-	-
Total Receipts	<u>\$ 12,660</u>	<u>\$ 12,584</u>	<u>\$ 13,620</u>	<u>\$ 11,990</u>	<u>\$ 904</u>	<u>\$ 360</u>	<u>\$ 1,206</u>	<u>\$ 898</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,600	1,463	5,100	1,745	46	-	-	46
Services	840	1,000	500	633	850	317	200	773
Other Expenditures	3,400	1,355	2,200	3,244	-	200	800	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	7,992	8,037	7,367	7,367	-	-	-	-
Total Disbursements	<u>\$ 13,832</u>	<u>\$ 11,855</u>	<u>\$ 15,167</u>	<u>\$ 12,989</u>	<u>\$ 896</u>	<u>\$ 517</u>	<u>\$ 1,000</u>	<u>\$ 819</u>
Receipts Over (Under)								
Disbursements	\$ (1,172)	\$ 729	\$ (1,547)	\$ (999)	\$ 8	\$ (157)	\$ 206	\$ 79
Cash and Equivalents, Jan 1	<u>1,802</u>	<u>1,802</u>	<u>2,801</u>	<u>2,801</u>	<u>162</u>	<u>162</u>	<u>83</u>	<u>83</u>
Cash and Equivalents, Dec 31	<u>\$ 630</u>	<u>\$ 2,531</u>	<u>\$ 1,254</u>	<u>\$ 1,802</u>	<u>\$ 170</u>	<u>\$ 5</u>	<u>\$ 289</u>	<u>\$ 162</u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Election Services Fund				Collector's Tax Maintenance Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	500	1,091	2,107	2,107	-	-	-	-
Charges for Services	1,850	468	1,792	1,792	14,500	14,217	12,000	13,032
Interest	100	93	60	109	200	169	200	257
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	2,200	1,618	2,018	2,018	-	-	-	-
Total Receipts	<u>\$ 4,650</u>	<u>\$ 3,270</u>	<u>\$ 5,977</u>	<u>\$ 6,026</u>	<u>\$ 14,700</u>	<u>\$ 14,386</u>	<u>\$ 12,200</u>	<u>\$ 13,289</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,500	241	4,100	3,683	16,534	16,340	8,700	7,805
Services	550	424	250	346	-	-	-	-
Other Expenditures	-	-	-	-	800	-	400	249
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	6,000	6,991	4,000	5,450
Total Disbursements	<u>\$ 4,050</u>	<u>\$ 665</u>	<u>\$ 4,350</u>	<u>\$ 4,029</u>	<u>\$ 23,334</u>	<u>\$ 23,331</u>	<u>\$ 13,100</u>	<u>\$ 13,504</u>
Receipts Over (Under)								
Disbursements	\$ 600	\$ 2,605	\$ 1,627	\$ 1,997	\$ (8,634)	\$ (8,945)	\$ (900)	\$ (215)
Cash and Equivalents, Jan 1	<u>6,690</u>	<u>6,690</u>	<u>4,693</u>	<u>4,693</u>	<u>12,229</u>	<u>12,229</u>	<u>12,444</u>	<u>12,444</u>
Cash and Equivalents, Dec 31	<u>\$ 7,290</u>	<u>\$ 9,295</u>	<u>\$ 6,320</u>	<u>\$ 6,690</u>	<u>\$ 3,595</u>	<u>\$ 3,284</u>	<u>\$ 11,544</u>	<u>\$ 12,229</u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Recorder's User Fee Fund				Victims of Domestic Violence Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	8,000	7,308	10,000	8,607	1,200	1,080	1,100	1,280
Interest	60	7	60	61	17	10	15	18
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,060</u>	<u>\$ 7,315</u>	<u>\$ 10,060</u>	<u>\$ 8,668</u>	<u>\$ 1,217</u>	<u>\$ 1,090</u>	<u>\$ 1,115</u>	<u>\$ 1,298</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,100	802	350	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	5,200	4,800	5,250	5,203	1,500	1,475	1,500	1,500
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	786	786	9,052	8,266	-	-	-	-
Total Disbursements	<u>\$ 7,086</u>	<u>\$ 6,388</u>	<u>\$ 14,652</u>	<u>\$ 13,469</u>	<u>\$ 1,500</u>	<u>\$ 1,475</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
Receipts Over (Under)								
Disbursements	\$ 974	\$ 927	\$ (4,592)	\$ (4,801)	\$ (283)	\$ (385)	\$ (385)	\$ (202)
Cash and Equivalents, Jan 1	<u>424</u>	<u>424</u>	<u>5,225</u>	<u>5,225</u>	<u>487</u>	<u>487</u>	<u>689</u>	<u>689</u>
Cash and Equivalents, Dec 31	<u><u>\$ 1,398</u></u>	<u><u>\$ 1,351</u></u>	<u><u>\$ 633</u></u>	<u><u>\$ 424</u></u>	<u><u>\$ 204</u></u>	<u><u>\$ 102</u></u>	<u><u>\$ 304</u></u>	<u><u>\$ 487</u></u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Election Improvement Fund				Emergency Management Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,400	2,400	2,400	2,400
Charges for Services	1,600	2,000	-	12,400	-	-	-	-
Interest	-	-	-	-	-	13	-	-
Other Receipts	-	-	-	-	1,000	-	300	9
Transfers In	-	-	-	-	6,000	6,500	6,000	6,000
Total Receipts	<u>\$ 1,600</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 12,400</u>	<u>\$ 9,400</u>	<u>\$ 8,913</u>	<u>\$ 8,700</u>	<u>\$ 8,409</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	6,150	205	1,650	471
Services	-	-	-	-	5,600	5,026	5,600	4,815
Other Expenditures	-	-	-	-	2,100	6,916	2,790	1,164
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,850</u>	<u>\$ 12,147</u>	<u>\$ 10,040</u>	<u>\$ 6,450</u>
Receipts Over (Under)								
Disbursements	\$ 1,600	\$ 2,000	\$ -	\$ 12,400	\$ (4,450)	\$ (3,234)	\$ (1,340)	\$ 1,959
Cash and Equivalents, Jan 1	<u>24,400</u>	<u>24,400</u>	<u>12,000</u>	<u>12,000</u>	<u>7,070</u>	<u>7,070</u>	<u>5,111</u>	<u>5,111</u>
Cash and Equivalents, Dec 31	<u><u>\$ 26,000</u></u>	<u><u>\$ 26,400</u></u>	<u><u>\$ 12,000</u></u>	<u><u>\$ 24,400</u></u>	<u><u>\$ 2,620</u></u>	<u><u>\$ 3,836</u></u>	<u><u>\$ 3,771</u></u>	<u><u>\$ 7,070</u></u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Local Emergency Planning Commission Fund				Hemp Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,500	2,051	2,000	2,063	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,500</u>	<u>\$ 2,051</u>	<u>\$ 2,000</u>	<u>\$ 2,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,250	1,018	1,100	1,018	-	-	-	-
Services	1,000	-	1,000	-	1,000	-	-	-
Other Expenditures	-	-	100	-	-	-	1,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,250</u>	<u>\$ 1,018</u>	<u>\$ 2,200</u>	<u>\$ 1,018</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (750)	\$ 1,033	\$ (200)	\$ 1,045	\$ (1,000)	\$ -	\$ (1,000)	\$ -
Cash and Equivalents, Jan 1	<u>3,306</u>	<u>3,306</u>	<u>2,261</u>	<u>2,261</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Cash and Equivalents, Dec 31	<u><u>\$ 2,556</u></u>	<u><u>\$ 4,339</u></u>	<u><u>\$ 2,061</u></u>	<u><u>\$ 3,306</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,000</u></u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Addressing Location Project Fund				Senate Bill 40 Board Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 111,000	\$ 112,873	\$ 109,000	\$ 112,238
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	14,000	2,000	-	-	51	27	51	52
Charges for Services	-	941	-	-	-	-	-	-
Interest	-	-	-	-	650	649	600	595
Other Receipts	-	6,800	-	-	-	-	-	-
Transfers In	6,000	6,000	-	-	-	-	-	-
Total Receipts	<u>\$ 20,000</u>	<u>\$ 15,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,701</u>	<u>\$ 113,549</u>	<u>\$ 109,651</u>	<u>\$ 112,885</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	12,625	9,400	-	-	-	-	-	-
Services	5,400	5,400	-	-	132,500	112,970	131,000	94,090
Other Expenditures	400	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 18,425</u>	<u>\$ 14,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,500</u>	<u>\$ 112,970</u>	<u>\$ 131,000</u>	<u>\$ 94,090</u>
Receipts Over (Under)								
Disbursements	\$ 1,575	\$ 941	\$ -	\$ -	\$ (20,799)	\$ 579	\$ (21,349)	\$ 18,795
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,458</u>	<u>94,458</u>	<u>75,663</u>	<u>75,663</u>
Cash and Equivalents, Dec 31	<u>\$ 1,575</u>	<u>\$ 941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,659</u>	<u>\$ 95,037</u>	<u>\$ 54,314</u>	<u>\$ 94,458</u>

See Notes to the Financial Statements

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies

Organized in 1857, the county of Douglas was named after U.S. Senator Stephen A. Douglas. It is a third-class county, and the county seat is Ava. Douglas County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Douglas County, Missouri and the Douglas County Senate Bill 40 Board.

Douglas County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Douglas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Douglas County's legal entity. The Douglas County Senate Bill 40 Board is controlled by a separate board and is also included under the control of Douglas County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Douglas County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If Douglas County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Douglas County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Sheriff's Revolving Fund and Collector's Tax Maintenance Fund.

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Douglas County's boundaries for the calendar year 2014 and 2013, respectively, for the purposes of County taxation was as follows:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 88,219,573	\$ 89,042,770
Personal Property	41,601,005	38,235,502
Railroad and Utilities	4,249,112	4,330,542
	<u>\$ 134,069,690</u>	<u>\$ 131,608,814</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2014 and 2013, respectively, for the purpose of County taxation, was as follows:

	<u>2014</u>	<u>2013</u>
General Revenue	\$ 0.1400	\$ 0.1550
Special Road and Bridge	0.2211	0.2206
Senate Bill 40 Board	0.0843	0.0841

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Douglas County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Douglas County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of December 31, 2014, 100% of Douglas County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2014, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 932,157	\$ 666,874
Investments	-	-
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2014	<u>\$ 932,157</u>	<u>\$ 666,874</u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2013, as follows:

	<u>Bank Balances</u>	<u>Carrying Value</u>
Deposits	\$ 760,092	\$ 555,651
Investments	-	-
Restricted Cash	-	-
	<u> </u>	<u> </u>
Total Deposits and Investments as of December 31, 2013	<u>\$ 760,092</u>	<u>\$ 555,651</u>

Note: Bank balances are inclusive of all funds of Douglas County, and as such, include balances of unaudited funds which are not included in the scope of this report.

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Douglas County's investment policy does not include custodial credit risk requirements. Douglas County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014 and 2013.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Douglas County or its agent but not in the government's name. Douglas County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Douglas County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Douglas County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Douglas County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Douglas County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities. Douglas County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014 and 2013.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2014 and 2013 are as follows:

<u>Fund</u>	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 26,725	\$ 36,618	\$ 44,727	\$ 32,018
Special Road and Bridge	-	6,500	-	6,000
Assessment	30,000	157	30,000	240
Sheriff's Revolving	-	11,798	-	23,404
Prosecuting Attorney Bad Check	-	8,037	-	7,367
Prosecuting Attorney Delinquent Tax	44	-	-	-
Election Services	1,618	-	2,018	-
Collector's Tax Maintenance	-	6,991	-	5,450
Recorder's User Fee	-	786	-	8,266

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 3 - Interfund Transfers (continued)

Emergency Management	6,500	-	6,000	-
Addressing Location Project	6,000	-	-	-
Total	<u>\$ 70,887</u>	<u>\$ 70,887</u>	<u>\$ 82,745</u>	<u>\$ 82,745</u>

Note 4 - Long-Term Debt

In April 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere wheel loader at a cost of \$93,872. The agreement required annual payments of \$20,824, which included interest at 3.5% until 2013.

In April 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere motor grader at a cost of \$142,861. The agreement required annual payments of \$31,692, which included interest at 3.5% until 2013.

In December 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere motor grader at a cost of \$159,600. The agreement requires five annual payments of \$17,864, which includes interest at 3.5% until 2015, plus one additional payment of \$95,000 in 2015.

In November 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of four vehicles for the Sheriff's office at a cost of \$60,911. The agreement required annual payments of \$17,094, which included interest at 4.8% until 2013.

In May 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of four vehicles for the Sheriff's office at a cost of \$32,760. The agreement requires annual payments of \$8,955, which includes interest at 3.7% until 2017.

In August 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere tractor with mower at a cost of \$82,010. The agreement requires annual payments of \$17,839, which includes interest at 4.3% until 2018.

In October 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere motor grader at a net cost of \$173,890 after trade-in allowance. The agreement requires five annual payments of \$16,900, which includes interest at 3.3% until 2018, plus one additional payment of \$115,000 in 2018.

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014	Interest Paid
John Deere Motor Grader	\$ 126,217	\$ -	\$ (13,956)	\$ 112,261	\$ 3,908
Sheriff Patrol Cars	32,760	-	(7,753)	25,007	1,202
John Deere Tractor/Mower	64,171	-	(14,317)	49,854	3,522
John Deere Motor Grader	173,890	-	(10,626)	163,264	6,274
Total	<u>\$ 397,038</u>	<u>\$ -</u>	<u>\$ (46,652)</u>	<u>\$ 350,386</u>	<u>\$ 14,906</u>

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 4 - Long-Term Debt (continued)

Future minimum long-term debt payments for the year ended December 31, 2014 is as follows:

Year Ending December 31	Principal	Interest	Total
2015	\$ 148,225	\$ 8,332	\$ 156,557
2016	37,351	6,343	43,694
2017	37,752	5,944	43,696
2018	127,058	4,843	131,901
	<u>\$ 350,386</u>	<u>\$ 25,462</u>	<u>\$ 375,848</u>

	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013	Interest Paid
John Deere Wheel Loader	\$ 20,643	\$ -	\$ (20,643)	\$ -	\$ 181
John Deere Motor Grader	31,416	-	(31,416)	-	276
John Deere Motor Grader	139,695	-	(13,478)	126,217	4,386
Sheriff Patrol Cars	16,313	-	(16,313)	-	781
Sheriff Patrol Cars	-	32,760	-	32,760	-
John Deere Tractor/Mower	-	82,010	(17,839)	64,171	-
John Deere Motor Grader	-	173,890	-	173,890	-
Total	<u>\$ 208,067</u>	<u>\$ 288,660</u>	<u>\$ (99,689)</u>	<u>\$ 397,038</u>	<u>\$ 5,624</u>

Future minimum long-term debt payments for the year ended December 31, 2013 is as follows:

Year Ending December 31	Principal	Interest	Total
2014	46,652	14,906	61,558
2015	148,225	8,332	156,557
2016	37,351	6,343	43,694
2017	37,752	5,944	43,696
2018	127,058	4,843	131,901
	<u>\$ 397,038</u>	<u>\$ 40,368</u>	<u>\$ 437,406</u>

**The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-877-632-2373.

Funding Policy

In accordance with Missouri state statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of \$30,797 and \$26,990, respectively, for the years then ended.

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Douglas County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Douglas County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2014 and 2013.

Note 7 - Other Retirement Plan

Douglas County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2014 and 2013 for the 457 plan were \$17,677 and \$17,388, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2014 and 2013 for the 401(a) plan were \$23,048 and \$21,668, respectively.

Note 8 - Post-Employment Benefits

Douglas County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Douglas County.

Note 9 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides employees with up to 120 hours (15 days) of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue 4 hours of sick time per month. The County allows employees to carry forward a maximum of 240 hours (30 days). Accumulated sick leave is paid out at 50% upon termination of employment. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County of Douglas
Ava, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 12, 2015, the date the financial statements were available to be issued.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Douglas County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Douglas County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Douglas County, Missouri's basic financial statements and have issued our report thereon dated August 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Douglas County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglas County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies: 14/13-002 and 14/13-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

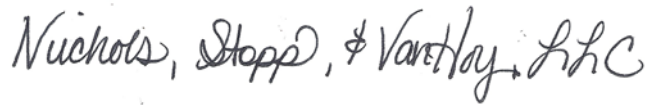
opinion. The results of our tests disclosed an instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 14/13-001.

Douglas County, Missouri's Response to Findings

Douglas County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Douglas County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Nichols, Stopp, & VanHay, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
August 12, 2015

The County of Douglas
Ava, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2014 & 2013

Financial Statement Findings

14/13-001 **Condition:** During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: Sheriff's Revolving Fund and Collector's Tax Maintenance Fund.

Criteria: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget.

Effect: Due to exceeding budget in certain funds, the County is in violation of Missouri Revised Statutes.

Cause: Lack of oversight.

Recommendation: We recommend the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The phone number for the Clerk's office is (417) 683-4714.

14/13-002 **Condition:** Documentation of the County's internal controls has not been prepared.

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 683-4714.

The County of Douglas
Ava, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2014 & 2013

Section 2 - Financial Statement Findings (continued)

14/13-003 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County Clerk will develop and perform the risk assessment. This will be included in the documentation of internal control in conformity with the COSO framework. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (417) 683-4714.

The County of Douglas
Ava, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Douglas County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2011.

Prior Year Financial Statement Findings

11-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

Status: This is no longer considered a deficiency.

11-2 Centralized Accounting Function

Condition: The County's accounting system currently consists of two distinct systems of recording receipts and disbursements. The receipts and disbursements for some funds are recorded by the County Clerk and the receipts and disbursements for other funds are recorded by the County Treasurer in a separate accounting system. In addition, for some special revenue funds, extensive manual ledgers are maintained to track receipts and disbursements. The manual ledgers are necessary because all transactions for these funds are recorded in the same account in the accounting software, resulting in only the cash balances by fund being tracked in the accounting software.

Criteria: The County should have a centralized accounting system capable of integrating cash receipts and disbursements with the general ledger.

Effect: Due to the absence of a centralized accounting system, receipts and disbursements are not maintained together for funds throughout the year. In order to prepare financial statements, management must rely on manual ledgers due to the lack of adequate reports available from the County's financial accounting software.

Recommendation: The County implement a centralized accounting system.

Response: The County understands the necessity of converting to a centralized accounting system and will examine the feasibility of the conversion.

Status: This is no longer considered a deficiency.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Harrison County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Harrison County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-085

ANNUAL FINANCIAL REPORT

HARRISON COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

HARRISON COUNTY, MISSOURI
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

LIST OF ELECTED OFFICIALS	i
---------------------------	---

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	ii-iii
------------------------------	--------

MANAGEMENT’S DISCUSSION AND ANALYSIS	1
--------------------------------------	---

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Comparative Government-wide Statements of Net Position – Cash Basis	7
---------------------------------------------------------------------	---

Government-wide Statement of Activities – Cash Basis – 2014	8
-------------------------------------------------------------	---

Government-wide Statement of Activities – Cash Basis – 2013	9
-------------------------------------------------------------	---

Fund Financial Statements:

Balance Sheet – Governmental Funds – Cash Basis – December 31, 2014	10
---------------------------------------------------------------------	----

Balance Sheet – Governmental Funds – Cash Basis – December 31, 2013	11
---------------------------------------------------------------------	----

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis – 2014	12
----------------------------------------------------------------------------------------------------------------	----

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis – 2013	13
----------------------------------------------------------------------------------------------------------------	----

Comparative Statements of Fiduciary Assets and Liabilities	14
------------------------------------------------------------	----

Notes to Financial Statements	15
-------------------------------	----

SUPPLEMENTARY INFORMATION

Comparative Statements of Receipts, Disbursements and Changes In Fund Balances – Budget and Actual – Cash Basis	25
--------------------------------------------------------------------------------------------------------------------	----

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	40
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

FINDINGS AND RECOMMENDATIONS SECTION

Findings and Recommendations	42
------------------------------	----

Follow-up on Prior Year Audit Findings	45
----------------------------------------	----

INTRODUCTORY SECTION

HARRISON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Jack Hodge

Commissioner 1st District – Rick Smith

Commissioner 2nd District– Jim Holcomb

Other Elected Officials

Assessor – Lila Craig

Circuit Clerk/Recorder – Sherece Eivins

Collector/Treasurer – Cheryl Coleman

Coroner – Jeremy Eivins

County Clerk – Jackie Deskins

Prosecuting Attorney – Cristine Stallings

Public Administrator – Kim King

Sheriff – Josh Eckerson

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Harrison County, Missouri

Report on Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harrison County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harrison County, Missouri, as of December 31, 2014 and 2013, and the respective changes in cash basis financial position thereof for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Harrison County, Missouri's basic financial statements. The Management's Discussion and Analysis and the Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 31, 2015 on our consideration of Harrison County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harrison County, Missouri's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 31, 2015

FINANCIAL SECTION

HARRISON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013

The discussion and analysis of Harrison County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2014 and 2013. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's Basic Financial Statements. These basic financial statements are made up of three components: 1) the government-wide financial statements, 2) the governmental fund financial statements, and 3) the notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as a whole. The two statements included in this grouping are:

- Statement of Net Position – presents information related to the County's cash balances (assets), with the balances being reported as the County's net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating.

- Statement of Activities – presents information demonstrating how the County's net position changed during the most recent fiscal year as compared with the previous fiscal year. All changes in net position are reported as soon as cash is received or disbursed, in accordance with the cash basis of accounting.

The government-wide financial statements report only governmental activities – activities such as general government operations, public safety, roads and bridges, and health and welfare that are usually financed through taxes and intergovernmental receipts. The County has no business-like activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

A fund is an accounting device that a government uses to maintain control over and account for specific sources of funding that are to be spent for specific purposes. Harrison County, like other

state and local governments, uses fund accounting to ensure and demonstrate compliance with statutory requirements. These statements focus more on the individual functions of the County, reporting on financial operations in a more detailed format than is found in the government-wide statements. Certain funds are required by state law or established by bond covenants. Other funds are established by the County Commission to control and manage resources for particular purposes or to show that certain revenue sources (i.e., taxes, grants) are used appropriately. Harrison County funds can be divided into the following two categories:

- Governmental – Most of the County’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the County’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources available to spend in the near future to finance the County’s programs.
- Fiduciary – These funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own programs.

The County maintains 5 major governmental funds and 22 non-major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. By definition the General Revenue fund is always considered a major fund. Other funds must be reported as major funds if they report at least 10 percent of all governmental funds total assets, receipts, or disbursements. Funds that do not meet the 10% criteria, but are considered to be of particular importance to the financial statements may also be reported as major funds. The Senior Citizens Tax Board, which is a component unit of the County, is presented as a major fund. Data for the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided elsewhere in this report.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis for all of the County’s governmental funds.

Financial Analysis of the County as a Whole

The following information was derived from the Statement of Net Position for 2013 and 2014 and restated 2012 information audited by a predecessor auditor (see Note 10 to the financial statements):

Net Position			
Governmental Activities			
	2012	2013	2014
ASSETS			
Cash	\$ 2,048,052	\$ 2,097,164	\$ 2,528,464
Total Assets	<u>\$ 2,048,052</u>	<u>\$ 2,097,164</u>	<u>\$ 2,528,464</u>
NET POSITION			
Restricted	\$ 1,074,197	\$ 1,116,442	\$ 1,549,532
Unrestricted	<u>973,855</u>	<u>980,722</u>	<u>978,932</u>
Total Net Position	<u>\$ 2,048,052</u>	<u>\$ 2,097,164</u>	<u>\$ 2,528,464</u>

The primary government's assets (cash balances) increased by \$480,412 (23.5%) over the three year period. The restricted net position of the County represents balances of special revenue funds which are restricted for use for a specific purpose and represents 61.3%, 53.2%, and 52.5% of the County's total net position for the years ended December 31, 2014, 2013, and 2012, respectively. The County's restricted net position increased by \$475,335 (44.3%) over the three year period. The unrestricted portion of the County's net position represents the balances of the General Revenue fund and represents 38.7%, 46.8%, and 47.5% of the County's total net position for the years ended December 31, 2014, 2013, and 2012, respectively. The County's unrestricted net position increased by \$5,077 (0.5%) over the three year period.

The following information was derived from the Statement of Activities for 2013 and 2014 and restated 2012 information audited by a predecessor auditor (see Note 10 to the financial statements):

Changes in Net Position			
	Governmental Activities		
	2012	2013	2014
RECEIPTS			
Program Receipts:			
Charges for Services	\$ 469,378	\$ 477,537	\$ 474,189
Operating Grants	880,105	887,768	921,582
Capital Grants	-	15,050	367,678
General Receipts:			
Property Taxes	352,309	341,451	346,001
Sales Taxes	1,412,854	1,435,426	1,575,495
Emergency Telephone Tax	83,771	96,227	108,351
Interest	30,606	14,946	4,078
Other	529,291	303,442	661,753
Transfers	-	-	-
Total Receipts	<u>\$ 3,758,314</u>	<u>\$ 3,571,847</u>	<u>\$ 4,459,127</u>
DISBURSEMENTS			
Program Disbursements:			
General county government	\$ 1,583,400	\$ 874,988	\$ 1,003,578
Public safety	1,140,683	1,099,235	1,123,806
Judicial	11,519	155,393	132,427
Roads and bridges	1,295,880	1,360,621	1,722,306
Health and welfare	59,933	32,498	45,710
Total Disbursements	<u>\$ 4,091,415</u>	<u>\$ 3,522,735</u>	<u>\$ 4,027,827</u>
Increase/(Decrease) in Net Position	<u>\$ (333,101)</u>	<u>\$ 49,112</u>	<u>\$ 431,300</u>

Receipts for the primary government exceeded disbursements in 2013 and 2014, while disbursements exceeded receipts in 2012. Receipts in 2013 decreased from the prior year by \$186,467 (5%) mainly due to a decrease in other revenue. Receipts in 2014 increased from the prior year by \$887,280 (24.8%) mainly due to the receipt of funds for the Leah Trullinger Endowment Fund, an increase in Special Road and Bridge sales tax revenue, and an increase in BRO bridge grant reimbursements. Disbursements in 2013 decreased from the prior year by \$568,660 (13.9%) mainly due to a decrease in expenditures for buildings and grounds improvements. Disbursements in 2014 increased from the previous year by \$505,092 (14.3%) mainly due to an increase in roads and bridges materials and projects.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on receipts and disbursements, as well as what resources remain available for future spending. Such information is useful in assessing the County's financing requirements. As the County is reporting on the cash basis of accounting, fund balances of the County's governmental funds are the same of the net position

reported for the County as a whole. However, net position that is classified as unrestricted on the government-wide financial statements is identified as unassigned on the fund financial statements.

The primary government reports five major funds: General Revenue, Special Road and Bridge, Harrison County Lake, ½ Cent Sales Tax Law Enforcement, and Leah Trullinger Endowment.

The General Revenue Fund is the primary operating fund of the County through which all receipts and payments of ordinary County operations are processed, unless they are required to be accounted for in another fund. The fund balance of the General Revenue fund increased from \$973,855 at the end of 2012 to \$978,932 at the end of 2014. The December 31, 2014 fund balance represents 66% of the budgeted expenditures for 2015. Receipts and disbursements had only modest increases in 2014 from 2013. Receipts increased by \$47,069 (4.1%) and disbursements increased by \$55,726 (4.8%) in 2014. In 2013, receipts increased by \$64,385 (5.9%) from 2012, and disbursements decreased by \$296,131 (20.5%) from 2012 due to the County cutting back on buildings and grounds expenses.

The fund balance of the Special Road and Bridge fund increased from \$471,883 at the end of 2012 to \$525,709 at the end of 2014. Receipts in 2014 increased by \$425,777 (31.4%) due to an increase in sales taxes received and grant funds for bridge projects. Receipts in 2013 had only a modest decrease of \$8,319 (0.6%) from 2012. Disbursements in 2014 had an increase of \$361,685 (26.6%) due to construction on a BRO bridge project. Disbursements in 2013 had a moderate increase by \$64,741 (5%) from 2012.

The fund balance of the Harrison County Lake fund increased from \$255,097 at the end of 2012 to \$266,595 at the end of 2014. Receipts had an increase in 2014 of \$2,436 (13.6%) and 2013 had a decrease of \$1,523 (7.8%), respectively, when compared to the previous years. Disbursements in 2014 and 2013 had a decrease of \$5,256 (32.7%) and \$9,266 (36.6%), respectively, when compared to the previous years.

The fund balance of the ½ Cent Sales Tax Law Enforcement fund increased from \$(14,909) at the end of 2012 to \$5,829 at the end of 2014. Receipts had a decrease in 2014 of \$11,854 (1.5%). Receipts in 2013 had a decrease of \$55,065 (6.3%). Disbursements in 2014 had an increase of \$17,701 (2.2%). In 2013, disbursements decreased from the previous year by \$75,914 (8.7%).

The Leah Trullinger Endowment fund was created in 2014. All funds held by the endowment were received in 2014 and minimal disbursements were made from the fund.

General Fund Budgetary Highlights

Actual receipts exceeded budgeted receipts by \$45,491 (3.9%) in 2014. Actual receipts were less than budgeted receipts by \$4,933 (.4%) in 2013. Actual disbursements were less than the budgeted amount in 2014 by \$352,296 (22.6%), due to transfers out being less than budgeted and a majority of departments spending less than expected. Actual disbursements were less than the budgeted amount in 2013 by \$274,334 (19.3%), once again due to less than expected expenses in almost every county department under the fund. There were no budget amendments made in either 2013 or 2014.

Next Year's Budget and Economic Factors

The budget for 2015 is projecting a decrease in the General Revenue fund balance to \$714,206 based on projected receipts of \$1,217,515 and projected disbursements of \$1,482,241.

Requests for Information

This financial report is designed to provide our constituents and other interested parties with a general overview of Harrison County's finances and to demonstrate the County's accountability for the monies it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the County Clerk's office, 1505 Main St., P.O. Box 525, Bethany, Missouri 64424, (660) 425-6424.

HARRISON COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET POSITION - CASH BASIS
DECEMBER 31, 2014 AND 2013

	December 31,			
	2013		2014	
	Primary County Government	Component Units Senior Citizens Tax Board	Primary County Government	Component Units Senior Citizens Tax Board
ASSETS				
Cash and Investments	\$ 2,097,164	\$ 13,771	\$ 2,528,464	\$ 12,902
Total Assets	<u>\$ 2,097,164</u>	<u>\$ 13,771</u>	<u>\$ 2,528,464</u>	<u>\$ 12,902</u>
NET POSITION				
Restricted	\$ 1,116,442	\$ 13,771	\$ 1,549,532	\$ 12,902
Unrestricted	<u>980,722</u>	<u>-</u>	<u>978,932</u>	<u>-</u>
Total Net Position	<u>\$ 2,097,164</u>	<u>\$ 13,771</u>	<u>\$ 2,528,464</u>	<u>\$ 12,902</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	Disbursements	Charges for Services	Program Receipts		Net Receipts/(Disbursements) and Changes in Net Position	
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Senior Citizens Tax Board
PRIMARY GOVERNMENT:						
Governmental Activities:						
General county government	\$ 1,003,578	\$ 344,257	\$ 140,423	\$ -	\$ (518,898)	
Public safety	1,123,806	85,804	25,908	-	(1,012,094)	
Judicial	132,427	43,803	-	-	(88,624)	
Roads and bridges	1,722,306	-	740,251	367,678	(614,377)	
Health and welfare	45,710	325	15,000	-	(30,385)	
Total Governmental Activities	<u>\$ 4,027,827</u>	<u>\$ 474,189</u>	<u>\$ 921,582</u>	<u>\$ 367,678</u>	<u>\$ (2,264,378)</u>	
COMPONENT UNITS:						
Health and welfare	\$ 49,875	\$ -	\$ -	\$ -		\$ (49,875)
Total Component Units	<u>\$ 49,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (49,875)</u>
GENERAL RECEIPTS						
Taxes						
Property taxes					\$ 346,001	\$ 49,005
Sales taxes					1,575,495	-
Emergency Telephone System Tax					108,351	-
Interest					4,078	1
Other					661,753	-
Transfers					-	-
Total General Receipts					<u>\$ 2,695,678</u>	<u>\$ 49,006</u>
Changes in Net Position					\$ 431,300	\$ (869)
NET POSITION, JANUARY 1					<u>2,097,164</u>	<u>13,771</u>
NET POSITION, DECEMBER 31					<u>\$ 2,528,464</u>	<u>\$ 12,902</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	Disbursements	Charges for Services	Program Receipts		Net Receipts/(Disbursements) and Changes in Net Position	
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Senior Citizens Tax Board
PRIMARY GOVERNMENT:						
Governmental Activities:						
General county government	\$ 874,988	\$ 347,223	\$ 133,770	\$ -	\$ (393,995)	
Public safety	1,099,235	86,659	12,881	-	(999,695)	
Judicial	155,393	43,375	-	-	(112,018)	
Roads and bridges	1,360,621	-	726,117	15,050	(619,454)	
Health and welfare	32,498	280	15,000	-	(17,218)	
					-	
Total Governmental Activities	<u>\$ 3,522,735</u>	<u>\$ 477,537</u>	<u>\$ 887,768</u>	<u>\$ 15,050</u>	<u>\$ (2,142,380)</u>	
COMPONENT UNITS:						
Health and Welfare	\$ 49,321	\$ -	\$ -	\$ -		\$ (49,321)
Total Component Units	<u>\$ 49,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (49,321)</u>
GENERAL RECEIPTS						
Taxes						
Property taxes					\$ 341,451	\$ 49,864
Sales taxes					1,435,426	-
Emergency Telephone System Tax					96,227	-
Interest					14,946	1
Other					303,442	-
Transfers					-	-
Total General Receipts					<u>\$ 2,191,492</u>	<u>\$ 49,865</u>
Changes in Net Position					\$ 49,112	\$ 544
NET POSITION, JANUARY 1					<u>2,048,052</u>	<u>13,227</u>
NET POSITION, DECEMBER 31					<u>\$ 2,097,164</u>	<u>\$ 13,771</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	HARRISON COUNTY LAKE	1/2 CENT SALES TAX LAW ENFORCEMENT	LEAH TRULLINGER ENDOWMENT	SENIOR CITIZENS TAX BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Cash and Investments	\$ 978,932	\$ 525,709	\$ 266,595	\$ 5,829	\$ 296,380	\$ 12,902	\$ 455,019	\$ 2,541,366
Total Assets	<u>\$ 978,932</u>	<u>\$ 525,709</u>	<u>\$ 266,595</u>	<u>\$ 5,829</u>	<u>\$ 296,380</u>	<u>\$ 12,902</u>	<u>\$ 455,019</u>	<u>\$ 2,541,366</u>
FUND BALANCES								
Restricted - Special Revenue Funds	\$ -	\$ 525,709	\$ 266,595	\$ 5,829	\$ 296,380	\$ 12,902	\$ 455,019	\$ 1,562,434
Unassigned	<u>978,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>978,932</u>
Total Fund Balances	<u>\$ 978,932</u>	<u>\$ 525,709</u>	<u>\$ 266,595</u>	<u>\$ 5,829</u>	<u>\$ 296,380</u>	<u>\$ 12,902</u>	<u>\$ 455,019</u>	<u>\$ 2,541,366</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	HARRISON COUNTY LAKE	1/2 CENT SALES TAX LAW ENFORCEMENT	SENIOR CITIZENS TAX BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS							
Cash and Investments	\$ 980,722	\$ 466,750	\$ 257,000	\$ 10,237	\$ 13,771	\$ 382,455	\$ 2,110,935
Total Assets	<u>\$ 980,722</u>	<u>\$ 466,750</u>	<u>\$ 257,000</u>	<u>\$ 10,237</u>	<u>\$ 13,771</u>	<u>\$ 382,455</u>	<u>\$ 2,110,935</u>
FUND BALANCES							
Restricted - Special Revenue Funds	\$ -	\$ 466,750	\$ 257,000	\$ 10,237	\$ 13,771	\$ 382,455	\$ 1,130,213
Unassigned	<u>980,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>980,722</u>
Total Fund Balances	<u>\$ 980,722</u>	<u>\$ 466,750</u>	<u>\$ 257,000</u>	<u>\$ 10,237</u>	<u>\$ 13,771</u>	<u>\$ 382,455</u>	<u>\$ 2,110,935</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	HARRISON COUNTY LAKE	1/2 CENT SALES TAX LAW ENFORCEMENT	LEAH TRULLINGER ENDOWMENT	SENIOR CITIZENS TAX BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS								
Property taxes	\$ 346,001	\$ -	\$ -	\$ -	\$ -	\$ 49,005	\$ -	\$ 395,006
Sales taxes	403,273	586,113	-	586,109	-	-	-	1,575,495
Emergency telephone tax	-	-	-	-	-	-	108,351	108,351
Intergovernmental	17,874	1,107,929	-	-	-	-	163,457	1,289,260
Charges for services	340,453	-	-	32,796	-	-	100,940	474,189
Interest	1,916	952	421	21	-	1	768	4,079
Other	94,885	78,771	19,957	76,857	298,879	-	92,404	661,753
Transfers in	45	7,500	-	109,475	-	-	220,242	337,262
Total Receipts	<u>\$ 1,204,447</u>	<u>\$ 1,781,265</u>	<u>\$ 20,378</u>	<u>\$ 805,258</u>	<u>\$ 298,879</u>	<u>\$ 49,006</u>	<u>\$ 686,162</u>	<u>\$ 4,845,395</u>
DISBURSEMENTS								
General government	\$ 754,583	\$ -	\$ 10,783	\$ -	\$ -	\$ -	\$ 238,212	\$ 1,003,578
Public safety	-	-	-	774,663	-	-	349,143	1,123,806
Judicial	123,259	-	-	-	-	-	9,168	132,427
Roads and Bridges	-	1,722,306	-	-	-	-	-	1,722,306
Health and welfare	28,178	-	-	-	2,499	49,875	15,033	95,585
Transfers out	300,217	-	-	35,003	-	-	2,042	337,262
Total Disbursements	<u>\$ 1,206,237</u>	<u>\$ 1,722,306</u>	<u>\$ 10,783</u>	<u>\$ 809,666</u>	<u>\$ 2,499</u>	<u>\$ 49,875</u>	<u>\$ 613,598</u>	<u>\$ 4,414,964</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,790)	\$ 58,959	\$ 9,595	\$ (4,408)	\$ 296,380	\$ (869)	\$ 72,564	\$ 430,431
FUND BALANCE, JANUARY 1	<u>980,722</u>	<u>466,750</u>	<u>257,000</u>	<u>10,237</u>	<u>-</u>	<u>13,771</u>	<u>382,455</u>	<u>2,110,935</u>
FUND BALANCE, DECEMBER 31	<u>\$ 978,932</u>	<u>\$ 525,709</u>	<u>\$ 266,595</u>	<u>\$ 5,829</u>	<u>\$ 296,380</u>	<u>\$ 12,902</u>	<u>\$ 455,019</u>	<u>\$ 2,541,366</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	HARRISON COUNTY LAKE	1/2 CENT SALES TAX LAW ENFORCEMENT	SENIOR CITIZENS TAX BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS							
Property taxes	\$ 341,451	\$ -	\$ -	\$ -	\$ 49,864	\$ -	\$ 391,315
Sales taxes	382,180	526,628	-	526,618	-	-	1,435,426
Emergency telephone tax	-	-	-	-	-	96,227	96,227
Intergovernmental	16,011	741,167	-	-	-	145,640	902,818
Charges for services	339,827	-	-	33,659	-	104,051	477,537
Interest	7,595	3,405	1,481	1	1	2,464	14,947
Other	65,667	74,288	16,461	125,714	-	21,312	303,442
Transfers in	4,647	10,000	-	131,119	-	190,233	335,999
Total Receipts	<u>\$ 1,157,378</u>	<u>\$ 1,355,488</u>	<u>\$ 17,942</u>	<u>\$ 817,111</u>	<u>\$ 49,865</u>	<u>\$ 559,927</u>	<u>\$ 3,957,711</u>
DISBURSEMENTS							
General government	\$ 703,401	\$ -	\$ 13,039	\$ -	\$ -	\$ 158,548	\$ 874,988
Public safety	-	-	-	756,624	-	342,611	1,099,235
Judicial	138,443	-	-	-	-	16,950	155,393
Roads and Bridges	-	1,360,621	-	-	-	-	1,360,621
Health and welfare	17,315	-	-	-	49,321	15,183	81,819
Transfers out	291,352	-	3,000	35,341	-	6,306	335,999
Total Disbursements	<u>\$ 1,150,511</u>	<u>\$ 1,360,621</u>	<u>\$ 16,039</u>	<u>\$ 791,965</u>	<u>\$ 49,321</u>	<u>\$ 539,598</u>	<u>\$ 3,908,055</u>
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	\$ 6,867	\$ (5,133)	\$ 1,903	\$ 25,146	\$ 544	\$ 20,329	\$ 49,656
FUND BALANCE, JANUARY 1	<u>973,855</u>	<u>471,883</u>	<u>255,097</u>	<u>(14,909)</u>	<u>13,227</u>	<u>362,126</u>	<u>2,061,279</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 980,722</u></u>	<u><u>\$ 466,750</u></u>	<u><u>\$ 257,000</u></u>	<u><u>\$ 10,237</u></u>	<u><u>\$ 13,771</u></u>	<u><u>\$ 382,455</u></u>	<u><u>\$ 2,110,935</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
 December 31,

	<u>2013</u>	<u>2014</u>
Assets		
Cash	<u>\$ 5,578,417</u>	<u>\$ 5,896,873</u>
Total Assets	<u><u>\$ 5,578,417</u></u>	<u><u>\$ 5,896,873</u></u>
Liabilities		
Due to Other Entities	<u>\$ 5,578,417</u>	<u>\$ 5,896,873</u>
Total Liabilities	<u><u>\$ 5,578,417</u></u>	<u><u>\$ 5,896,873</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Harrison County, Missouri, is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, Circuit Clerk/Recorder, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, and Sheriff.

The financial statements of Harrison County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements referred to above include the primary government of Harrison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The following component units are separate legal entities that are required to be included in the scope of our audit:

Harrison County Senior Citizens Tax Board – The Board was established to provide programs and services that enhance the health, nutrition, and quality of life of Harrison County seniors aged 60 or older. These programs and services are funded by a property tax levy passed specifically for the Board's purpose and are distributed to local service providers at the Board's discretion.

B. Basis of Presentation

Government-wide Financial Statements:

The statements of net position and the statements of activities display financial information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements:

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund balance, revenues, and expenditure/expenses.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The County's major governmental funds are as follows:

General Revenue Fund - The General Revenue fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Revenue fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Harrison County Lake Fund – A special revenue fund used to account for receipt of fees collected at the County Lake for the purpose of funding the maintenance operations of the lake.

½ Cent Sales Tax Law Enforcement Fund – A special revenue fund used to account for receipt of sales tax collections and Sheriff Fees for the purpose of public safety.

Leah Trullinger Endowment Fund – A special revenue fund used to account for investment balances and earnings to be used exclusively for charitable purposes. The fund was created to improve the resident comfort and enjoyment for residents at three elderly care facilities in Harrison County, Missouri.

Fiduciary funds account for assets held by the County as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in separate Comparative Statements of Fiduciary Assets and Liabilities because the County cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations. The agency funds include balances held by the County Collector/Treasurer for distribution to various school, fire, road, and other districts within the County.

C. Basis of Accounting

The Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, notes payable, revenue bonds, and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary funds and all government-wide financial statements would be presented on the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and

proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. All funds had budgeted expenditures which did not exceed budgeted revenues plus anticipated beginning fund balance, except for the 2013 budgeted ½ Cent Sales Tax Law Enforcement Fund.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. The Leah Trullinger Endowment did not have a formal budget adopted in 2014.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2013</u>	<u>2014</u>
FEMA/SEMA		X
Prosecuting Attorney Delinquent Tax	X	X

Also, the actual expenditures of the Leah Trullinger Endowment exceeded budgetary authority to the extent that a formal budget was not adopted for this fund.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar years 2014 and 2013, for purposes of taxation were:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 72,259,079	\$ 70,993,687
Personal Property	29,614,835	29,537,106
Total	<u>\$ 101,873,914</u>	<u>\$100,530,793</u>

The Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2014 and 2013, for purposes of County taxation, as follows:

General Revenue	\$	0.3782	\$	0.3773
Senior Citizens Tax Board		0.0500		0.0500

F. Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in two components:

1. Restricted net position—Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position—All other net assets that do not meet the definition of “restricted”.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the County Commission through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the County Commission. Assigned fund balance is a limitation imposed by a designee of the County Commission. Unassigned fund balance in the General Revenue fund is the net resources in excess of what can be properly classified in one of the above four categories.

G. Cash Deposits and Investments

Cash and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds’ average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

H. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund. Interfund transfers between funds of the primary government have been eliminated from the government-wide financial statements.

I. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

J. New Accounting Pronouncements

The County has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for periods beginning after June 15, 2010, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Implementation of this statement changed the way the County reported net position on the governmental fund Balance Sheet.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash and investments include both deposits and certificates of deposit with maturities less than 90 days. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills. Investments consist of certificates of deposit with maturities of greater than 90 days.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the primary County government's deposits were \$2,528,464 and \$2,097,164, respectively, and the bank balances were \$2,727,139 and \$2,167,153, respectively. Of the bank balances, \$250,000 at December 31, 2014 and \$251,346 at December 31, 2013 were covered by federal depository insurance. The remainder of the balances at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the carrying amounts of the Senior Citizens Tax Board's deposits and bank balances were \$12,902 and \$13,771, respectively. These balances were covered entirely by federal depository insurance.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$4,910,830 and \$4,484,711 at December 31, 2014 and 2013, respectively. The balances held by the Collector at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agency in the County's name.

3. INTERFUND TRANSFERS

The County made the following interfund transfers between governmental funds of the primary government:

Year Ended December 31, 2014				
Transfers Out	Transfers In			
	General Revenue	Special Road and Bridge	1/2 Cent Sales	
			Tax Law Enforcement	Non-Major Funds
General Revenue	\$ -	\$ 500	\$ 109,475	\$ 190,242
1/2 Cent Sales Tax Law Enforcement	3	5,000	-	30,000
Non-Major Funds	42	2,000	-	-

Year Ended December 31, 2013				
	Transfers In			
	General Revenue	Special Road and Bridge	1/2 Cent Sales	
			Tax Law Enforcement	Non-Major Funds
General Revenue	\$ -	\$ -	\$ 131,119	\$ 160,233
Harrison County Lake	-	3,000	-	-
1/2 Cent Sales Tax Law Enforcement	341	5,000	-	30,000
Non-Major Funds	4,306	2,000	-	-

4. COUNTY EMPLOYEES RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo,

circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five with a reduced benefit. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 573-632-9203.

3. Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF employee contributions of approximately \$52,072 and \$54,303 respectively, for the years then ended.

B. Prosecuting Attorney's Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$2,244 for both the years ended December 31, 2014 and 2013.

5. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

6. CLAIMS, COMMITMENTS, AND CONTINGENCIES

A. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

B. Compensated Absences

The County provides full time employees with 3.33 hours per calendar month worked of compensated sick leave or 40 hours in a one year period, up to a maximum of 30 days. Vacation time is accrued for every full time employee beginning with the first year of employment at a rate of ten days per year. Employees with two to eight years of employment earn twelve days per year of vacation leave; nine to thirteen years of employment earn fifteen days per year of vacation leave; fourteen to eighteen earn eighteen days of vacation leave; and nineteen or more years of employment earns twenty-one days per year. Any days not used by the end of the year (anniversary date of hire) will be lost. Upon voluntary separation, an employee may receive compensation for unused accrued vacation leave.

7. RISK MANAGEMENT

The County is exposed to various risks of losses related, to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

8. LONG-TERM DEBT

The County entered into an agreement with BNY Mellon for Certificates of Participation as of June 1, 2012. The agreement was entered to improve buildings and facilities of the County to reduce energy consumption or operating costs, including heating and air conditioning and energy efficient lighting. As of December 31, 2014, the balance outstanding was \$1,135,000. Principal payments are made annually in May and interest is paid semi-annually at 3%. The final payment is scheduled for May 2022.

9. EQUIPMENT LEASES

- A. The County entered into a 60 month lease for 911 telephone systems on September 26, 2012. The lease is scheduled to be paid in monthly payments of \$4,384. The total remaining payments are \$166,604 over 38 months.
- B. The County entered into a 60 month lease for Harrison County 911 to be provided two Motorola Consoles, operator training and 24/7 service/maintenance on the consoles. This lease is scheduled to be paid in monthly payments of \$1,292. The total remaining payments are \$20,676 over 16 months.

10. RESTATEMENTS

The beginning balances of certain funds which were previously audited have been restated. The funds previously audited with changes in balance are the County Election Services fund, Eagleville Cemetery fund and the Senior Citizens Tax Board. The beginning balance for County Election Services fund was restated to \$6,711, an increase of \$2,000 from the prior audit. The beginning balance for the Eagleville Cemetery fund was restated to \$51,627, an increase of \$5 from the prior audit. Finally, the Senior Citizens Tax Board beginning balance was restated to \$13,227, an increase of \$1,620 from the prior audit.

11. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 31, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2013		2014	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 350,000	\$ 341,451	\$ 335,000	\$ 346,001
Sales taxes	390,000	382,180	390,000	403,273
Intergovernmental	14,300	16,011	19,200	17,874
Charges for services	318,386	339,827	333,700	340,453
Interest	18,000	7,595	6,800	1,916
Other	63,350	65,667	69,556	94,885
Transfers in	8,275	4,647	4,700	45
Total Receipts	<u>\$ 1,162,311</u>	<u>\$ 1,157,378</u>	<u>\$ 1,158,956</u>	<u>\$ 1,204,447</u>
DISBURSEMENTS				
County Commission	\$ 84,886	\$ 82,454	\$ 84,886	\$ 81,847
County Clerk	72,151	67,437	73,826	67,942
Elections	83,209	44,221	127,109	81,989
Building & Grounds	149,079	129,926	153,902	116,444
Treasurer	115,908	104,841	109,194	100,319
Recorder of Deeds	39,672	38,002	39,172	32,171
Court Administration	17,912	11,561	17,424	3,528
Public Administrator	53,960	50,054	53,606	51,080
Prosecuting Attorney	114,742	109,936	114,743	100,341
Juvenile Officer	38,747	8,601	47,363	10,279
Coroner	22,665	17,315	23,742	28,178
Other Government	200,683	180,462	202,383	186,149
Public Defender	2,965	2,855	6,500	3,113
Misdemeanor Probation Program	3,622	3,611	3,629	4,331
Associate Circuit Court	4,250	1,880	4,250	1,666
Transfers Out	320,394	291,352	396,804	300,217
Emergency fund	100,000	6,003	100,000	36,643
Total Disbursements	<u>\$ 1,424,845</u>	<u>\$ 1,150,511</u>	<u>\$ 1,558,533</u>	<u>\$ 1,206,237</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (262,534)	\$ 6,867	\$ (399,577)	\$ (1,790)
FUND BALANCE, JANUARY 1	<u>973,855</u>	<u>973,855</u>	<u>980,722</u>	<u>980,722</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 711,321</u></u>	<u><u>\$ 980,722</u></u>	<u><u>\$ 581,145</u></u>	<u><u>\$ 978,932</u></u>

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	540,000	526,628	530,000	586,113	-	-	-	-
Intergovernmental	1,044,120	741,167	1,042,920	1,107,929	117,981	117,759	129,300	122,550
Charges for services	-	-	-	-	17,103	17,279	16,300	15,615
Interest	5,132	3,405	3,400	952	1,176	780	-	180
Other	82,000	74,288	33,500	78,771	4,796	11,673	11,000	3,643
Transfers in	7,000	10,000	7,500	7,500	-	-	-	-
Total Receipts	\$ 1,678,252	\$ 1,355,488	\$ 1,617,320	\$ 1,781,265	\$ 141,056	\$ 147,491	\$ 156,600	\$ 141,988
DISBURSEMENTS								
Salaries	\$ 179,400	\$ 164,899	\$ 151,840	\$ 140,229	\$ 91,483	\$ 90,486	\$ 91,470	\$ 89,018
Employee fringe benefits	69,538	76,777	55,356	49,635	20,698	20,558	19,998	21,218
Materials and Supplies	255,600	196,503	298,000	236,981	7,500	5,377	7,700	4,203
Services and Other	107,500	51,124	109,500	57,438	23,650	18,315	29,550	22,720
Capital Outlay	20,000	2,626	25,000	908	5,000	3,179	5,000	7,442
Construction	1,203,500	868,692	1,215,500	1,237,115	-	-	-	-
Transfers out	-	-	-	-	2,000	2,000	2,000	2,000
Total Disbursements	\$ 1,835,538	\$ 1,360,621	\$ 1,855,196	\$ 1,722,306	\$ 150,331	\$ 139,915	\$ 155,718	\$ 146,601
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (157,286)	\$ (5,133)	\$ (237,876)	\$ 58,959	\$ (9,275)	\$ 7,576	\$ 882	\$ (4,613)
FUND BALANCE, JANUARY 1	471,883	471,883	466,750	466,750	74,069	74,069	81,645	81,645
FUND BALANCE, DECEMBER 31	\$ 314,597	\$ 466,750	\$ 228,874	\$ 525,709	\$ 64,794	\$ 81,645	\$ 82,527	\$ 77,032

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SHERIFF TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,200	1,208	1,100	1,336
Interest	-	97	93	20	60	29	20	6
Other	4,500	4,814	4,490	5,343	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,500	\$ 4,911	\$ 4,583	\$ 5,363	\$ 1,260	\$ 1,237	\$ 1,120	\$ 1,342
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	9,000	5,325	7,500	4,538	3,000	2,269	3,000	1,694
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	8,000	4,000	-	-	-	-	-	-
Total Disbursements	\$ 17,000	\$ 9,325	\$ 7,500	\$ 4,538	\$ 3,000	\$ 2,269	\$ 3,000	\$ 1,694
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (12,500)	\$ (4,414)	\$ (2,917)	\$ 825	\$ (1,740)	\$ (1,032)	\$ (1,880)	\$ (352)
FUND BALANCE, JANUARY 1	16,289	16,289	11,875	11,875	5,344	5,344	4,312	4,312
FUND BALANCE, DECEMBER 31	\$ 3,789	\$ 11,875	\$ 8,958	\$ 12,700	\$ 3,604	\$ 4,312	\$ 2,432	\$ 3,960

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SPECIAL POOR FUND				LOTTIE WILSON TRUST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	15,000	15,000	15,000	15,000	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	488	277	270	79	320	166	160	46
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 15,488	\$ 15,277	\$ 15,270	\$ 15,079	\$ 320	\$ 166	\$ 160	\$ 46
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	15,488	14,582	18,100	14,708	320	320	160	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 15,488	\$ 14,582	\$ 18,100	\$ 14,708	\$ 320	\$ 320	\$ 160	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 695	\$ (2,830)	\$ 371	\$ -	\$ (154)	\$ -	\$ 46
FUND BALANCE, JANUARY 1	47,051	47,051	47,746	47,746	28,490	28,490	28,336	28,336
FUND BALANCE, DECEMBER 31	\$ 47,051	\$ 47,746	\$ 44,916	\$ 48,117	\$ 28,490	\$ 28,336	\$ 28,336	\$ 28,382

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	RECORDERS PRESERVATION FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,200	3,532	3,200	3,451	12,500	13,263	11,500	8,739
Interest	40	25	40	8	200	113	25	35
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 3,240	\$ 3,557	\$ 3,240	\$ 3,459	\$ 12,700	\$ 13,376	\$ 11,525	\$ 8,774
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 8,320	\$ 5,133	\$ 5,437	\$ 350
Employee fringe benefits	-	-	-	-	4,132	4,032	4,702	2,527
Materials and Supplies	2,500	2,238	1,000	947	300	92	300	147
Services and Other	2,700	1,470	2,700	800	3,500	2,677	3,000	1,244
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 5,200	\$ 3,708	\$ 3,700	\$ 1,747	\$ 16,252	\$ 11,934	\$ 13,439	\$ 4,268
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,960)	\$ (151)	\$ (460)	\$ 1,712	\$ (3,552)	\$ 1,442	\$ (1,914)	\$ 4,506
FUND BALANCE, JANUARY 1	4,070	4,070	3,919	3,919	18,355	18,355	19,797	19,797
FUND BALANCE, DECEMBER 31	\$ 2,110	\$ 3,919	\$ 3,459	\$ 5,631	\$ 14,803	\$ 19,797	\$ 17,883	\$ 24,303

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	DOMESTIC VIOLENCE FUND				HARRISON COUNTY LAKE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	350	280	350	325	11,361	11,958	11,700	15,454
Interest	1	-	1	-	3,000	1,481	1,500	421
Other	-	-	-	-	4,498	4,503	4,511	4,503
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 351	\$ 280	\$ 351	\$ 325	\$ 18,859	\$ 17,942	\$ 17,711	\$ 20,378
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	351	280	351	325	16,200	13,039	20,200	10,783
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	3,000	-	-
Total Disbursements	\$ 351	\$ 280	\$ 351	\$ 325	\$ 16,200	\$ 16,039	\$ 20,200	\$ 10,783
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ 2,659	\$ 1,903	\$ (2,489)	\$ 9,595
FUND BALANCE, JANUARY 1	-	-	-	-	255,097	255,097	257,000	257,000
FUND BALANCE, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 257,756	\$ 257,000	\$ 254,511	\$ 266,595

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	911 FUND				HARRISON COUNTY CAFO FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency telephone tax	80,000	96,227	80,000	108,351	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	83,000	53,000	83,000	53,007	-	-	-	2,500
Interest	-	1	-	19	26	14	1	5
Other	-	273	-	-	-	-	-	-
Transfers in	192,025	188,000	188,000	218,000	-	-	-	-
Total Receipts	\$ 355,025	\$ 337,501	\$ 351,000	\$ 379,377	\$ 26	\$ 14	\$ 1	\$ 2,505
DISBURSEMENTS								
Salaries	\$ 143,332	\$ 145,892	\$ 148,500	\$ 137,233	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	50,875	41,081	49,041	52,812	-	-	-	-
Materials and Supplies	47,000	46,583	46,500	70,005	-	-	-	-
Services and Other	8,200	4,002	8,200	2,856	-	-	-	-
Capital Outlay	101,193	97,443	98,304	74,781	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	306	-	42	-	-	-	-
Total Disbursements	\$ 350,600	\$ 335,307	\$ 350,545	\$ 337,729	\$ -	\$ -	\$ -	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 4,425	\$ 2,194	\$ 455	\$ 41,648	\$ 26	\$ 14	\$ 1	\$ 2,505
FUND BALANCE, JANUARY 1	2,618	2,618	4,812	4,812	2,321	2,321	2,335	2,335
FUND BALANCE, DECEMBER 31	\$ 7,043	\$ 4,812	\$ 5,267	\$ 46,460	\$ 2,347	\$ 2,335	\$ 2,336	\$ 4,840

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				POST COMMISSION TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,600	-	2,500	5,524	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	50	23	25	6	80	29	25	5
Other	-	-	-	-	2,500	2,099	2,000	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,650	\$ 23	\$ 2,525	\$ 5,530	\$ 2,580	\$ 2,128	\$ 2,025	\$ 5
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,400	2,286	4,200	2,239	6,000	3,638	2,800	2,002
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 4,400	\$ 2,286	\$ 4,200	\$ 2,239	\$ 6,000	\$ 3,638	\$ 2,800	\$ 2,002
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,750)	\$ (2,263)	\$ (1,675)	\$ 3,291	\$ (3,420)	\$ (1,510)	\$ (775)	\$ (1,997)
FUND BALANCE, JANUARY 1	5,774	5,774	3,511	3,511	6,178	6,178	4,668	4,668
FUND BALANCE, DECEMBER 31	\$ 4,024	\$ 3,511	\$ 1,836	\$ 6,802	\$ 2,758	\$ 4,668	\$ 3,893	\$ 2,671

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	COUNTY ELECTION SERVICES FUND				RECORDERS TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,900	2,013	1,800	1,904
Interest	55	40	10	13	10	6	4	3
Other	800	1,054	1,000	948	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 855	\$ 1,094	\$ 1,010	\$ 961	\$ 1,910	\$ 2,019	\$ 1,804	\$ 1,907
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,000	379	1,000	710
Services and Other	-	-	-	-	750	972	750	100
Capital Outlay	2,000	-	2,000	648	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,000	\$ -	\$ 2,000	\$ 648	\$ 1,750	\$ 1,351	\$ 1,750	\$ 810
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,145)	\$ 1,094	\$ (990)	\$ 313	\$ 160	\$ 668	\$ 54	\$ 1,097
FUND BALANCE, JANUARY 1 (RESTATED)	6,711	6,711	7,805	7,805	726	726	1,394	1,394
FUND BALANCE, DECEMBER 31	\$ 5,566	\$ 7,805	\$ 6,815	\$ 8,118	\$ 886	\$ 1,394	\$ 1,448	\$ 2,491

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	PROSECUTING ATTORNEY RETIREMENT FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	15,500	13,476	15,500	14,063
Interest	16	9	5	2	500	278	90	89
Other	-	-	-	-	-	-	-	-
Transfers in	2,250	2,233	2,300	2,242	-	-	-	-
Total Receipts	\$ 2,266	\$ 2,242	\$ 2,305	\$ 2,244	\$ 16,000	\$ 13,754	\$ 15,590	\$ 14,152
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	2,250	2,244	2,300	2,244	-	-	-	-
Materials and Supplies	-	-	-	-	3,000	5,425	3,000	2,941
Services and Other	-	-	-	-	6,000	1,826	5,600	4,475
Capital Outlay	-	-	-	-	9,000	3,185	9,000	393
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,250	\$ 2,244	\$ 2,300	\$ 2,244	\$ 18,000	\$ 10,436	\$ 17,600	\$ 7,809
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 16	\$ (2)	\$ 5	\$ -	\$ (2,000)	\$ 3,318	\$ (2,010)	\$ 6,343
FUND BALANCE, JANUARY 1	2,246	2,246	2,244	2,244	46,270	46,270	49,588	49,588
FUND BALANCE, DECEMBER 31	\$ 2,262	\$ 2,244	\$ 2,249	\$ 2,244	\$ 44,270	\$ 49,588	\$ 47,578	\$ 55,931

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	1/2 CENT SALES TAX LAW ENFORCEMENT FUND				EAGLEVILLE CEMETARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	530,000	526,618	525,000	586,109	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	30,000	33,659	30,000	32,796	-	-	-	-
Interest	-	1	-	21	573	299	292	80
Other	177,600	125,714	110,100	76,857	100	-	-	-
Transfers in	134,119	131,119	206,504	109,475	-	-	-	-
Total Receipts	\$ 871,719	\$ 817,111	\$ 871,604	\$ 805,258	\$ 673	\$ 299	\$ 292	\$ 80
DISBURSEMENTS								
Salaries	\$ 327,540	\$ 329,973	\$ 327,604	\$ 322,382	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	106,702	101,932	125,865	111,011	-	-	-	-
Materials and Supplies	55,950	58,597	56,550	52,910	-	-	-	-
Services and Other	182,222	128,236	153,635	125,092	1,500	1,500	2,000	1,800
Capital Outlay	156,035	137,886	167,450	163,268	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	35,000	35,341	40,500	35,003	-	-	-	-
Total Disbursements	\$ 863,449	\$ 791,965	\$ 871,604	\$ 809,666	\$ 1,500	\$ 1,500	\$ 2,000	\$ 1,800
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 8,270	\$ 25,146	\$ -	\$ (4,408)	\$ (827)	\$ (1,201)	\$ (1,708)	\$ (1,720)
FUND BALANCE, JANUARY 1 (RESTATED)	(14,909)	(14,909)	10,237	10,237	51,627	51,627	50,426	50,426
FUND BALANCE, DECEMBER 31	\$ (6,639)	\$ 10,237	\$ 10,237	\$ 5,829	\$ 50,800	\$ 50,426	\$ 48,718	\$ 48,706

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	JUVENILE RESTITUTION FUND				FEMA/SEMA FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	9	-	3	439	231	200	131
Other	1,600	25	1,648	250	-	-	40,700	81,228
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,600	\$ 34	\$ 1,648	\$ 253	\$ 439	\$ 231	\$ 40,900	\$ 81,359
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,500	-	1,600	265	-	-	40,700	78,795
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,500	\$ -	\$ 1,600	\$ 265	\$ -	\$ -	\$ 40,700	\$ 78,795
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 100	\$ 34	\$ 48	\$ (12)	\$ 439	\$ 231	\$ 200	\$ 2,564
FUND BALANCE, JANUARY 1	1,615	1,615	1,649	1,649	39,530	39,530	39,761	39,761
FUND BALANCE, DECEMBER 31	\$ 1,715	\$ 1,649	\$ 1,697	\$ 1,637	\$ 39,969	\$ 39,761	\$ 39,961	\$ 42,325

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				SENIOR CITIZENS TAX BOARD			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 47,000	\$ 49,864	\$ 50,000	\$ 49,005
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	20	19	10	6	-	1	-	1
Other	1,000	1,374	800	992	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,020	\$ 1,393	\$ 810	\$ 998	\$ 47,000	\$ 49,865	\$ 50,000	\$ 49,006
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	500	503	500	697	53,000	49,321	53,000	49,875
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 500	\$ 503	\$ 500	\$ 697	\$ 53,000	\$ 49,321	\$ 53,000	\$ 49,875
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 520	\$ 890	\$ 310	\$ 301	\$ (6,000)	\$ 544	\$ (3,000)	\$ (869)
FUND BALANCE, JANUARY 1 (RESTATED)	2,842	2,842	3,732	3,732	13,227	13,227	13,771	13,771
FUND BALANCE, DECEMBER 31	\$ 3,362	\$ 3,732	\$ 4,042	\$ 4,033	\$ 7,227	\$ 13,771	\$ 10,771	\$ 12,902

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	LEAH TRULLINGER ENDOWMENT FUND				COUNTY SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	6,300	5,975	4,010
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	10	8	11
Other	-	-	-	298,879	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ 298,879	\$ -	\$ 6,310	\$ 5,983	\$ 4,021
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	900	-
Services and Other	-	-	-	2,499	-	-	5,500	2,073
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ -	\$ 2,499	\$ -	\$ -	\$ 6,400	\$ 2,073
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 296,380	\$ -	\$ 6,310	\$ (417)	\$ 1,948
FUND BALANCE, JANUARY 1	-	-	-	-	-	-	6,310	6,310
FUND BALANCE, DECEMBER 31	\$ -	\$ -	\$ -	\$ 296,380	\$ -	\$ 6,310	\$ 5,893	\$ 8,258

HARRISON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

INMATE PRISONER DETAINEE FUND				
Year Ended December 31,				
	2013		2014	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	6,581	6,000	16,373
Charges for services	-	-	-	-
Interest	-	9	-	21
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	\$ -	\$ 6,590	\$ 6,000	\$ 16,394
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	1,800	2,168
Services and Other	-	-	3,500	437
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ 5,300	\$ 2,605
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ -	\$ 6,590	\$ 700	\$ 13,789
FUND BALANCE, JANUARY 1	-	-	6,590	6,590
FUND BALANCE, DECEMBER 31	\$ -	\$ 6,590	\$ 7,290	\$ 20,379

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Harrison County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harrison County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Harrison County, Missouri's basic financial statements and have issued our report thereon dated July 31, 2015.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Harrison County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Harrison County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Harrison County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations that we consider to be a significant deficiency as item 1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harrison County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed a certain instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 2.

We also noted other matters that we reported to management of Harrison County, Missouri in the accompanying schedule of findings and recommendations as items 3 and 4.

Harrison County, Missouri's Response to Findings

Harrison County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Harrison County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 31, 2015

FINDINGS AND RECOMMENDATIONS SECTION

HARRISON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESS IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, the recorded transfers in did not equal the transfers out in either 2013 or 2014. In 2014, there was a TIF payment recorded as a transfer out of the ½ Cent Sales Tax Law Enforcement fund which should have been recorded as an expenditure. In 2013, \$5,000 of a transfer out of the General Revenue fund to the ½ Cent Sales Tax Law Enforcement fund was recorded on the Emergency Fund expenditure line rather than as a transfer out. The financial statements presented in this report have been adjusted so that transfers in equal transfers out.

Recommendation: In order to ensure that transfers are properly reported on the budgets and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers category.

County Response: We will manage transfers more efficiently.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

2. Budgetary Controls

Condition: We noted three issues with the County's budgeting process during 2014 and 2013, as follows:

- a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Leah Trullinger Endowment fund which was created during 2014.
- b) Budgeted expenditures exceeded budgeted revenues plus anticipated beginning fund balance for the ½ Cent Sales Tax Law Enforcement fund for 2013.
- c) Actual expenditures exceeded budgeted expenditures for two funds in 2014 and for one fund in 2013. A list of the individual funds can be found at Note 1.D.10 in the notes to the financial statements. State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. The County should also ensure that the budgeted expenditures of a fund do not exceed the beginning fund balance plus budgeted receipts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: The County Commission will strive to maintain compliance with State Statutes in regard to the budget process.

Auditor's Evaluation: The response is appropriate to correct the concern.

OTHER MATTERS

3. Abatement Write-offs

Condition: The majority of the County Clerk's abatement requests were not signed by the Commission during the two years. The abatement process begins with the Assessor who prepares an abatement order and sends it to the County Clerk's office for approval. The Clerk and the Commission review the request for the abatement of taxes and sign the order if the write off is approved. The approved order is then sent to the Collector/Treasurer for her records. A review of the abatement orders sent from the County Clerk to the Collector/Treasurer noted that the majority of them were not approved by the Commission. Total abatements shown on the 2014 Collector's Annual Settlement were \$39,628, while the Commission only approved \$8,456 of abatements. Total abatements shown on the 2013 Collector's Annual Settlement were \$30,859, while the Commission only approved \$8,131 of abatements.

Recommendation: We recommend that the County ensure that the Commission reviews all abatement requests for propriety and documents their approval by signing the abatement orders.

County Response: This has been resolved. The Presiding Commissioner will sign off on all abatements.

Auditor's Evaluation: The response is appropriate to correct the concern.

4. Sheriff's Fuel Credit Cards

Condition: The Sheriff's office utilizes five MFA Oil Petro-Cards, one for each of the four Deputy's fleet cars and one for the Sheriff's fleet car. All five cards are under one account and may be used to purchase fuel or for basic upkeep of each vehicle. All receipts from purchases using the cards must be returned to the Sheriff's office and placed into an envelope. The Sheriff reviews the monthly statement received from MFA Oil and agrees the statement to each receipt. If the receipts agree to the monthly credit card statement, the credit card statement with accompanying receipts is sent to the Clerk's office for payment. Of the four months of MFA Oil credit card statements reviewed, only one month had all accompanying receipts which tied to the corresponding monthly credit card statement, two months only had partial accompanying

receipts that tied to the monthly statement, and one month had no accompanying receipts with the monthly statement.

Recommendation: We recommend that the Sheriff's Department maintain all receipts for the Petro-Cards and provide them to the County Clerk's office to support charges to the MFA Petro-Card account.

County Response: The Commission has spoken to the Sheriff. This has been resolved. All receipts will be maintained and provided to the County Clerk's office.

Auditor's Evaluation: The response is appropriate to correct the concern.

HARRISON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Harrison County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2012 and 2011.

1. The County had an excess of expenditures over appropriations in individual funds during both 2012 and 2011.

Status – Not resolved. See Finding 2.

2. The ½ Cent Sales Tax Law Enforcement fund had a deficit balance of \$(14,909) for the year ended December 31, 2012 and \$(19,206) for the year ended December 31, 2011.

Status – Resolved.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Madison County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Madison County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-086

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014 AND 2013

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

Independent Auditor's Report	1-2
------------------------------------	-----

FINANCIAL STATEMENTS

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2014	3
Year Ended December 31, 2013	4

Comparative Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2014 and 2013	5-15

Fiduciary Funds:

Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2014	16
As of December 31, 2013	17

Notes to the Financial Statements	18-28
-----------------------------------------	-------

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

Schedule of State Findings	29
----------------------------------	----

INTERNAL CONTROL AND COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	30-31
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------

Schedule of Findings and Responses	
Years Ended December 31, 2014 and 2013	32-35

Summary Schedule of Prior Year Findings and Responses	
Years Ended December 31, 2014 and 2013	36

FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Madison, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Madison (County), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2014, and 2013, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2014, and 2013, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2014, and 2013, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2015, on our consideration of the County of Madison’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Madison’s internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 8, 2015

FINANCIAL STATEMENTS

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2014	RECEIPTS 2014	DISBURSEMENTS 2014	CASH AND INVESTMENT BALANCES DECEMBER 31, 2014
General Revenue Fund	\$ 178,119.13	\$ 1,217,586.48	\$ 1,319,166.88	\$ 76,538.73
Special Road and Bridge Fund	220,871.55	1,642,671.53	1,836,282.03	27,261.05
Assessment Fund	28,491.70	185,499.83	210,503.43	3,488.10
911 Fund	396.19	316,652.13	309,920.86	7,127.46
MCLEST Fund	5,805.76	951,782.64	901,810.71	55,777.69
LETF Fund	4,824.08	3,624.76	6,182.37	2,266.47
Restitution Fund	40,329.48	9,650.05	36,580.00	13,399.53
User Fee Fund	25,585.45	14,517.55	13,287.65	26,815.35
Over Under Fund	360.34	10.18	-	370.52
Domestic Violence Fund	2,139.95	697.13	1,000.00	1,837.08
Prosecuting Attorney Training Fund	1,633.99	644.07	1,658.33	619.73
Prosecuting Attorney Bad Check Fund	12,093.16	6,197.28	840.00	17,450.44
Tax Increment Fund	506,346.01	693,086.45	956,943.00	242,489.46
Unclaimed Fund	16,833.80	617.71	15,209.82	2,241.69
Over Plus Fund	28,294.85	7,614.70	13,028.12	22,881.43
Prosecuting Attorney Delinquent Fund	735.26	0.26	735.52	-
Inmate Security Fund	10,274.25	5,366.73	4,929.72	10,711.26
Sheriff's Revolving Fund	41,318.33	8,835.64	7,657.48	42,496.49
Tax Maintenance Fund	7,618.80	27,064.77	23,891.24	10,792.33
TOTAL	<u>\$ 1,132,072.08</u>	<u>\$ 5,092,119.89</u>	<u>\$ 5,659,627.16</u>	<u>\$ 564,564.81</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2013	RECEIPTS 2013	DISBURSEMENTS 2013	CASH AND INVESTMENT BALANCES DECEMBER 31, 2013
General Revenue Fund	\$ 38,713.75	\$ 1,334,197.00	\$ 1,194,791.62	\$ 178,119.13
Special Road and Bridge Fund	239,571.95	1,764,482.08	1,783,182.48	220,871.55
Assessment Fund	22,211.21	186,206.23	179,925.74	28,491.70
911 Fund	6,673.34	264,925.37	271,202.52	396.19
MCLEST Fund	8,338.22	800,809.55	803,342.01	5,805.76
LETF Fund	5,731.28	2,809.10	3,716.30	4,824.08
Restitution Fund	36,527.02	37,783.70	33,981.24	40,329.48
User Fee Fund	20,000.34	12,331.66	6,746.55	25,585.45
Over Under Fund	359.16	1.18	-	360.34
Domestic Violence Fund	4,417.48	722.47	3,000.00	2,139.95
Prosecuting Attorney Training Fund	1,737.26	872.15	975.42	1,633.99
Prosecuting Attorney Bad Check Fund	9,227.54	7,638.42	4,772.80	12,093.16
Tax Increment Fund	310,052.60	721,433.41	525,140.00	506,346.01
Unclaimed Fund	17,204.75	262.89	633.84	16,833.80
Over Plus Fund	28,606.69	7,443.40	7,755.24	28,294.85
Prosecuting Attorney Delinquent Fund	734.89	0.37	-	735.26
Inmate Security Fund	10,647.98	2,670.82	3,044.55	10,274.25
Sheriff's Revolving Fund	28,356.45	17,618.50	4,656.62	41,318.33
Tax Maintenance Fund	4,771.45	22,920.03	20,072.68	7,618.80
TOTAL	<u>\$ 793,883.36</u>	<u>\$ 5,185,128.33</u>	<u>\$ 4,846,939.61</u>	<u>\$ 1,132,072.08</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	GENERAL REVENUE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 300,000.00	\$ 207,810.78	\$ 242,000.00	\$ 267,601.20
Sales Taxes	550,000.00	555,256.70	490,000.00	507,008.85
Intergovernmental	115,020.00	125,315.46	229,609.72	255,961.04
Charges for Services	225,500.00	207,046.84	187,300.00	232,981.93
Interest	130.00	40.42	400.00	261.08
Other	180,200.00	41,127.28	40,000.00	70,382.90
Transfers In	12,000.00	80,989.00	-	-
TOTAL RECEIPTS	1,382,850.00	1,217,586.48	1,189,309.72	1,334,197.00
DISBURSEMENTS				
County Commission	82,851.00	83,315.35	82,855.00	82,821.29
County Clerk	85,000.00	84,112.50	73,304.00	73,404.33
Elections	60,825.00	56,560.24	39,325.00	37,699.06
Buildings and Grounds	238,876.00	213,816.76	245,198.80	249,339.55
Employee Fringe Benefits	242,900.00	206,766.58	228,542.00	234,857.30
County Treasurer	42,900.00	42,986.74	41,150.00	41,152.43
Collector	71,750.00	69,225.22	63,182.50	66,427.90
Recorder of Deeds	80,810.00	80,693.87	78,120.00	78,519.78
Circuit Clerk	41,340.80	39,108.25	31,225.70	31,589.37
Court Administration	9,935.00	5,300.00	5,600.00	10,086.90
Public Administrator	30,350.00	26,594.31	30,350.00	26,823.63
Prosecuting Attorney	139,409.00	142,578.88	127,966.25	133,706.09
Coroner	46,400.00	30,016.86	38,125.00	45,172.67
Other	3,655.00	3,091.32	3,655.00	3,191.32
Transfers Out	100,000.00	235,000.00	80,000.00	80,000.00
Emergency Fund	36,000.00	-	34,000.00	-
TOTAL DISBURSEMENTS	1,313,001.80	1,319,166.88	1,202,599.25	1,194,791.62
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	69,848.20	(101,580.40)	(13,289.53)	139,405.38
CASH AND INVESTMENT				
BALANCES, JANUARY 1	178,119.13	178,119.13	38,713.75	38,713.75
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 247,967.33	\$ 76,538.73	\$ 25,424.22	\$ 178,119.13

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	SPECIAL ROAD AND BRIDGE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 330,000.00	\$ 298,743.52	\$ 330,000.00	\$ 325,930.89
Sales Taxes	500,000.00	497,004.41	440,000.00	456,631.77
Intergovernmental	890,175.00	827,579.41	685,675.00	719,436.79
Charges for Services	250.00	9,639.83	250.00	369.00
Interest	400.00	89.34	1,400.00	481.12
Grants	6,500.00	-	134,333.00	235,981.86
Other	30,100.00	9,615.02	59,000.00	25,650.65
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,757,425.00	1,642,671.53	1,650,658.00	1,764,482.08
DISBURSEMENTS				
Salaries	300,000.00	319,913.50	302,000.00	285,612.06
Employee Fringe Benefits	92,800.00	92,086.66	84,800.00	87,744.34
Supplies	195,200.00	190,329.27	182,700.00	172,853.98
Insurance	53,067.00	55,537.07	38,000.00	55,306.00
Road & Bridge Materials	523,000.00	522,619.17	453,500.00	412,500.35
Equipment Repairs	60,000.00	80,640.94	60,000.00	56,838.18
Rentals	14,000.00	4,455.27	19,000.00	12,538.00
Equipment Purchases	42,200.00	34,612.12	43,000.00	24,172.36
R&B Construction	10,000.00	-	-	4,681.88
Other	-	-	130,350.00	133,291.32
Reimbursements	356,200.00	471,351.38	438,401.00	500,706.87
Debt Service	40,000.00	64,736.65	40,000.00	36,937.14
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,686,467.00	1,836,282.03	1,791,751.00	1,783,182.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	70,958.00	(193,610.50)	(141,093.00)	(18,700.40)
CASH AND INVESTMENT BALANCES, JANUARY 1	220,871.55	220,871.55	239,571.95	239,571.95
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 291,829.55	\$ 27,261.05	\$ 98,478.95	\$ 220,871.55

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	ASSESSMENT FUND				911 FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 118,000.00	\$ 107,844.99	\$ 118,000.00	\$ 112,777.87
Intergovernmental	145,870.00	140,033.14	143,500.00	143,196.45	-	-	-	-
Charges for Services	2,400.00	2,845.00	-	2,944.00	71,000.00	73,800.00	69,000.00	71,000.00
Interest	200.00	18.36	175.00	65.78	20.00	7.14	20.00	16.16
Other	-	2,603.33	2,200.00	-	1,200.00	-	-	1,131.34
Transfers In	40,000.00	40,000.00	40,000.00	40,000.00	100,000.00	135,000.00	80,000.00	80,000.00
TOTAL RECEIPTS	188,470.00	185,499.83	185,875.00	186,206.23	290,220.00	316,652.13	267,020.00	264,925.37
DISBURSEMENTS								
Assessor	38,000.00	38,732.40	38,000.00	38,000.00	-	-	-	-
Training	-	39,831.68	-	-	-	-	-	-
Salaries	71,730.00	74,210.15	69,000.00	66,672.62	180,000.00	192,571.01	160,000.00	175,972.10
Fringe Benefits	45,475.00	-	43,870.00	43,800.62	45,000.00	53,531.22	43,625.00	43,316.78
Office Expense	33,350.00	51,098.31	36,250.00	27,371.33	44,400.00	53,730.64	44,200.00	42,963.93
Radio Equipment	-	-	-	-	7,000.00	2,736.50	8,000.00	3,551.50
Mileage and Training	5,000.00	6,630.89	5,000.00	4,081.17	2,500.00	5,560.81	2,000.00	1,994.99
Other	-	-	-	-	1,650.00	1,790.68	3,750.00	3,403.22
TOTAL DISBURSEMENTS	193,555.00	210,503.43	192,120.00	179,925.74	280,550.00	309,920.86	261,575.00	271,202.52
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,085.00)	(25,003.60)	(6,245.00)	6,280.49	9,670.00	6,731.27	5,445.00	(6,277.15)
CASH AND INVESTMENT BALANCES, JANUARY 1	28,491.70	28,491.70	22,211.21	22,211.21	396.19	396.19	6,673.34	6,673.34
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 23,406.70	\$ 3,488.10	\$ 15,966.21	\$ 28,491.70	\$ 10,066.19	\$ 7,127.46	\$ 12,118.34	\$ 396.19

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	MCLEST FUND				LETF FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 520,000.00	\$ 554,986.29	\$ 489,000.00	\$ 507,009.25	\$ -	\$ -	\$ -	\$ -
Intergovernmental	134,040.00	119,498.27	22,600.00	110,162.91	2,800.00	3,623.29	3,100.00	2,805.82
Charges for Services	55,000.00	54,109.38	126,000.00	47,975.49	-	-	-	-
Interest	55.00	29.48	100.00	54.29	300.00	1.47	7.00	3.28
Other	64,000.00	103,159.22	98,124.00	135,607.61	-	-	-	-
Transfers In	-	120,000.00	-	-	-	-	-	-
TOTAL RECEIPTS	773,095.00	951,782.64	735,824.00	800,809.55	3,100.00	3,624.76	3,107.00	2,809.10
DISBURSEMENTS								
Salary	277,000.00	275,469.74	264,100.00	272,802.48	-	-	-	-
Fringe Benefits	197,231.00	134,272.19	116,400.00	104,866.15	-	-	-	-
Other	-	27,699.35	-	89,342.54	3,400.00	1,954.05	3,200.00	2,499.72
Jail	110,550.00	118,260.59	97,350.00	111,252.98	-	-	-	-
Building and Grounds	30,000.00	51,380.28	93,552.00	61,585.34	-	-	-	-
Juvenile Office	46,755.00	43,077.71	46,755.00	46,736.50	-	-	-	-
Sheriff Revolving	76,975.00	110,661.85	63,750.00	76,756.02	-	-	-	-
Transfers Out	40,000.00	140,989.00	40,000.00	40,000.00	-	-	-	-
Training	-	-	-	-	2,000.00	4,228.32	3,000.00	1,216.58
TOTAL DISBURSEMENTS	778,511.00	901,810.71	721,907.00	803,342.01	5,400.00	6,182.37	6,200.00	3,716.30
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,416.00)	49,971.93	13,917.00	(2,532.46)	(2,300.00)	(2,557.61)	(3,093.00)	(907.20)
CASH AND INVESTMENT BALANCES, JANUARY 1	5,805.76	5,805.76	8,338.22	8,338.22	4,824.08	4,824.08	5,731.28	5,731.28
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 389.76	\$ 55,777.69	\$ 22,255.22	\$ 5,805.76	\$ 2,524.08	\$ 2,266.47	\$ 2,638.28	\$ 4,824.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	RESTITUTION FUND				USER FEE FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 20,000.00	\$ 9,640.40	\$ 28,000.00	\$ 17,961.20	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	13,500.00	14,502.50	12,800.00	12,314.04
Interest	25.00	9.65	65.00	24.50	20.00	15.05	35.00	17.62
Other	-	-	-	19,798.00	-	-	-	-
TOTAL RECEIPTS	20,025.00	9,650.05	28,065.00	37,783.70	13,520.00	14,517.55	12,835.00	12,331.66
DISBURSEMENTS								
Equipment	35,600.00	26,076.00	35,000.00	31,900.00	2,500.00	4,571.65	7,000.00	-
Office	6,000.00	-	8,000.00	2,081.24	5,000.00	8,716.00	5,000.00	-
Other	-	10,504.00	-	-	9,000.00	-	9,000.00	6,746.55
TOTAL DISBURSEMENTS	41,600.00	36,580.00	43,000.00	33,981.24	16,500.00	13,287.65	21,000.00	6,746.55
RECEIPTS OVER (UNDER) DISBURSEMENTS	(21,575.00)	(26,929.95)	(14,935.00)	3,802.46	(2,980.00)	1,229.90	(8,165.00)	5,585.11
CASH AND INVESTMENT BALANCES, JANUARY 1	40,329.48	40,329.48	36,527.02	36,527.02	25,585.45	25,585.45	20,000.34	20,000.34
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 18,754.48</u>	<u>\$ 13,399.53</u>	<u>\$ 21,592.02</u>	<u>\$ 40,329.48</u>	<u>\$ 22,605.45</u>	<u>\$ 26,815.35</u>	<u>\$ 11,835.34</u>	<u>\$ 25,585.45</u>

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THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	OVER UNDER FUND				DOMESTIC VIOLENCE FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1.00	\$ 10.00	\$ 4.00	\$ 1.00	\$ 800.00	\$ 696.00	\$ 875.00	\$ 720.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	0.15	0.18	0.25	0.18	2.00	1.13	4.00	2.47
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1.15	10.18	4.25	1.18	802.00	697.13	879.00	722.47
DISBURSEMENTS								
Supplies	350.00	-	250.00	-	-	-	-	-
Health and Welfare					2,500.00	1,000.00	3,600.00	3,000.00
TOTAL DISBURSEMENTS	350.00	-	250.00	-	2,500.00	1,000.00	3,600.00	3,000.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(348.85)	10.18	(245.75)	1.18	(1,698.00)	(302.87)	(2,721.00)	(2,277.53)
CASH AND INVESTMENT BALANCES, JANUARY 1	360.34	360.34	359.16	359.16	2,139.95	2,139.95	4,417.48	4,417.48
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 11.49	\$ 370.52	\$ 113.41	\$ 360.34	\$ 441.95	\$ 1,837.08	\$ 1,696.48	\$ 2,139.95

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THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	500.00	643.39	530.00	481.17	7,500.00	6,190.00	7,500.00	7,240.00
Charges for Services	-	-	1.50	-	-	-	-	-
Interest	1.00	0.68	-	0.98	8.00	7.28	15.00	8.42
Other	-	-	-	390.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	390.00
TOTAL RECEIPTS	501.00	644.07	531.50	872.15	7,508.00	6,197.28	7,515.00	7,638.42
DISBURSEMENTS								
Mileage/Training	1,200.00	1,658.33	1,200.00	585.42	-	-	-	-
Operating	-	-	-	-	7,100.00	840.00	10,000.00	4,772.80
Transfers Out	-	-	-	390.00	-	-	-	-
TOTAL DISBURSEMENTS	1,200.00	1,658.33	1,200.00	975.42	7,100.00	840.00	10,000.00	4,772.80
RECEIPTS OVER (UNDER) DISBURSEMENTS	(699.00)	(1,014.26)	(668.50)	(103.27)	408.00	5,357.28	(2,485.00)	2,865.62
CASH AND INVESTMENT BALANCES, JANUARY 1	1,633.99	1,633.99	1,737.26	1,737.26	12,093.16	12,093.16	9,227.54	9,227.54
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 934.99	\$ 619.73	\$ 1,068.76	\$ 1,633.99	\$ 12,501.16	\$ 17,450.44	\$ 6,742.54	\$ 12,093.16

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THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	TAX INCREMENT FUND				UNCLAIMED FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$720,000.00	\$692,917.73	\$ 525,600.00	\$720,892.24	\$ 250.00	\$ 610.50	\$ 375.00	\$ 250.00
Charges for Services	-	-	-	-	-	-	27.00	-
Interest	500.00	168.72	1,000.00	541.17	10.00	7.21	-	12.89
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	720,500.00	693,086.45	526,600.00	721,433.41	260.00	617.71	402.00	262.89
DISBURSEMENTS								
Economic Activity Taxes Disbursed	575,140.00	956,943.00	575,140.00	525,140.00	-	-	-	-
Reimbursements	-	-	-	-	720.00	15,209.82	505.00	633.84
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	575,140.00	956,943.00	575,140.00	525,140.00	720.00	15,209.82	505.00	633.84
RECEIPTS OVER (UNDER) DISBURSEMENTS	145,360.00	(263,856.55)	(48,540.00)	196,293.41	(460.00)	(14,592.11)	(103.00)	(370.95)
CASH AND INVESTMENT BALANCES, JANUARY 1	506,346.01	506,346.01	310,052.60	310,052.60	16,833.80	16,833.80	17,204.75	17,204.75
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$651,706.01</u>	<u>\$242,489.46</u>	<u>\$ 261,512.60</u>	<u>\$506,346.01</u>	<u>\$ 16,373.80</u>	<u>\$ 2,241.69</u>	<u>\$ 17,101.75</u>	<u>\$ 16,833.80</u>

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THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	OVER PLUS FUND				PROSECUTING ATTORNEY DELINQUENT FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 8,000.00	\$ 7,601.41	\$ 5,800.00	\$ 7,412.46	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	13.29	75.00	30.94	0.35	0.26	-	0.37
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,030.00	7,614.70	5,875.00	7,443.40	0.35	0.26	-	0.37
DISBURSEMENTS								
Reimbursements	20,000.00	13,028.12	20,000.00	7,755.24	-	-	-	-
Supplies					735.26	735.52	600.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	13,028.12	20,000.00	7,755.24	735.26	735.52	600.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,970.00)	(5,413.42)	(14,125.00)	(311.84)	(734.91)	(735.26)	(600.00)	0.37
CASH AND INVESTMENT BALANCES, JANUARY 1	28,294.85	28,294.85	28,606.69	28,606.69	735.26	735.26	734.89	734.89
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 16,324.85	\$ 22,881.43	\$ 14,481.69	\$ 28,294.85	\$ 0.35	\$ -	\$ 134.89	\$ 735.26

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THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	INMATE SECURITY FUND				SHERIFF'S REVOLVING FUND			
	2014		2013		2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 3,675.00	\$ 5,361.92	\$ 3,300.00	\$ 2,664.16	\$ 10,000.00	\$ 8,816.00	\$ 10,000.00	\$ 17,582.50
Charges for Services	-	-	-	-	-	-	50.00	-
Interest	5.00	4.81	20.00	6.66	35.00	19.64	-	36.00
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,680.00	5,366.73	3,320.00	2,670.82	10,035.00	8,835.64	10,050.00	17,618.50
DISBURSEMENTS								
Equipment	10,000.00	1,280.45	5,000.00	-	-	-	-	-
Office Expenditures	3,000.00	3,649.27	3,000.00	3,044.55	2,500.00	4,717.48	2,500.00	1,596.62
Other	500.00	-	1,100.00	-	3,500.00	2,940.00	2,280.00	3,060.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	13,500.00	4,929.72	9,100.00	3,044.55	6,000.00	7,657.48	4,780.00	4,656.62
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,820.00)	437.01	(5,780.00)	(373.73)	4,035.00	1,178.16	5,270.00	12,961.88
CASH AND INVESTMENT BALANCES, JANUARY 1	10,274.25	10,274.25	10,647.98	10,647.98	41,318.33	41,318.33	28,356.45	28,356.45
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 454.25	\$ 10,711.26	\$ 4,867.98	\$ 10,274.25	\$ 45,353.33	\$ 42,496.49	\$ 33,626.45	\$ 41,318.33

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THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	TAX MAINTENANCE FUND			
	2014		2013	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 23,050.00	\$ 27,058.66	\$ 21,300.00	\$ 22,911.50
Charges for Services	-	-	-	-
Interest	8.00	6.11	25.00	8.53
Other	-	-	-	-
TOTAL RECEIPTS	23,058.00	27,064.77	21,325.00	22,920.03
DISBURSEMENTS				
Office Expenditures	4,000.00	3,225.93	10,000.00	4,092.20
Computer Expenditures	10,000.00	11,149.47	10,000.00	13,229.20
Professional Services	1,000.00	5,300.00	1,000.00	500.00
Other	2,500.00	4,215.84	2,800.00	2,251.28
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	17,500.00	23,891.24	23,800.00	20,072.68
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,558.00	3,173.53	(2,475.00)	2,847.35
CASH AND INVESTMENT BALANCES, JANUARY 1	7,618.80	7,618.80	4,771.45	4,771.45
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 13,176.80</u>	<u>\$ 10,792.33</u>	<u>\$ 2,296.45</u>	<u>\$ 7,618.80</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014

	Prosecuting Attorney Account	Sheriff	Capital School Savings	CERF	Collector Protested Account	District School Checking
ASSETS						
Cash and Cash Equivalents	\$ 16,695.76	\$ 6,878.05	\$ 51,683.06	\$ 0.40	\$ 21,734.15	\$ 2,276.94
Total Assets	16,695.76	6,878.05	51,683.06	0.40	21,734.15	2,276.94
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	16,695.76	6,878.05	51,683.06	0.40	21,734.15	2,276.94
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,695.76</u>	<u>\$ 6,878.05</u>	<u>\$ 51,683.06</u>	<u>\$ 0.40</u>	<u>\$ 21,734.15</u>	<u>\$ 2,276.94</u>

	Ozark Regional Library Checking	Collector	Wire Transfer	Recorder of Deeds	Jail Commissary	PA Restitution Account
ASSETS						
Cash and Cash Equivalents	\$ 0.12	\$ 503,493.64	\$ -	\$ 1,087.50	\$ 7,874.51	\$ 12,240.18
Total Assets	0.12	503,493.64	-	1,087.50	7,874.51	12,240.18
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	0.12	503,493.64	-	1,087.50	7,874.51	12,240.18
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.12</u>	<u>\$ 503,493.64</u>	<u>\$ -</u>	<u>\$ 1,087.50</u>	<u>\$ 7,874.51</u>	<u>\$ 12,240.18</u>

	PA Bad Check Account	Total Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 14,153.17	\$ 638,117.48
Total Assets	14,153.17	638,117.48
LIABILITIES AND FUND BALANCES		
TOTAL LIABILITIES	14,153.17	638,117.48
UNRESERVED FUND BALANCES	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,153.17</u>	<u>\$ 638,117.48</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013

	Prosecuting Attorney Account	Sheriff	Capital School Savings	CERF	Collector Protested Account	District School Checking
ASSETS						
Cash and Cash Equivalents	\$ 16,605.76	\$ 8,718.89	\$ 40,465.51	\$ 1,649.94	\$ 23,230.75	\$ 15.94
Total Assets	16,605.76	8,718.89	40,465.51	1,649.94	23,230.75	15.94
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	16,605.76	8,718.89	40,465.51	1,649.94	23,230.75	15.94
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,605.76	\$ 8,718.89	\$ 40,465.51	\$ 1,649.94	\$ 23,230.75	\$ 15.94
	Ozark Regional Library Checking	Collector	Wire Transfer	Recorder of Deeds	Jail Commissary	PA Restitution Account
ASSETS						
Cash and Cash Equivalents	\$ 0.31	\$ 5,960,310.77	\$ -	\$ 6,754.00	\$ 1,972.93	\$ 12,851.06
Total Assets	0.31	5,960,310.77	-	6,754.00	1,972.93	12,851.06
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	0.31	5,960,310.77	-	6,754.00	1,972.93	12,851.06
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 0.31	\$ 5,960,310.77	\$ -	\$ 6,754.00	\$ 1,972.93	\$ 12,851.06
	PA Bad Check Account	Total Agency Funds				
ASSETS						
Cash and Cash Equivalents	\$ 16,496.63	\$ 6,089,072.49				
Total Assets	16,496.63	6,089,072.49				
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	16,496.63	6,089,072.49				
UNRESERVED FUND BALANCES	-	-				
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,496.63	\$ 6,089,072.49				

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Madison, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three board members, there are eleven elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Surveyor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Madison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri State Law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was noncompliant with Missouri budgetary state statute Chapter 50 RSMo.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations that were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2014 and 2013, for purposes of taxation, was:

	2014	2013
Real Estate	\$ 83,594,195	\$ 82,686,070
Personal Property	25,888,277	25,771,953
Railroad and Utilities	5,369,017	5,966,551
	<u>\$ 114,854,489</u>	<u>\$ 114,424,574</u>

During 2014 and 2013, the County Commission approved a \$0.4760 and \$0.4754 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2014	2013
General Revenue Fund	\$ 0.1891	\$ 0.1891
Special Road and Bridge Fund	0.2869	0.2863
	<u>\$ 0.4760</u>	<u>\$ 0.4754</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes depositing funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

F. Cash Deposits and Investments (concluded)

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014, and 2013, the carrying amounts of the County's deposits were \$564,564.81 and \$1,132,072.08, and the bank balances were \$6,271,207.25 and \$5,734,168.73 respectively. As of December 31, 2014, the County was under-pledged in coverage of their securities by \$3,674,839.20. As of December 31, 2013, 100% of the County's investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2014, as follows:

Statements of Receipts, Disbursements and Changes in Cash
and Investment Balances

Deposits and cash equivalents	\$ 514,139.65
Investments	50,425.16
Total Governmental Funds	<u>564,564.81</u>

Statement of Assets and Liabilities Arising from Cash
Transactions – Agency Funds:

Deposits	<u>638,117.48</u>
Total Agency Funds	<u>638,117.48</u>
Total Deposits and Investments as of December 31, 2014	\$ <u>1,202,682.29</u>

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

II. DEPOSITS AND INVESTMENTS (continued)

SUMMARY OF CARRYING VALUES (concluded)

The carrying values of deposits and investments at December 31, 2013, are as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 861,917.54
Investments	270,154.54
Total Governmental Funds	<u>1,132,072.08</u>
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	<u>6,089,072.49</u>
Total Agency Funds	<u>6,089,072.49</u>
Total Deposits and Investments as of December 31, 2013	<u><u>\$ 7,221,144.57</u></u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014, and 2013.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

II. DEPOSITS AND INVESTMENTS (concluded)

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014, and 2013.

III. LEASES – CAPITAL

The County entered into a capital lease for the purchase of a John Deere 7820 tractor on March 31, 2011, for the Road and Bridge Department. The lease called for three annual payments of \$11,500, but the County paid the lease off at fair market value of \$13,616.16 in 2013 and therefore there are no future lease payments required to be displayed.

The County entered into a capital lease for the purchase of a John Deere 6430 tractor on March 31, 2011, for the Road and Bridge Department. The lease called for three annual payments of \$6,044, but the County paid the lease off at fair market value of \$31,727.48 in 2013 and therefore there are no future lease payments required to be displayed.

The County entered into a capital lease for the purchase of two John Deere 672G tractors on January 11, 2012, for the Road and Bridge Department. The purchase was for \$416,000, but only \$331,000 was financed due to a trade in. The lease calls for annual payments of \$19,393 over a five-year period with a \$1 buyout at the end. The interest rate was calculated to 3.30%.

2014					
Lease	Balance at December 31, 2013	Amount Borrowed	Amount Repaid	Balance at December 31, 2014	Interest Paid During Year
John Deere 672G (2)	\$ 322,696.72	\$ -	\$ 8,581.45	\$ 314,115.27	\$ 10,811.55
Totals	<u>\$ 322,696.72</u>	<u>\$ -</u>	<u>\$ 8,581.45</u>	<u>\$ 314,115.27</u>	<u>\$ 10,811.55</u>

2013					
Lease	Balance at December 31, 2012	Amount Borrowed	Amount Repaid	Balance at December 31, 2013	Interest Paid During Year
John Deere 7820	\$ 13,616.16	\$ -	\$ 13,616.16	-	\$ -
John Deere 6430	31,727.48	-	31,727.48	-	-
John Deere 672G (2)	331,000.00	-	8,303.28	322,696.72	11,089.72
Totals	<u>\$ 376,343.64</u>	<u>\$ -</u>	<u>\$ 53,646.92</u>	<u>\$ 322,696.72</u>	<u>\$ 11,089.72</u>

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

III. LEASES – CAPITAL (concluded)

<u>2014 Amortizations</u>			
Fiscal Year Ending December 31,	Principal	Interest	Total
2015	\$ 8,868.98	\$ 10,524.02	\$ 19,393.00
2016	9,166.12	10,226.88	19,393.00
2017	296,080.17	9,920.83	306,001.00
TOTALS	<u>\$ 314,115.27</u>	<u>\$ 30,671.73</u>	<u>\$ 344,787.00</u>

<u>2013 Amortizations</u>			
Fiscal Year Ending December 31,	Principal	Interest	Total
2014	\$ 8,581.45	\$ 10,811.55	\$ 19,393.00
2015	8,868.98	10,524.02	19,393.00
2016	9,166.12	10,226.88	19,393.00
2017	296,080.17	9,920.83	306,001.00
	<u>\$ 322,696.72</u>	<u>\$ 41,483.28</u>	<u>\$ 364,180.00</u>

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2014, and 2013 are as follows:

	<u>2014</u>		<u>2013</u>	
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
FUNDS				
General Revenue Fund	\$ 80,989.00	\$ 235,000.00	\$ -	\$ 80,000.00
Assessment Fund	40,000.00	-	40,000.00	-
911 Fund	135,000.00	-	80,000.00	-
MCLEST Fund	120,000.00	140,989.00	-	40,000.00
Prosecuting Attorney Training Fund	-	-	-	390.00
Prosecuting Attorney Bad Check Fund	-	-	390.00	-
	<u>\$ 375,989.00</u>	<u>\$ 375,989.00</u>	<u>\$ 120,390.00</u>	<u>\$ 120,390.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of approximately \$102,526.99 and \$87,635.67, respectively, for the years then ended.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2014, and 2013.

VII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County did have any participants on COBRA at December 31, 2014 or December 31, 2013.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is currently involved in a pending Missouri Commission of Human Rights complaint as of the audit report date. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. County officials believe that such litigation and claims will ultimately be resolved without material financial liability, if any, to the County.

B. Compensated Absences (Vacation and Sick Time)

The County provides employees with up to 160 hours of paid vacation per year based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation leave. Vacation days not used by the end of the year are forfeited. The County will not make payments in lieu of vacation leave. Sick time is offered to full time employees after their first year of employment. Sick benefits accrue at the rate of 42 hours per year for employees who work 35 hours a week and 48 hours per year for employees who work 40 hours a week. There is no maximum amount of sick time that can be accrued. Accrued sick time is not paid out upon termination of employment.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2014, actual expenditures exceeded the budgeted expenditures in the General Revenue Fund, Special Road and Bridge Fund, Assessment Fund, 911 Fund, MCLEST Fund, LETF Fund, Prosecuting Attorney Training Fund, Tax Increment Fund, Unclaimed Fund, Prosecuting Attorney Delinquent Fund, Sheriff's Revolving Fund and Tax Maintenance Fund.
- II. For the year ended December 31, 2013, actual expenditures exceeded the budgeted expenditures in the 911 Fund, MCLEST Fund, and Unclaimed Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Madison, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Madison (County) as of and for the years ended December 31, 2014, and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [FS 2014-001, FS 2014-002, FS 2014-003, FS 2014-004, FS 2014-005 and FS 2014-006]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 8, 2015

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 783-2176.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS (continued)

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 783-2176.

FS 2014-003 Criteria: Formal bank reconciliations must be prepared monthly on a timely basis for the Prosecuting Attorney's bank accounts.

Condition: We noted that bank reconciliations were not being documented during the fiscal years under audit.

Context: This deficiency became apparent through our testing of the office's cash accounts.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: The Prosecuting Attorney's office inherited the unreconciled bank accounts from the previous Prosecuting Attorney. We are looking into clearing up all old outstanding dollar amounts and reconciling all accounts. The expected completion date is by the next audit period. The phone number for the Prosecuting Attorney's office is (573) 783-2157.

FS 2014-004 Criteria: Formal bank reconciliations must be prepared monthly on a timely basis for the Sheriff's Commissary bank account.

Condition: We noted that bank reconciliations were not being documented during the fiscal years under audit.

Context: This deficiency became apparent through our testing of the office's cash accounts.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

July 8, 2015

To the Board of Commissioners
County of Madison

In planning and performing our audit of the regulatory based financial statements of the County of Madison (the "County") as of and for the years ended December 31, 2014, and December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 2014-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 783-2176.

FS 2014-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 781-2176.

FS 2014-003 Criteria: Formal bank reconciliations must be prepared monthly on a timely basis for the Prosecuting Attorney's bank accounts.

Condition: We noted that bank reconciliations were not being documented during the fiscal years under audit.

Context: This deficiency became apparent through our testing of the office's cash accounts.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: The Prosecuting Attorney's office inherited the unreconciled bank accounts from the previous Prosecuting Attorney. We are looking into clearing up all old outstanding dollar amounts and reconciling all accounts. The expected completion date is by the next audit period. The phone number for the Prosecuting Attorney's office is (573) 783-2157.

FS 2014-004 Criteria: Formal bank reconciliations must be prepared monthly on a timely basis for the Sheriff's Commissary bank account.

Condition: We noted that bank reconciliations were not being documented during the fiscal years under audit.

Context: This deficiency became apparent through our testing of the office's cash accounts.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Views of Responsible Officials and Planned Corrective Actions: The Sheriff's office inherited the unreconciled bank accounts from the previous Sheriff. We are currently reconciling all accounts and are cleaning up all old outstanding items. The phone number for the Sheriff's office is (573) 783-2234.

FS 2014-005 Criteria: The Internal Revenue Service requires the County to make regular, accurate payroll tax payments using the IRS Form 941 and W-2 forms.

Condition: The IRS Form 941 and W-2 forms must be completed accurately and payments must be the correct amount per payroll tax rules.

Context: During our testing of payroll, we noted errors on the Form 941 and incorrect tax payments were made to the IRS.

Effect: Incorrect payments to the IRS can result in penalties and interest as well as incorrect reporting of expenditures.

Cause: The County incorrectly prepared the Form 941 and W-2 forms.

Recommendation: We recommend the County review the Form 941 and W-2 form requirements and monitor the preparation of the payroll forms.

Views of Responsible Officials and Planned Corrective Actions: The County implemented changes to processes in May 2015 and currently prepares accurate and correct 941's and W-2 forms. This finding was corrected prior to the date of this audit.

FS 2014-006 Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial statements institution.

Condition: The County holds bank accounts with a financial institution that was under-collateralized for the year ended December 31, 2014.

Context: During our testing of cash and pledged securities, it was noted that the County was under-pledged for the year ended December 31, 2014.

Effect: There is a risk that the County's under-collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities for the year ended December 31, 2014.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

Views of Responsible Officials and Planned Corrective Actions: The Bank has corrected this and the accounts are now collateralized. In the future, the County will review the bank documentation to make sure that all accounts have proper collateralization.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 26, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2014-2013 years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 8, 2015.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS (continued)

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts while maintaining an accurate check register.

Views of Responsible Officials and Planned Corrective Actions: The Sheriff's office inherited the unreconciled bank accounts from the previous Sheriff. We are currently reconciling all accounts and are cleaning up all old outstanding items. The phone number for the Sheriff's office is (573) 783-2234.

FS 2014-005 Criteria: The Internal Revenue Service requires the County to make regular, accurate payroll tax payments using the IRS Form 941 and W-2 forms.

Condition: The IRS Form 941 and W-2 forms must be completed accurately and payments must be the correct amount per payroll tax rules.

Context: During our testing of payroll, we noted errors on the Form 941 and incorrect tax payments were made to the IRS.

Effect: Incorrect payments to the IRS can result in penalties and interest as well as incorrect reporting of expenditures.

Cause: The County incorrectly prepared the Form 941 and W-2 forms.

Recommendation: We recommend the County review the Form 941 and W-2 form requirements and monitor the preparation of the payroll forms.

Views of Responsible Officials and Planned Corrective Actions: The County implemented changes to processes in May 2015 and currently prepares accurate and correct 941's and W-2 forms. This finding was corrected prior to the date of this audit.

FS 2014-006 Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial statements institution.

Condition: The County holds bank accounts with a financial institution that was under-collateralized for the year ended December 31, 2014.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. FINANCIAL STATEMENT FINDINGS (concluded)

Context: During our testing of cash and pledged securities, it was noted that the County was under-pledged for the year ended December 31, 2014.

Effect: There is a risk that the County's under-collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities for the year ended December 31, 2014.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

Views of Responsible Officials and Planned Corrective Actions: The Bank has corrected this and the accounts are now collateralized. In the future, the County will review the bank documentation to make sure that all accounts have proper collateralization.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2014 AND 2013

I. FOLLOW-UP PRIOR YEAR FINDINGS

There was no audit performed for the years ending December 31, 2012, and 2011; therefore, we have no prior year audit findings to report.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Marion County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Marion County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Beard-Boehmer & Associates, PC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-087

**FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013**

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BEARD-BOEHMER & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI

**MARION COUNTY, MISSOURI
TABLE OF CONTENTS**

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report	1 – 2
FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash— All Governmental Funds—Regulatory Basis For the Years ended December 31, 2014 and 2013.....	3
Comparative Statements of Receipts, Disbursements and Changes in Cash— Budget and Actual—Regulatory Basis For the Years ended December 31, 2014 and 2013.....	4 – 11
Notes to Financial Statements	12 – 20
COMPLIANCE SECTION	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22 – 23
Schedule of Findings and Responses	24
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	25
Follow-Up on Prior Audit Findings in Accordance with OMB Circular A-133	26

August 10, 2015

INDEPENDENT AUDITORS' REPORT

To the County Commission
and Officeholders of
Marion County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Marion County, Missouri, which collectively comprise cash for each fund as of December 31, 2014 and 2013, and the related statements of cash receipts and disbursements—budget to actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri Law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Marion County, Missouri, using accounting practices prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**MARION COUNTY, MISSOURI
INDEPENDENT AUDITORS' REPORT (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Marion County, Missouri, as of December 31, 2014 and 2013, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Marion County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2015, on our consideration of Marion County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marion County, Missouri's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

MARION COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Fund	Cash January 1, 2013	Receipts	Disbursements	Cash December 31, 2013	Receipts	Disbursements	Cash December 31, 2014
General Revenue	\$ 539,933	5,240,857	5,338,337	\$ 442,453	5,487,062	5,633,975	\$ 295,540
Special Road and Bridge	151,671	1,952,019	2,014,529	89,161	2,359,507	2,065,991	382,677
Assessment	102,675	391,089	338,618	155,146	397,958	399,319	153,785
Sheriff's Training	2,196	10,208	9,428	2,976	6,375	8,532	819
Recorder's Preservation	8,746	10,334	1,954	17,126	8,666	17,448	8,344
Sheriff Deputy Salary	3,525	45,160	44,609	4,076	43,838	42,512	5,402
Prosecuting Attorney Training	3,213	1,220	1,130	3,303	1,070	2,125	2,248
Capital Improvements	195,169	1,733,702	1,811,381	117,490	1,645,479	1,423,047	339,922
Prosecuting Attorney Delinquent Tax	2,505	2,684	3,728	1,461	3,486	1,535	3,412
Local Emergency Planning Committee (LEPC)	7,207	76,545	50,467	33,285	80,227	50,233	63,279
Election Services	9,469	7,328	2,679	14,118	7,492	7,335	14,275
Sheriff Conceal and Carry Weapons (CCW)	14,578	40,771	45,654	9,695	27,928	27,463	10,160
Sheriff	46,432	49,461	80,391	15,502	48,390	35,765	28,127
Law Restitution	609	42,616	35,211	8,014	47,716	41,198	14,532
Collector's Tax Maintenance	44,515	34,582	12,481	66,616	35,330	21,431	80,515
Domestic Violence	1,049	1,987	1,898	1,138	2,054	2,100	1,092
Recorder's Technology	13,343	20,834	13,884	20,293	21,692	17,639	24,346
General Revenue Emergency	145,012	253,397	150,000	248,409	318,322	-	566,731
Inmate Security	-	970	-	970	8,566	2,917	6,619
Road	-	-	-	-	87,768	46,714	41,054
Totals	\$ <u>1,291,847</u>	<u>9,915,764</u>	<u>9,956,379</u>	\$ <u>1,251,232</u>	<u>10,638,926</u>	<u>9,847,279</u>	\$ <u>2,042,879</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MARION COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

General Revenue Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 482,800	543,807	61,007	\$ 460,000	528,022	68,022
Sales and use taxes	2,420,000	2,457,577	37,577	2,345,000	2,391,170	46,170
Intergovernmental	396,115	398,892	2,777	215,331	191,085	(24,246)
Charges for services	1,575,225	1,437,601	(137,624)	1,592,100	1,576,578	(15,522)
Interest income	250	434	184	1,250	391	(859)
Other	38,613	23,751	(14,862)	38,033	75,611	37,578
Operating transfers in	628,000	625,000	(3,000)	478,000	478,000	-
Total Receipts	\$ 5,541,003	5,487,062	(53,941)	\$ 5,129,714	5,240,857	111,143
DISBURSEMENTS						
General County Government-						
County Commission	\$ 192,770	192,354	(416)	\$ 189,970	184,890	(5,080)
County Clerk	206,438	204,056	(2,382)	205,508	195,667	(9,841)
Elections	219,741	200,091	(19,650)	146,781	109,972	(36,809)
Hannibal courthouse	94,069	89,174	(4,895)	84,938	82,941	(1,997)
Palmyra courthouse	73,771	67,740	(6,031)	102,133	89,895	(12,238)
Treasurer	89,409	88,445	(964)	88,471	87,642	(829)
Collector	268,092	263,546	(4,546)	262,346	259,613	(2,733)
Recorder of Deeds	186,253	166,244	(20,009)	183,170	181,868	(1,302)
Circuit Clerk Division I	14,200	11,350	(2,850)	13,400	6,702	(6,698)
Circuit Clerk Division II	26,800	20,499	(6,301)	25,600	18,311	(7,289)
Circuit Judge	4,175	1,821	(2,354)	4,675	2,577	(2,098)
Associate Judge	5,800	4,587	(1,213)	5,500	4,207	(1,293)
Court Reporter	1,775	1,563	(212)	1,775	1,489	(286)
Public Administrator	197,554	195,198	(2,356)	198,554	195,932	(2,622)
Public Safety-						
Sheriff	2,895,720	2,883,953	(11,767)	2,594,890	2,551,615	(43,275)
Prosecuting Attorney	339,896	296,125	(43,771)	317,556	312,292	(5,264)
Juvenile Justice Center	165,065	137,649	(27,416)	148,845	125,677	(23,168)
Coroner	64,701	48,897	(15,804)	68,990	68,563	(427)
Planning and zoning	4,753	3,654	(1,099)	2,600	1,517	(1,083)
Child support enforcement	113,009	108,216	(4,793)	111,414	110,141	(1,273)
Emergency preparedness	26,668	21,633	(5,035)	25,918	19,981	(5,937)
Criminal costs	28,000	25,016	(2,984)	28,000	19,118	(8,882)
Jury/witness	20,000	8,873	(11,127)	22,000	9,648	(12,352)
Other expenditures	419,183	369,688	(49,495)	410,448	389,116	(21,332)
Association contracts	57,650	57,373	(277)	57,150	57,088	(62)
Emergency Fund - transfers out	166,230	166,230	-	251,875	251,875	-
Total Disbursements	\$ 5,881,722	5,633,975	(247,747)	\$ 5,552,507	5,338,337	(214,170)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (340,719)	(146,913)	193,806	\$ (422,793)	(97,480)	325,313
CASH, JANUARY 1	442,453	442,453	-	539,933	539,933	-
CASH, DECEMBER 31	\$ 101,734	295,540	193,806	\$ 117,140	442,453	325,313

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MARION COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Special Road and Bridge Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 1,225,378	1,234,320	8,942	\$ 1,202,000	1,201,296	(704)
Intergovernmental	534,000	633,698	99,698	532,620	541,714	9,094
Charges for services	387,000	365,894	(21,106)	22,500	23,252	752
Interest income	8	423	415	900	9	(891)
Other	-	172	172	-	748	748
Operating transfers in	125,000	125,000	-	185,000	185,000	-
Total Receipts	\$ 2,271,386	2,359,507	88,121	\$ 1,943,020	1,952,019	8,999
DISBURSEMENTS						
Salaries	\$ 731,082	722,309	(8,773)	\$ 754,942	753,697	(1,245)
Employee fringe benefits	415,586	425,518	9,932	453,787	439,470	(14,317)
Supplies	298,500	264,690	(33,810)	293,250	287,059	(6,191)
Insurance	42,098	42,310	212	34,142	34,572	430
Road and bridge materials	362,000	366,989	4,989	267,000	267,077	77
Equipment repairs	167,000	152,190	(14,810)	152,000	170,274	18,274
Rentals	500	-	(500)	500	-	(500)
Equipment purchases	50,000	55,861	5,861	35,000	32,390	(2,610)
Other	34,650	36,124	1,474	34,650	29,990	(4,660)
Total Disbursements	\$ 2,101,416	2,065,991	(35,425)	\$ 2,025,271	2,014,529	(10,742)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 169,970	293,516	123,546	\$ (82,251)	(62,510)	19,741
CASH, JANUARY 1	89,161	89,161	-	151,671	151,671	-
CASH, DECEMBER 31	\$ 259,131	382,677	123,546	\$ 69,420	89,161	19,741

Assessment Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 386,000	394,486	8,486	\$ 385,744	387,708	1,964
Charges for services	3,600	3,239	(361)	4,000	3,272	(728)
Interest income	95	233	138	465	109	(356)
Total Receipts	\$ 389,695	397,958	8,263	\$ 390,209	391,089	880
DISBURSEMENTS						
Assessor	\$ 456,994	399,319	(57,675)	\$ 398,935	338,618	(60,317)
Total Disbursements	\$ 456,994	399,319	(57,675)	\$ 398,935	338,618	(60,317)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (67,299)	(1,361)	65,938	\$ (8,726)	52,471	61,197
CASH, JANUARY 1	155,146	155,146	-	102,675	102,675	-
CASH, DECEMBER 31	\$ 87,847	153,785	65,938	\$ 93,949	155,146	61,197

MARION COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Sheriff's Training Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 7,500	6,375	(1,125)	\$ 9,950	10,208	258
Total Receipts	\$ 7,500	6,375	(1,125)	\$ 9,950	10,208	258
DISBURSEMENTS						
Sheriff	\$ 8,750	8,532	(218)	\$ 9,450	9,428	(22)
Total Disbursements	\$ 8,750	8,532	(218)	\$ 9,450	9,428	(22)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,250)	(2,157)	(907)	\$ 500	780	280
CASH, JANUARY 1	2,976	2,976	-	2,196	2,196	-
CASH, DECEMBER 31	\$ 1,726	819	(907)	\$ 2,696	2,976	280

Recorder's Preservation Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 10,000	8,655	(1,345)	\$ 12,000	10,325	(1,675)
Interest income	8	11	3	-	9	9
Total Receipts	\$ 10,008	8,666	(1,342)	\$ 12,000	10,334	(1,666)
DISBURSEMENTS						
Recorder	\$ 27,000	17,448	(9,552)	\$ 15,000	1,954	(13,046)
Total Disbursements	\$ 27,000	17,448	(9,552)	\$ 15,000	1,954	(13,046)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (16,992)	(8,782)	8,210	\$ (3,000)	8,380	11,380
CASH, JANUARY 1	17,126	17,126	-	8,746	8,746	-
CASH, DECEMBER 31	\$ 134	8,344	8,210	\$ 5,746	17,126	11,380

Sheriff Deputy Salary Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 22,500	21,856	(644)	\$ 24,000	23,440	(560)
Charges for services	22,500	21,982	(518)	24,000	21,720	(2,280)
Total Receipts	\$ 45,000	43,838	(1,162)	\$ 48,000	45,160	(2,840)
DISBURSEMENTS						
Sheriff	\$ 45,000	42,512	(2,488)	\$ 48,609	44,609	(4,000)
Total Disbursements	\$ 45,000	42,512	(2,488)	\$ 48,609	44,609	(4,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	1,326	1,326	\$ (609)	551	1,160
CASH, JANUARY 1	4,076	4,076	-	3,525	3,525	-
CASH, DECEMBER 31	\$ 4,076	5,402	1,326	\$ 2,916	4,076	1,160

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MARION COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Prosecuting Attorney Training Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,500	1,070	(430)	\$ 1,200	1,220	20
Total Receipts	\$ 1,500	1,070	(430)	\$ 1,200	1,220	20
DISBURSEMENTS						
Prosecuting Attorney	\$ 2,500	2,125	(375)	\$ 1,130	1,130	-
Total Disbursements	\$ 2,500	2,125	(375)	\$ 1,130	1,130	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	(1,055)	(55)	\$ 70	90	20
CASH, JANUARY 1	3,303	3,303	-	3,213	3,213	-
CASH, DECEMBER 31	\$ 2,303	2,248	(55)	\$ 3,283	3,303	20

Capital Improvements Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 1,390,000	1,478,659	88,659	\$ 1,410,000	1,377,692	(32,308)
Intergovernmental	150,000	166,461	16,461	372,600	203,833	(168,767)
Interest income	175	300	125	1,000	193	(807)
Other	-	59	59	-	1,984	1,984
Operating transfers in	-	-	-	150,000	150,000	-
Total Receipts	\$ 1,540,175	1,645,479	105,304	\$ 1,933,600	1,733,702	(199,898)
DISBURSEMENTS						
Road and bridge	\$ 175,000	106,741	(68,259)	\$ 335,000	213,697	(121,303)
Building	120,000	82,604	(37,396)	350,000	251,138	(98,862)
Bond payment	125,900	127,268	1,368	555,136	553,195	(1,941)
Other	238,143	206,434	(31,709)	192,177	133,351	(58,826)
Operating transfers out	900,000	900,000	-	660,000	660,000	-
Total Disbursements	\$ 1,559,043	1,423,047	(135,996)	\$ 2,092,313	1,811,381	(280,932)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (18,868)	222,432	241,300	\$ (158,713)	(77,679)	81,034
CASH, JANUARY 1	117,490	117,490	-	195,169	195,169	-
CASH, DECEMBER 31	\$ 98,622	339,922	241,300	\$ 36,456	117,490	81,034

Prosecuting Attorney Delinquent Tax Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,000	3,484	(516)	\$ 4,000	2,680	(1,320)
Interest income	-	2	2	-	4	4
Total Receipts	\$ 4,000	3,486	(514)	\$ 4,000	2,684	(1,316)
DISBURSEMENTS						
Prosecuting Attorney	\$ 3,000	1,535	(1,465)	\$ 5,300	3,728	(1,572)
Total Disbursements	\$ 3,000	1,535	(1,465)	\$ 5,300	3,728	(1,572)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,000	1,951	951	\$ (1,300)	(1,044)	256
CASH, JANUARY 1	1,461	1,461	-	2,505	2,505	-
CASH, DECEMBER 31	\$ 2,461	3,412	951	\$ 1,205	1,461	256

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MARION COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Local Emergency Planning Committee (LEPC) Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 51,000	74,724	23,724	\$ 59,000	69,983	10,983
Interest income	25	47	22	40	22	(18)
Other	-	5,456	5,456	-	6,540	6,540
Total Receipts	\$ 51,025	80,227	29,202	\$ 59,040	76,545	17,505
DISBURSEMENTS						
Planner/trainer expenses	\$ 53,350	50,233	(3,117)	\$ 60,350	50,467	(9,883)
Total Disbursements	\$ 53,350	50,233	(3,117)	\$ 60,350	50,467	(9,883)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,325)	29,994	32,319	\$ (1,310)	26,078	27,388
CASH, JANUARY 1	33,285	33,285	-	7,207	7,207	-
CASH, DECEMBER 31	\$ 30,960	63,279	32,319	\$ 5,897	33,285	27,388

Election Services Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,000	7,480	1,480	\$ 3,650	7,320	3,670
Interest income	8	12	4	5	8	3
Total Receipts	\$ 6,008	7,492	1,484	\$ 3,655	7,328	3,673
DISBURSEMENTS						
Elections	\$ 10,350	7,335	(3,015)	\$ 7,450	2,679	(4,771)
Total Disbursements	\$ 10,350	7,335	(3,015)	\$ 7,450	2,679	(4,771)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,342)	157	4,499	\$ (3,795)	4,649	8,444
CASH, JANUARY 1	14,118	14,118	-	9,469	9,469	-
CASH, DECEMBER 31	\$ 9,776	14,275	4,499	\$ 5,674	14,118	8,444

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MARION COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Sheriff Conceal and Carry Weapons (CCW) Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 30,000	27,919	(2,081)	\$ 43,500	40,766	(2,734)
Interest income	3	9	6	-	5	5
Total Receipts	\$ 30,003	27,928	(2,075)	\$ 43,500	40,771	(2,729)
DISBURSEMENTS						
Sheriff	\$ 30,000	27,463	(2,537)	\$ 45,700	45,654	(46)
Total Disbursements	\$ 30,000	27,463	(2,537)	\$ 45,700	45,654	(46)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3	465	462	\$ (2,200)	(4,883)	(2,683)
CASH, JANUARY 1	9,695	9,695	-	14,578	14,578	-
CASH, DECEMBER 31	\$ 9,698	10,160	462	\$ 12,378	9,695	(2,683)

Sheriff Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 45,000	43,219	(1,781)	\$ 90,000	44,689	(45,311)
Interest income	7	20	13	80	10	(70)
Other	5,000	5,151	151	10,000	4,762	(5,238)
Total Receipts	\$ 50,007	48,390	(1,617)	\$ 100,080	49,461	(50,619)
DISBURSEMENTS						
Sheriff	\$ 50,000	35,765	(14,235)	\$ 90,000	80,391	(9,609)
Total Disbursements	\$ 50,000	35,765	(14,235)	\$ 90,000	80,391	(9,609)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 7	12,625	12,618	\$ 10,080	(30,930)	(41,010)
CASH, JANUARY 1	15,502	15,502	-	46,432	46,432	-
CASH, DECEMBER 31	\$ 15,509	28,127	12,618	\$ 56,512	15,502	(41,010)

Law Restitution Fund

	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 48,000	47,710	(290)	\$ 53,000	42,610	(10,390)
Interest income	4	6	2	12	6	(6)
Total Receipts	\$ 48,004	47,716	(288)	\$ 53,012	42,616	(10,396)
DISBURSEMENTS						
Sheriff	\$ 45,000	41,198	(3,802)	\$ 53,500	35,211	(18,289)
Total Disbursements	\$ 45,000	41,198	(3,802)	\$ 53,500	35,211	(18,289)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,004	6,518	3,514	\$ (488)	7,405	7,893
CASH, JANUARY 1	8,014	8,014	-	609	609	-
CASH, DECEMBER 31	\$ 11,018	14,532	3,514	\$ 121	8,014	7,893

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MARION COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Collector's Tax Maintenance Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 28,000	35,256	7,256	\$ 28,000	34,539	6,539
Interest income	40	74	34	95	43	(52)
Total Receipts	\$ 28,040	35,330	7,290	\$ 28,095	34,582	6,487
DISBURSEMENTS						
Collector	\$ 42,500	18,431	(24,069)	\$ 42,500	9,481	(33,019)
Operating transfers out	3,000	3,000	-	3,000	3,000	-
Total Disbursements	\$ 45,500	21,431	(24,069)	\$ 45,500	12,481	(33,019)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,460)	13,899	31,359	\$ (17,405)	22,101	39,506
CASH, JANUARY 1	66,616	66,616	-	44,515	44,515	-
CASH, DECEMBER 31	\$ 49,156	80,515	31,359	\$ 27,110	66,616	39,506

Domestic Violence Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 2,000	2,054	54	\$ 2,000	1,971	(29)
Interest income	40	-	(40)	40	16	(24)
Total Receipts	\$ 2,040	2,054	14	\$ 2,040	1,987	(53)
DISBURSEMENTS						
Shelters	\$ 2,400	2,100	(300)	\$ 2,400	1,898	(502)
Total Disbursements	\$ 2,400	2,100	(300)	\$ 2,400	1,898	(502)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (360)	(46)	314	\$ (360)	89	449
CASH, JANUARY 1	1,138	1,138	-	1,049	1,049	-
CASH, DECEMBER 31	\$ 778	1,092	314	\$ 689	1,138	449

Recorder's Technology Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 20,000	21,674	1,674	\$ 18,500	20,823	2,323
Interest income	9	18	9	25	11	(14)
Total Receipts	\$ 20,009	21,692	1,683	\$ 18,525	20,834	2,309
DISBURSEMENTS						
Recorder	\$ 20,000	17,639	(2,361)	\$ 18,500	13,884	(4,616)
Total Disbursements	\$ 20,000	17,639	(2,361)	\$ 18,500	13,884	(4,616)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 9	4,053	4,044	\$ 25	6,950	6,925
CASH, JANUARY 1	20,293	20,293	-	13,343	13,343	-
CASH, DECEMBER 31	\$ 20,302	24,346	4,044	\$ 13,368	20,293	6,925

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MARION COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

General Revenue Emergency Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest income	\$ 1,000	2,092	1,092	\$ -	1,522	1,522
Operating transfers in	316,230	316,230	-	251,875	251,875	-
Total Receipts	\$ 317,230	318,322	1,092	\$ 251,875	253,397	1,522
DISBURSEMENTS						
Operating transfers out	\$ -	-	-	\$ 150,000	150,000	-
Total Disbursements	\$ -	-	-	\$ 150,000	150,000	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 317,230	318,322	1,092	\$ 101,875	103,397	1,522
CASH, JANUARY 1	248,409	248,409	-	145,012	145,012	-
CASH, DECEMBER 31	\$ 565,639	566,731	1,092	\$ 246,887	248,409	1,522

Inmate Security Fund						
	2014			2013		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,000	8,566	4,566	\$ 3,000	970	(2,030)
Total Receipts	\$ 4,000	8,566	4,566	\$ 3,000	970	(2,030)
DISBURSEMENTS						
Sheriff	\$ 4,000	2,917	(1,083)	\$ 3,000	-	(3,000)
Total Disbursements	\$ 4,000	2,917	(1,083)	\$ 3,000	-	(3,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	5,649	5,649	\$ -	970	970
CASH, JANUARY 1	970	970	-	-	-	-
CASH, DECEMBER 31	\$ 970	6,619	5,649	\$ -	970	970

Road Fund			
	2014		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Sales and use taxes	\$ 182,600	87,768	(94,832)
Total Receipts	\$ 182,600	87,768	(94,832)
DISBURSEMENTS			
Road rock	\$ 182,600	46,714	(135,886)
Total Disbursements	\$ 182,600	46,714	(135,886)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	41,054	41,054
CASH, JANUARY 1	-	-	-
CASH, DECEMBER 31	\$ -	41,054	41,054

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or elected county officials.

The financial statements referred to above include the primary government of Marion County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. The Senate Bill 40 Board is not included within this audit report but has been audited separately by an independent audit firm.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.

MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The County did not have any funds that reflected a deficit budgeted cash balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission. The County Commission approved amended budgets for various funds during the year ended December 31, 2014 and 2013.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2014 and 2013.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. For the years ended December 31, 2014 and 2013, the County's expenditures did not exceed the total appropriated budgeted amount in any fund.

1. E. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county.

MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. E. PROPERTY TAXES (CONTINUED)

The total assessed valuation for the County of the tangible property for calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
Real Estate	\$ 270,787,150	\$ 262,602,410
Personal Property	94,334,800	95,825,395
Railroad and Utilities	33,080,368	23,547,886
Total Assessed Valuation	<u>\$ 398,202,318</u>	<u>\$ 381,975,691</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2014 and 2013 for purposes of local taxation was:

	2014	2013
General Revenue Fund	\$ 0.1250	\$ 0.1250
Special Road and Bridge Fund	0.3288	0.3208

I. F. SALES TAXES AND USE TAX

The county has the following sales tax and use tax rates:

General sales tax-subject to rollback 50%	\$.00500
General sales tax-capital improvements	.00375
General sales tax-roads	.00250
General sales tax-911	<u>.00250</u>
Total sales tax rate	<u>\$.01375</u>
Use tax	\$.01375

I. G. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(CONTINUED)

I. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "operating transfers in" by the recipient fund and as "operating transfers out" by the disbursing fund. Transfers between funds for the years ended December 31, 2014 and 2013 were as follows:

FUNDS:	Year Ended December 31, 2014	
	Transfers in	Transfers out
General Revenue	\$ 625,000	\$ 166,230
Special Road and Bridge	125,000	-
Capital Improvements	-	900,000
Collector's Tax Maintenance	-	3,000
General Revenue Emergency	316,230	-
Totals	\$ 1,066,230	\$ 1,069,230

FUNDS:	Year Ended December 31, 2013	
	Transfers in	Transfers out
General Revenue	\$ 478,000	\$ 251,875
Special Road and Bridge	185,000	-
Capital Improvements	150,000	660,000
Collector's Tax Maintenance	-	3,000
General Revenue Emergency	251,875	150,000
Totals	\$ 1,064,875	\$ 1,064,875

The Collector disbursed \$3,000 from the Collector's Tax Maintenance Fund to the General Revenue Fund on December 30, 2014 but the check was not cashed or receipted in until after January 1, 2015; hence, the transfer in will not show until 2015.

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the years ended December 31, 2014 and 2013, the published financial statements included all applicable funds.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy.

MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All bank balances at the depository banks at December 31, 2014 and December 31, 2013 were covered by federal depository insurance and additional collateral securities held at the County's safekeeping bank agent in the County's name or by its agent in the County's name.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Marion County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

**MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). As of December 31, 2014, Marion County had 90 employees enrolled in LAGERS.

3) Funding Policy

Marion County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2014 is 13.5% (general) and 13.1% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2014 and 2013, total payments to LAGERS were \$393,723 and \$421,239, respectively.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any County elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each County of the state, except for any city not within a County and any County of the first classification having a charter form of government. It does not include County prosecuting attorneys covered under sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; County Sheriffs covered under sections 57.949 to 57.997, RSMo; and certain personnel not defined as an employee per section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

As of December 31, 2014, Marion County had 101 employees enrolled in CERF.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203 or toll-free 1-877-632-2373.

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF total contributions of \$191,436, and \$186,152, respectively, for the years then ended.

C. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$7,752 for each of the years ended December 31, 2014 and 2013.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. However, a maximum of 20 days may be carried over from one year to the next. Upon termination from County employment, an employee is reimbursed for unused vacation and overtime, if applicable.

Regular full-time employees earn 12 days of sick leave each year. An employee will not be compensated for any accumulated sick leave upon termination of employment. At full retirement, if an employee has 700 or more hours of accumulated sick leave, the employee would receive 350 hours of their paid sick leave.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

The county has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LONG-TERM DEBT

The County has the following debt outstanding at December 31, 2014:

- A. In June 2013, the County refinanced Certificate of Participation Bonds in the amount of \$375,000. The annual payment of \$50,000 is due for 2015 and 2016, and \$55,000 thereafter. The interest rate starts at 1.25% for 2014 and climbs to 2.25% beginning in 2018. As of December 31, 2014, the County owed \$320,000.
- B. In 2012, the County entered into a lease-purchase agreement for an excavator for the Highway Department in the amount of \$154,396 (net of trade-in). The lease-purchase term ends June 14, 2016. The annual payments of \$32,390 include an annual rate of 3.3% on the unpaid balance. As of December 31, 2014, the County owed \$62,862.
- C. In 2013, the County entered into a four year agreement for GIS hardware, software and support in the amount of \$134,550 with no interest. The quarterly payments of \$14,950 end February 1, 2016. As of December 31, 2014, the County owed \$74,750.
- D. On August 21, 2012, the County entered into a lease-purchase agreement for three new police cruisers for the Sheriff's Department in the amount of \$70,128. On July 29, 2013 this was refinanced at 3.91% for 24 months, with semi-annual payments of \$11,951 ending in March 2015. As of December 31, 2014, the County owed \$12,877.
- E. The 2013 lease purchase of three police cruisers for \$56,319 was refinanced and two new trucks were purchased for \$83,569. These were financed together at 3.25% for 36 months, with annual payments of \$49,050 due through 2016. As of December 31, 2014, the County owed \$93,516.
- F. In 2014, the County entered into a lease-purchase agreement for three police vehicles for \$70,935 at an interest rate of 3.912%. The term of the agreement is 36 months with an annual payment of \$25,203 beginning in 2015. As of December 31, 2014, the County owed \$70,935.
- G. In 2013, the County purchased voting equipment in the amount of \$68,758 with no interest charged. The County paid \$25,000 in 2014, with \$43,758 due at December 31, 2014.

MARION COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7. LONG-TERM DEBT (CONTINUED)

- H. In 2014, the County purchased three dump trucks for the highway department in the amount of \$371,678 at an interest rate of 1.60%. The annual payments of \$96,666 starting in 2015, are due through 2018.
- I. In November 2014, the County purchased five road graders in the amount of \$709,820 with an interest rate of 2.148%. The term of this agreement is sixty months with an annual payment of \$123,612 starting in 2015, are due through 2020.

The annual requirements to amortize the long-term debt as of December 31, 2014, including interest payments, are as follows:

Year ended December 31,	Principal	Interest	Total Payments
2015	\$ 486,483	\$ 19,565	\$ 506,048
2016	376,882	23,840	400,722
2017	288,992	16,478	305,470
2018	267,348	11,023	278,371
2019	174,303	6,166	180,469
2020-2024	176,438	2,792	179,230
Total	\$ <u>1,770,446</u>	\$ <u>79,864</u>	\$ <u>1,850,310</u>

COMPLIANCE SECTION

August 10, 2015

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Commission
and Officeholders of
Marion County, MO

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the county funds of Marion County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Marion County, Missouri's basic financial statements, and have issued our report thereon dated August 10, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marion County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marion County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Marion County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as 2014-01 that we consider to be a significant deficiency.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marion County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Marion County, Missouri's Response to Finding

Marion County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Marion County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, County Commission, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

MARION COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

2014-01 County's Financial Statements per the County Budget Documents Not Properly Stated

Condition: The County's budget documents prepared and approved and submitted to the State Auditor's Office for the years ended December 31, 2014 and 2013 materially misclassified various classifications of receipts in many county funds. All receipts in all county funds were properly accounted for and the ending cash balances by fund were properly stated; however, misclassifications of receipts occurred as follows:

- The General Revenue and Special Road and Bridge funds showed some classifications under sales taxes when they should have been classified as intergovernmental receipts.
- The Road Fund showed local use tax under other revenues when it should have been classified as sales and use taxes.
- Some funds classified grant receipts or state reimbursements as other revenues when they should have been classified as intergovernmental receipts.
- Many funds showed classifications of fees for services under other revenues when they should have shown under the classification of charges for services.

Criteria: Strong internal controls over financial information require that receipts be properly classified within the respective funds and an independent review performed of the budget documents to ensure that the classifications of receipts are proper.

Cause: The County had a lack of controls over the preparation of the budget documents and a lack of independent verification of amounts recorded and classified on the budget documents.

Effect: The budget documents presented to the public and submitted to the State Auditor's Office contained material misstatements of financial amounts in various classifications of receipts within many county funds. For the audit report financial statements, the various misclassifications of receipts for all funds were corrected and properly stated for both 2014 and 2013.

Recommendation:

The County Commission and County Clerk take more care in preparation of the budget document each year to ensure that the classifications of receipts within the county funds are properly stated.

Response: The County has already reclassified all revenue line items as per this finding. The 2015 Marion County budget was amended to the Missouri State Auditor's Office with revenue line items amended to reflect the correct classification

MARION COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on the action taken by Marion County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2012 and 2011.

1. It was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Status: Partially implemented. The County is under the regulatory basis by preparation of a budget document to the state and this is used as its financial statements. The County does assist in reviewing the audit report and financial statements to take responsibility but more responsibility in the accurate preparation of the budgets should be made. See current finding 2014-01.

2. Documentation of the County's internal control has not been prepared.

Status: Implemented. An internal control policy document has been prepared by the County Clerk and Treasurer and approved by the county. A county-wide internal control policy is still being considered by the County Commission.

3. The County did not have a formal fraud risk assessment in place.

Status: Partially implemented. The County is presently working on developing a fraud risk policy to be added to the internal control policy.

4. Actual expenditures exceeded the budgeted expenditures for the years ended December 31, 2012 and 2011 in various county funds.

Status: Implemented.

5. Some transfers were identified as revenues within the funds for both the fiscal years 2012 and 2011 instead of as transfers.

Status: Implemented.

6. Some transfers were identified as expenditures within the funds for both the fiscal years 2012 and 2011 instead of as transfers.

Status: Implemented.

7. Records and procedures regarding timesheets and/or time cards are in need of improvement.

Status: Implemented.

8. The County Commission and County Clerk did not prepare budget documents for the General Revenue Emergency Fund for the year ended December 31, 2012.

Status: Implemented.

9. The County had reimbursed the County Assessor for NAR dues and MLS fees.

Status: Implemented.

MARION COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS IN ACCORDANCE
WITH OMB CIRCULAR A-133

In accordance with OMB Circular A-133, this section reports the auditors' follow-up on the action taken by Marion County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2012 and 2011.

1. The Schedule of Expenditures of Federal Awards (SEFA) submitted to the State Auditor's Office contained errors and controls were not in place to ensure that the SEFA was prepared in accordance with federal requirements.

Status: Since the County did not exceed the expenditure threshold for the current audit period, this finding is no longer applicable. The County did implement procedures to better identify total federal grants by type of federal awards.

2. Documentation of internal controls over compliance with single audit requirements has not been documented.

Status: Partially implemented. The County Clerk is developing documentation to better understand the internal controls over federal awards.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Grundy County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Grundy County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2015
Report No. 2015-088

ANNUAL FINANCIAL REPORT

GRUNDY COUNTY, MISSOURI

For the Years Ended
December 31, 2014 and 2013

GRUNDY COUNTY, MISSOURI
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

LIST OF ELECTED OFFICIALS	i
---------------------------	---

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	ii-iii
------------------------------	--------

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Comparative Government-wide Statements of Net Position – Cash Basis	1
---------------------------------------------------------------------	---

Government-wide Statement of Activities – Cash Basis – 2014	2
-------------------------------------------------------------	---

Government-wide Statement of Activities – Cash Basis – 2013	3
-------------------------------------------------------------	---

Fund Financial Statements:

Balance Sheet – Governmental Funds – Cash Basis – December 31, 2014	4
---------------------------------------------------------------------	---

Balance Sheet – Governmental Funds – Cash Basis – December 31, 2013	5
---------------------------------------------------------------------	---

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis – 2014	6
----------------------------------------------------------------------------------------------------------------	---

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis – 2013	7
----------------------------------------------------------------------------------------------------------------	---

Comparative Statements of Fiduciary Assets and Liabilities	8
------------------------------------------------------------	---

Notes to Financial Statements	9
-------------------------------	---

SUPPLEMENTARY INFORMATION

Comparative Statements of Receipts, Disbursements and Changes In Fund Balances – Budget and Actual – Cash Basis	20
--------------------------------------------------------------------------------------------------------------------	----

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	35
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

FINDINGS AND RECOMMENDATIONS SECTION

Findings and Recommendations	37
------------------------------	----

Follow-up on Prior Year Audit Findings	41
----------------------------------------	----

INTRODUCTORY SECTION

GRUNDY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Rick Hull

Associate Commissioner – Gene Wyant

Associate Commissioner – Joe Brinser

Other Elected Officials

Assessor – Kathy Veatch

Circuit Clerk/Recorder – Becky Stanturf

Coroner – Tom Eads

County Clerk – Betty Spickard

Prosecuting Attorney – Carrie Lamm-Clark

Public Administrator – Jill Eaton

Sheriff – Rodney Herring

Treasurer/Ex-Officio Collector – Barbara Harris

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and Officeholders of Grundy County, Missouri

Report on Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grundy County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grundy County, Missouri, as of December 31, 2014 and 2013, and the respective changes in cash basis financial position thereof for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Grundy County, Missouri's basic financial statements. The Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Cash Basis, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 10, 2015 on our consideration of Grundy County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grundy County, Missouri's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 10, 2015

FINANCIAL SECTION

GRUNDY COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET POSITION - CASH BASIS
DECEMBER 31, 2014 AND 2013

	December 31,					
	2013			2014		
	Primary	Component Units		Primary	Component Units	
	County Government	Senior Citizens Tax Board	Senate Bill 40 Board	County Government	Senior Citizens Tax Board	Senate Bill 40 Board
ASSETS						
Cash and Investments	\$ 2,493,288	\$ 9,353	\$ 235,516	\$ 2,718,271	\$ 1,917	\$ 276,389
Total Assets	<u>\$ 2,493,288</u>	<u>\$ 9,353</u>	<u>\$ 235,516</u>	<u>\$ 2,718,271</u>	<u>\$ 1,917</u>	<u>\$ 276,389</u>
NET POSITION						
Restricted	\$ 1,725,169	\$ 9,353	\$ 235,516	\$ 1,964,773	\$ 1,917	\$ 276,389
Unrestricted	<u>768,119</u>	<u>-</u>	<u>-</u>	<u>753,498</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ 2,493,288</u>	<u>\$ 9,353</u>	<u>\$ 235,516</u>	<u>\$ 2,718,271</u>	<u>\$ 1,917</u>	<u>\$ 276,389</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	Program Receipts				Net Receipts/(Disbursements) and Changes in Net Position		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Governmental Activities	Senior Citizens Tax Board	Senate Bill 40 Board
PRIMARY GOVERNMENT:							
Governmental Activities:							
General county government	\$ 826,202	\$ 286,759	\$ 307,484	\$ 9,804	\$ (222,155)		
Public safety	1,190,442	28,642	100,488	-	(1,061,312)		
Judicial	229,790	50,861	21,983	-	(156,946)		
Roads and bridges	604,098	-	451,963	91,549	(60,586)		
Health and welfare	948,156	506,275	435	-	(441,446)		
Total Governmental Activities	<u>\$ 3,798,688</u>	<u>\$ 872,537</u>	<u>\$ 882,353</u>	<u>\$ 101,353</u>	<u>\$ (1,942,445)</u>		
COMPONENT UNITS:							
Health and welfare	<u>\$ 173,398</u>	<u>\$ -</u>	<u>\$ 2,332</u>	<u>\$ -</u>		<u>\$ (57,492)</u>	<u>\$ (113,574)</u>
Total Component Units	<u>\$ 173,398</u>	<u>\$ -</u>	<u>\$ 2,332</u>	<u>\$ -</u>		<u>\$ (57,492)</u>	<u>\$ (113,574)</u>
GENERAL RECEIPTS							
Taxes							
Property taxes					\$ 306,446	\$ 50,056	\$ 122,035
Sales taxes					1,489,820	-	-
Emergency Telephone Tax					105,678	-	-
Interest					10,291	-	1,705
Other					255,193	-	30,707
Transfers					-	-	-
Total General Receipts					<u>\$ 2,167,428</u>	<u>\$ 50,056</u>	<u>\$ 154,447</u>
Changes in Net Position					\$ 224,983	\$ (7,436)	\$ 40,873
NET POSITION, JANUARY 1					<u>2,493,288</u>	<u>9,353</u>	<u>235,516</u>
NET POSITION, DECEMBER 31					<u>\$ 2,718,271</u>	<u>\$ 1,917</u>	<u>\$ 276,389</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	Program Receipts				Net Receipts/(Disbursements) and Changes in Net Position		
		Charges	Operating	Capital	Primary Government	Component Units	
	Disbursements	for Services	Grants and	Grants and	Governmental	Senior Citizens	Senate Bill
			Contributions	Contributions	Activities	Tax Board	40 Board
PRIMARY GOVERNMENT:							
Governmental Activities:							
General county government	\$ 898,828	\$ 293,160	\$ 334,056	\$ -	\$ (271,612)		
Public safety	1,187,421	26,548	192,338	-	(968,535)		
Judicial	271,271	37,704	24,595	-	(208,972)		
Roads and bridges	629,167	-	430,402	243,655	44,890		
Health and welfare	1,010,821	513,017	315	-	(497,489)		
					-		
Total Governmental Activities	<u>\$ 3,997,508</u>	<u>\$ 870,429</u>	<u>\$ 981,706</u>	<u>\$ 243,655</u>	<u>\$ (1,901,718)</u>		
COMPONENT UNITS:							
Health and Welfare	<u>\$ 152,256</u>	<u>\$ -</u>	<u>\$ 1,893</u>	<u>\$ -</u>		<u>\$ (55,931)</u>	<u>\$ (94,432)</u>
Total Component Units	<u>\$ 152,256</u>	<u>\$ -</u>	<u>\$ 1,893</u>	<u>\$ -</u>		<u>\$ (55,931)</u>	<u>\$ (94,432)</u>
GENERAL RECEIPTS							
Taxes							
Property taxes					\$ 324,298	\$ 55,754	\$ 111,658
Sales taxes					1,356,713	-	-
Emergency Telephone Tax					101,008	-	-
Interest					11,260	-	1,629
Other					228,520	-	916
Transfers					-	-	-
Total General Receipts					<u>\$ 2,021,799</u>	<u>\$ 55,754</u>	<u>\$ 114,203</u>
Changes in Net Position					\$ 120,081	\$ (177)	\$ 19,771
NET POSITION, JANUARY 1 (RESTATED)					<u>2,373,207</u>	<u>9,530</u>	<u>215,745</u>
NET POSITION, DECEMBER 31					<u>\$ 2,493,288</u>	<u>\$ 9,353</u>	<u>\$ 235,516</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	AMBULANCE	LAW ENFORCE- MENT CENTER	SENIOR CITIZENS TAX BOARD	SENATE BILL 40 BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Cash and Investments	\$ 753,498	\$ 405,615	\$ 972,471	\$ 45,702	\$ 1,917	\$ 276,389	\$ 540,985	\$ 2,996,577
Total Assets	<u>\$ 753,498</u>	<u>\$ 405,615</u>	<u>\$ 972,471</u>	<u>\$ 45,702</u>	<u>\$ 1,917</u>	<u>\$ 276,389</u>	<u>\$ 540,985</u>	<u>\$ 2,996,577</u>
FUND BALANCES								
Restricted - Special Revenue Funds	\$ -	\$ 405,615	\$ 972,471	\$ 45,702	\$ 1,917	\$ 276,389	\$ 540,985	\$ 2,243,079
Unassigned	<u>753,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>753,498</u>
Total Fund Balances	<u>\$ 753,498</u>	<u>\$ 405,615</u>	<u>\$ 972,471</u>	<u>\$ 45,702</u>	<u>\$ 1,917</u>	<u>\$ 276,389</u>	<u>\$ 540,985</u>	<u>\$ 2,996,577</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	AMBULANCE	LAW ENFORCE- MENT CENTER	SENIOR CITIZENS TAX BOARD	SENATE BILL 40 BOARD	OTHER GOVERNMENTAL	TOTAL
ASSETS								
Cash and Investments	\$ 768,119	\$ 384,948	\$ 800,781	\$ 2,425	\$ 9,353	\$ 235,516	\$ 537,015	\$ 2,738,157
Total Assets	<u>\$ 768,119</u>	<u>\$ 384,948</u>	<u>\$ 800,781</u>	<u>\$ 2,425</u>	<u>\$ 9,353</u>	<u>\$ 235,516</u>	<u>\$ 537,015</u>	<u>\$ 2,738,157</u>
FUND BALANCES								
Restricted - Special Revenue Funds	\$ -	\$ 384,948	\$ 800,781	\$ 2,425	\$ 9,353	\$ 235,516	\$ 537,015	\$ 1,970,038
Unassigned	<u>768,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768,119</u>
Total Fund Balances	<u>\$ 768,119</u>	<u>\$ 384,948</u>	<u>\$ 800,781</u>	<u>\$ 2,425</u>	<u>\$ 9,353</u>	<u>\$ 235,516</u>	<u>\$ 537,015</u>	<u>\$ 2,738,157</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2014

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	AMBULANCE	LAW ENFORCE- MENT CENTER	SENIOR CITIZENS TAX BOARD	SENATE BILL 40 BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS								
Property taxes	\$ 245,987	\$ 60,459	\$ -	\$ -	\$ 50,056	\$ 122,035	\$ -	\$ 478,537
Sales taxes	496,876	-	496,471	496,473	-	-	105,678	1,595,498
Intergovernmental	111,943	543,512	-	99,458	-	2,332	228,793	986,038
Charges for services	323,475	-	506,275	-	-	-	42,787	872,537
Interest	1,714	567	1,229	72	-	1,705	6,709	11,996
Other	114,476	44,227	17,688	606	-	30,707	78,196	285,900
Transfers in	48,000	-	-	140,000	-	-	10,000	198,000
Total Receipts	<u>\$ 1,342,471</u>	<u>\$ 648,765</u>	<u>\$ 1,021,663</u>	<u>\$ 736,609</u>	<u>\$ 50,056</u>	<u>\$ 156,779</u>	<u>\$ 472,163</u>	<u>\$ 4,428,506</u>
DISBURSEMENTS								
General government	\$ 625,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,779	\$ 826,202
Public safety	405,048	-	-	693,332	-	-	92,062	1,190,442
Judicial	176,621	-	-	-	-	-	53,169	229,790
Roads and Bridges	-	604,098	-	-	-	-	-	604,098
Health and welfare	-	-	825,973	-	57,492	115,906	122,183	1,121,554
Transfers out	150,000	24,000	24,000	-	-	-	-	198,000
Total Disbursements	<u>\$ 1,357,092</u>	<u>\$ 628,098</u>	<u>\$ 849,973</u>	<u>\$ 693,332</u>	<u>\$ 57,492</u>	<u>\$ 115,906</u>	<u>\$ 468,193</u>	<u>\$ 4,170,086</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (14,621)	\$ 20,667	\$ 171,690	\$ 43,277	\$ (7,436)	\$ 40,873	\$ 3,970	\$ 258,420
FUND BALANCE, JANUARY 1	<u>768,119</u>	<u>384,948</u>	<u>800,781</u>	<u>2,425</u>	<u>9,353</u>	<u>235,516</u>	<u>537,015</u>	<u>2,738,157</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 753,498</u></u>	<u><u>\$ 405,615</u></u>	<u><u>\$ 972,471</u></u>	<u><u>\$ 45,702</u></u>	<u><u>\$ 1,917</u></u>	<u><u>\$ 276,389</u></u>	<u><u>\$ 540,985</u></u>	<u><u>\$ 2,996,577</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2013

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	AMBULANCE	LAW ENFORCE- MENT CENTER	SENIOR CITIZENS TAX BOARD	SENATE BILL 40 BOARD	OTHER GOVERNMENTAL	TOTAL
RECEIPTS								
Property taxes	\$ 267,107	\$ 57,191	\$ -	\$ -	\$ 55,754	\$ 111,658	\$ -	\$ 491,710
Sales taxes	452,535	-	452,086	452,092	-	-	101,008	1,457,721
Intergovernmental	196,818	674,056	-	119,532	-	1,893	234,955	1,227,254
Charges for services	312,382	-	513,017	-	-	-	45,030	870,429
Interest	1,992	777	1,548	49	-	1,629	6,894	12,889
Other	146,499	9,605	4,147	-	-	916	68,269	229,436
Transfers in	94,760	-	-	115,000	-	-	5,000	214,760
Total Receipts	<u>\$ 1,472,093</u>	<u>\$ 741,629</u>	<u>\$ 970,798</u>	<u>\$ 686,673</u>	<u>\$ 55,754</u>	<u>\$ 116,096</u>	<u>\$ 461,156</u>	<u>\$ 4,504,199</u>
DISBURSEMENTS								
General government	\$ 688,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,253	\$ 898,828
Public safety	383,811	-	-	710,201	-	-	93,409	1,187,421
Judicial	219,833	-	-	-	-	-	51,438	271,271
Roads and Bridges	-	629,167	-	-	-	-	-	629,167
Health and welfare	-	-	897,986	-	55,931	96,325	112,835	1,163,077
Transfers out	120,000	30,760	24,000	-	-	-	40,000	214,760
Total Disbursements	<u>\$ 1,412,219</u>	<u>\$ 659,927</u>	<u>\$ 921,986</u>	<u>\$ 710,201</u>	<u>\$ 55,931</u>	<u>\$ 96,325</u>	<u>\$ 507,935</u>	<u>\$ 4,364,524</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 59,874	\$ 81,702	\$ 48,812	\$ (23,528)	\$ (177)	\$ 19,771	\$ (46,779)	\$ 139,675
FUND BALANCE, JANUARY 1	<u>708,245</u>	<u>303,246</u>	<u>751,969</u>	<u>25,953</u>	<u>9,530</u>	<u>215,745</u>	<u>583,794</u>	<u>2,598,482</u>
FUND BALANCE, DECEMBER 31	<u>\$ 768,119</u>	<u>\$ 384,948</u>	<u>\$ 800,781</u>	<u>\$ 2,425</u>	<u>\$ 9,353</u>	<u>\$ 235,516</u>	<u>\$ 537,015</u>	<u>\$ 2,738,157</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
December 31,

	<u>2013</u>	<u>2014</u>
Assets		
Cash	<u>\$ 7,258,284</u>	<u>\$ 6,886,158</u>
Total Assets	<u><u>\$ 7,258,284</u></u>	<u><u>\$ 6,886,158</u></u>
Liabilities		
Due to Other Entities	<u>\$ 7,258,284</u>	<u>\$ 6,886,158</u>
Total Liabilities	<u><u>\$ 7,258,284</u></u>	<u><u>\$ 6,886,158</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grundy County, Missouri ("County"), is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, Circuit Clerk/Recorder, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer/Ex-Officio Collector.

The financial statements of Grundy County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements referred to above include the primary government of Grundy County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The following component units are separate legal entities that are required to be included in the scope of our audit:

Senate Bill 40 Board, d/b/a Families & Friends of the Developmentally Disabled in Grundy County – The Board was established under Section 205.968, RSMo to provide services that enhance the lives of Grundy County persons with developmental disabilities. These services are funded by a property tax levy passed specifically for the Board's purpose and are distributed to local services providers at the Board's discretion.

Grundy County Senior Citizens Tax Board – The Board was established to provide programs and services that enhance the health, nutrition, and quality of life of Grundy

County seniors aged 60 or older. These programs and services are funded by a property tax levy passed specifically for the Board's purpose and are distributed to local service providers at the Board's discretion.

B. Basis of Presentation

Government-wide Financial Statements:

The statements of net position and the statements of activities display financial information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements:

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund balance, revenues, and expenditure/expenses.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Revenue Fund - The General Revenue Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Revenue Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Ambulance Fund – A special revenue fund used to account for receipt of sales tax and charges for services collections and other receipts for the purpose of funding the operations of the County Ambulance service.

Law Enforcement Center Fund – A special revenue fund used to account for receipt of sales tax collections and other intergovernmental receipts for the purpose of funding the operations of the County Law Enforcement Center.

Fiduciary funds account for assets held by the County as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in separate Comparative Statements of Fiduciary Assets and Liabilities because the County cannot use those assets to finance its operations. The County's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations. The agency funds include balances held by the County Treasurer/Ex-Officio Collector for distribution to various school, fire, road and other districts within the County.

C. Basis of Accounting

The Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, notes payable, revenue bonds, and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary funds and all government-wide financial statements would be presented on the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. Prior to December 31, each department, office, institution, commission, or court of the County submits to the budget officer its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The Deputy Salary Fund had budgeted expenditures in excess of budgeted revenues plus anticipated beginning fund balance in both 2013 and 2014. Additionally, the Prosecuting Attorney Bad Check Fund had budgeted expenditures in excess of budgeted revenues plus anticipated beginning fund balance in 2013.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection. The public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. The County did not adopt a budget for the Fred Fitch Trust and Crippled Children Trust funds in either 2013 or 2014.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2013</u>	<u>2014</u>
Law Enforcement Center	X	
Juvenile Programs	X	
Record Preservation	X	
Prosecuting Attorney Training		X
Inmate Security	X	X
Deputy Salary	X	X
Victims of Domestic Violence	X	X
Senior Citizens Tax Board	X	X
911		X
Senate Bill 40 Board		X

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar years 2014 and 2013, for purposes of taxation were:

	2014	2013
Real Estate	\$ 64,956,890	\$ 65,618,300
Personal Property	34,275,286	35,268,458
Railroads and Utilities	21,095,972	19,643,851
Total	<u>\$120,328,148</u>	<u>\$120,530,609</u>

The Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2014 and 2013, for purposes of County taxation, as follows:

	2014	2013
General Revenue	\$ 0.1845	\$ 0.2109
Senate Bill 40 Board	0.1000	0.0994
Senior Citizens Tax Board	0.0500	0.0496

In addition, the Special Road and Bridge fund receives 5% of property tax amounts collected on behalf of township road districts within the County.

F. Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in two components:

1. Restricted net position—Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position—All other net assets that do not meet the definition of “restricted”.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the County Commission through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the County Commission. Assigned fund balances is a limitation imposed by a designee of the County Commission. Unassigned fund balance in the General Revenue fund is the net resources in excess of what can be properly classified in one of the above four categories.

G. Cash Deposits and Investments

Cash and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. The County does not have an investment policy that limits its investment choices other than the limitation of state law. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

H. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. Interfund transfers between funds of the primary government have been eliminated from the government-wide financial statements.

I. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

J. New Accounting Pronouncements

The County has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for periods beginning after June 15, 2010, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Implementation of this statement changed the way the County reported net position on the governmental fund Balance Sheet.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes both deposits and certificates of deposit with maturities less than 90 days. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills. Investments consist of certificates of deposit with maturities greater than 90 days.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amounts of the primary County government's deposits were \$2,718,271 and \$2,493,288, respectively, and the bank balances were \$2,864,183 and \$2,762,474, respectively. Of the bank balances, \$250,000 at both December 31, 2014 and December 31, 2013 were covered by federal depository insurance. The remainder of the balances at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2014 and 2013, the carrying amounts of the Senate Bill 40 Board deposits were \$276,389 and \$235,516, respectively. The bank balances of \$281,262 and \$241,412 at December 31, 2014 and 2013, respectively, were covered entirely by federal depository insurance.

At December 31, 2014 and 2013, the carrying amounts of the Senior Citizens Tax Board deposits were \$1,917 and \$9,353, respectively. The bank balances of \$1,917 and \$9,353 at December 31, 2014 and 2013, respectively, were covered entirely by federal depository insurance.

At December 31, 2014 and 2013, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$5,485,476 and \$5,566,705 at December 31, 2014 and 2013, respectively. Of the bank balances, \$250,000 for both December 31, 2014 and December 31, 2013, were covered by federal depository insurance. The remainder of the balances held by the Collector at December 31, 2014 and 2013 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. CHANGE IN REPORTING ENTITY

The County has changed its reporting entity to include certain funds which were previously excluded. The funds previously excluded are the Fred Fitch Trust and Crippled Children Trust funds. The effect of this change is to increase the beginning cash balances at January 1, 2013 by the amount of the beginning balances of these two funds.

4. RESTATEMENT

The beginning balance of the Cemeteries fund was restated. The prior audit overstated expenses of the fund by \$1,412 compared to the actual expenses reported for 2012 in the 2013 budget. Therefore, the beginning balance for the Cemeteries fund was increased by \$1,412. The beginning balance of the Senior Citizens Tax Board was restated. The supported beginning balance was \$9,530, therefore the beginning balance was reduced by \$2,902.

5. INTERFUND TRANSFERS

The County made the following interfund transfers between governmental funds of the primary government:

Year Ended December 31, 2014			
Transfers In			
Transfers Out	General Revenue	Law Enforcement Center	Non-Major Funds
General Revenue	\$ -	\$ 140,000	\$ 10,000
Special Road and Bridge	24,000	-	-
Ambulance	24,000	-	-

Year Ended December 31, 2013			
Transfers In			
	General Revenue	Law Enforcement Center	Non-Major Funds
General Revenue	\$ -	\$ 115,000	\$ 5,000
Special Road and Bridge	30,760	-	-
Ambulance	24,000	-	-
Non-Major Funds	40,000	-	-

6. COUNTY EMPLOYEES RETIREMENT FUND

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five with a reduced benefit. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF employee contributions of approximately \$61,351 and \$60,076 respectively, for the years then ended.

7. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

8. CLAIMS, COMMITMENTS, AND CONTINGENCIES

A. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

B. Compensated Absences

The County provides full time employees with four hours per calendar month worked of compensated personal leave, up to a maximum of 360 hours. Ambulance employees earn six hours per calendar month worked of personal leave. Full-time employees may receive compensation for 50% of accrued personal leave upon termination of employment. Vacation time is accrued for every full time employee beginning with the second year of employment at a rate of one to four weeks per year based on length of employment. Any days not used by the end of the year will be lost. Vacation leave for hourly personnel working in the Grundy County Detention Center may carry over no more than 12 hours vacation. Upon separation due to resignation, death or termination, an employee may receive compensation for unused accrued vacation leave.

9. RISK MANAGEMENT

The County is exposed to various risks of losses related, to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties (MAC). The County purchases workers' compensation insurance from this Fund through Arthur J. Gallagher. MAC is a non-profit corporation established for the purpose of providing insurance coverage and other services for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

10. OUTSTANDING DEBT

During 2006, Certificates of Participation (COPS) in the amount of \$4,995,000 were issued by First Bank of Missouri on behalf of the County, for the construction of a new law enforcement facility. The County makes semi-annual payments with the COPS payment date of June 1 and December 1 of each year. The payment due date is two business days prior to the COPS payment dates. The interest rate varies between 4.0% and 4.4%. The balances of the COPS were \$4,110,000 at December 31, 2014. The final payment is due December 1, 2030.

11. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 10, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that there is one subsequent event that requires recognition or additional disclosure in the financial statements.

The Sheriff's office became aware during a review of fees collected that the required allocation of civil fees to the Deputy Salary fund had not occurred since the beginning of the fund in 2008. Further review found the amount owed to the State Deputy Sheriff Salary Supplementation Fund to be \$20,680. The Fund has requested the County repay the funds as it is able. The County will pay \$7,170 in July 2015 toward the repayment for the period of January 2013 through April 2015. The remaining balance of \$13,510 will be repaid over time as funds become available.

SUPPLEMENTARY INFORMATION

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2013		2014	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 212,500	\$ 267,107	\$ 216,200	\$ 245,987
Sales taxes	455,000	452,535	455,000	496,876
Intergovernmental	231,141	196,818	105,194	111,943
Charges for services	313,150	312,382	314,300	323,475
Interest	2,200	1,992	2,000	1,714
Other	200,219	146,499	201,720	114,476
Transfers in	59,000	94,760	59,000	48,000
Total Receipts	<u>\$ 1,473,210</u>	<u>\$ 1,472,093</u>	<u>\$ 1,353,414</u>	<u>\$ 1,342,471</u>
DISBURSEMENTS				
County Commission	\$ 80,619	\$ 81,757	\$ 90,240	\$ 83,786
County Clerk	91,700	82,620	93,500	82,014
Elections	31,340	13,140	60,990	36,162
Building & Grounds	189,584	193,885	87,444	59,193
Treasurer	80,029	81,217	86,900	82,346
Employee Fringe Benefits	107,200	111,346	111,750	111,315
Circuit Clerk	54,400	44,466	58,500	40,234
Court Administration	21,699	9,411	23,279	9,387
Public Administrator	46,514	43,753	44,325	41,528
Sheriff	369,048	364,809	374,386	352,521
Prosecuting Attorney	90,212	90,793	89,270	85,472
Juvenile	47,783	31,410	59,254	34,116
Coroner	18,865	19,002	22,290	18,411
Other Expense	258,441	124,610	170,122	167,146
Emergency fund	44,200	-	41,000	3,461
Transfers out	140,000	120,000	144,000	150,000
Total Disbursements	<u>\$ 1,671,634</u>	<u>\$ 1,412,219</u>	<u>\$ 1,557,250</u>	<u>\$ 1,357,092</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (198,424)	\$ 59,874	\$ (203,836)	\$ (14,621)
FUND BALANCE, JANUARY 1	708,245	708,245	768,119	768,119
FUND BALANCE, DECEMBER 31	<u>\$ 509,821</u>	<u>\$ 768,119</u>	<u>\$ 564,283</u>	<u>\$ 753,498</u>

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 55,500	\$ 57,191	\$ 56,000	\$ 60,459	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	649,100	674,056	1,009,600	543,512	148,107	155,971	156,107	163,209
Charges for services	-	-	-	-	-	-	-	-
Interest	1,000	777	700	567	100	145	145	126
Other	6,500	9,605	7,500	44,227	600	9,808	19,459	10,204
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 712,100	\$ 741,629	\$ 1,073,800	\$ 648,765	\$ 148,807	\$ 165,924	\$ 175,711	\$ 173,539
DISBURSEMENTS								
Salaries	\$ 101,547	\$ 100,869	\$ 94,000	\$ 92,765	\$ 108,000	\$ 100,287	\$ 105,130	\$ 91,608
Employee fringe benefits	36,350	20,510	30,900	23,143	25,195	22,759	24,600	20,711
Materials and Supplies	170,200	159,542	165,500	125,523	5,200	4,541	4,000	7,221
Services and Other	38,622	49,283	38,400	60,652	15,850	20,793	35,450	34,724
Capital Outlay	30,000	24,227	10,000	8,000	12,150	13,938	-	-
Construction	289,000	274,736	789,000	294,015	-	-	-	-
Transfers out	35,000	30,760	35,000	24,000	-	-	-	-
Total Disbursements	\$ 700,719	\$ 659,927	\$ 1,162,800	\$ 628,098	\$ 166,395	\$ 162,318	\$ 169,180	\$ 154,264
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 11,381	\$ 81,702	\$ (89,000)	\$ 20,667	\$ (17,588)	\$ 3,606	\$ 6,531	\$ 19,275
FUND BALANCE, JANUARY 1	303,246	303,246	384,948	384,948	23,622	23,622	27,228	27,228
FUND BALANCE, DECEMBER 31	\$ 314,627	\$ 384,948	\$ 295,948	\$ 405,615	\$ 6,034	\$ 27,228	\$ 33,759	\$ 46,503

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	AMBULANCE FUND				LAW ENFORCEMENT CENTER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	455,000	452,086	455,000	496,471	455,000	452,092	455,000	496,473
Intergovernmental	-	-	-	-	114,400	119,532	126,900	99,458
Charges for services	488,159	513,017	510,000	506,275	-	-	-	-
Interest	1,600	1,548	1,600	1,229	200	49	50	72
Other	5,600	4,147	5,800	17,688	5,000	-	-	606
Transfers in	-	-	-	-	120,000	115,000	141,000	140,000
Total Receipts	<u>\$ 950,359</u>	<u>\$ 970,798</u>	<u>\$ 972,400</u>	<u>\$ 1,021,663</u>	<u>\$ 694,600</u>	<u>\$ 686,673</u>	<u>\$ 722,950</u>	<u>\$ 736,609</u>
DISBURSEMENTS								
Salaries	\$ 613,079	\$ 571,479	\$ 603,381	\$ 570,860	\$ 191,668	\$ 189,765	\$ 193,146	\$ 196,043
Employee fringe benefits	113,500	79,570	91,720	84,598	35,700	31,438	33,500	35,796
Materials and Supplies	73,200	70,681	76,400	71,640	8,975	46,288	10,175	43,017
Services and Other	101,401	71,651	99,820	58,937	150,500	137,307	159,148	106,070
Capital Outlay	91,000	104,605	-	39,938	311,923	305,403	316,923	312,406
Construction	-	-	-	-	-	-	-	-
Transfers out	54,000	24,000	54,000	24,000	-	-	-	-
Total Disbursements	<u>\$ 1,046,180</u>	<u>\$ 921,986</u>	<u>\$ 925,321</u>	<u>\$ 849,973</u>	<u>\$ 698,766</u>	<u>\$ 710,201</u>	<u>\$ 712,892</u>	<u>\$ 693,332</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (95,821)	\$ 48,812	\$ 47,079	\$ 171,690	\$ (4,166)	\$ (23,528)	\$ 10,058	\$ 43,277
FUND BALANCE, JANUARY 1	<u>751,969</u>	<u>751,969</u>	<u>800,781</u>	<u>800,781</u>	<u>25,953</u>	<u>25,953</u>	<u>2,425</u>	<u>2,425</u>
FUND BALANCE, DECEMBER 31	<u>\$ 656,148</u>	<u>\$ 800,781</u>	<u>\$ 847,860</u>	<u>\$ 972,471</u>	<u>\$ 21,787</u>	<u>\$ 2,425</u>	<u>\$ 12,483</u>	<u>\$ 45,702</u>

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	JUVENILE PROGRAMS FUND				JUVENILE RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	49,296	46,937	49,296	42,136	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	1,165	1,178	1,178	1,248	-	23	1,068	35
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 50,461	\$ 48,115	\$ 50,474	\$ 43,384	\$ -	\$ 23	\$ 1,068	\$ 35
DISBURSEMENTS								
Salaries	\$ 11,040	\$ 12,000	\$ 11,040	\$ 12,000	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	1,090	1,182	1,090	1,182	-	-	-	-
Materials and Supplies	2,997	1,162	2,997	2,476	-	-	-	-
Services and Other	30,135	34,882	30,135	24,253	1,000	-	1,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 45,262	\$ 49,226	\$ 45,262	\$ 39,911	\$ 1,000	\$ -	\$ 1,000	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 5,199	\$ (1,111)	\$ 5,212	\$ 3,473	\$ (1,000)	\$ 23	\$ 68	\$ 35
FUND BALANCE, JANUARY 1	22,512	22,512	21,401	21,401	1,046	1,046	1,069	1,069
FUND BALANCE, DECEMBER 31	\$ 27,711	\$ 21,401	\$ 26,613	\$ 24,874	\$ 46	\$ 1,069	\$ 1,137	\$ 1,104

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	LEPC FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,738	7,839	4,300	1,030	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	7	8	8	27	28	30	8
Other	-	3,537	-	-	5,500	4,708	10,000	6,981
Transfers in	2,000	3,000	-	-	-	-	-	-
Total Receipts	\$ 6,738	\$ 14,383	\$ 4,308	\$ 1,038	\$ 5,527	\$ 4,736	\$ 10,030	\$ 6,989
DISBURSEMENTS								
Salaries	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	150	560	150	235	-	-	-	-
Services and Other	3,815	3,321	4,400	3,503	20,000	12,000	18,000	13,908
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 6,365	\$ 6,281	\$ 6,950	\$ 6,138	\$ 20,000	\$ 12,000	\$ 18,000	\$ 13,908
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 373	\$ 8,102	\$ (2,642)	\$ (5,100)	\$ (14,473)	\$ (7,264)	\$ (7,970)	\$ (6,919)
FUND BALANCE, JANUARY 1	(42)	(42)	8,060	8,060	15,375	15,375	8,111	8,111
FUND BALANCE, DECEMBER 31	\$ 331	\$ 8,060	\$ 5,418	\$ 2,960	\$ 902	\$ 8,111	\$ 141	\$ 1,192

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	RECORD PRESERVATION FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	1	13	10	10	6
Other	3,000	3,215	3,200	3,001	350	463	500	3,550
Transfers in	1,307	2,000	2,000	-	-	-	-	-
Total Receipts	<u>\$ 4,307</u>	<u>\$ 5,215</u>	<u>\$ 5,200</u>	<u>\$ 3,002</u>	<u>\$ 363</u>	<u>\$ 473</u>	<u>\$ 510</u>	<u>\$ 3,556</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,300	5,072	4,300	2,396	1,000	982	1,000	3,623
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,300</u>	<u>\$ 5,072</u>	<u>\$ 4,300</u>	<u>\$ 2,396</u>	<u>\$ 1,000</u>	<u>\$ 982</u>	<u>\$ 1,000</u>	<u>\$ 3,623</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 7	\$ 143	\$ 900	\$ 606	\$ (637)	\$ (509)	\$ (490)	\$ (67)
FUND BALANCE, JANUARY 1	(6)	(6)	137	137	4,563	4,563	4,054	4,054
FUND BALANCE, DECEMBER 31	<u>\$ 1</u>	<u>\$ 137</u>	<u>\$ 1,037</u>	<u>\$ 743</u>	<u>\$ 3,926</u>	<u>\$ 4,054</u>	<u>\$ 3,564</u>	<u>\$ 3,987</u>

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	LAW ENFORCEMENT TRAINING FUND				SHERIFF REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	7,000	10,000	10,000	8,150
Interest	-	1	1	3	18	22	20	9
Other	2,000	2,549	2,000	2,589	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,000	\$ 2,550	\$ 2,001	\$ 2,592	\$ 7,018	\$ 10,022	\$ 10,020	\$ 8,159
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,300	1,169	3,699	1,613	16,687	12,582	15,000	12,702
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,300	\$ 1,169	\$ 3,699	\$ 1,613	\$ 16,687	\$ 12,582	\$ 15,000	\$ 12,702
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (300)	\$ 1,381	\$ (1,698)	\$ 979	\$ (9,669)	\$ (2,560)	\$ (4,980)	\$ (4,543)
FUND BALANCE, JANUARY 1	317	317	1,698	1,698	11,080	11,080	8,520	8,520
FUND BALANCE, DECEMBER 31	\$ 17	\$ 1,698	\$ -	\$ 2,677	\$ 1,411	\$ 8,520	\$ 3,540	\$ 3,977

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	INMATE SECURITY FUND				P. A. DELINQUENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	250	40	-	-
Interest	4	5	4	7	1	2	-	1
Other	1,300	2,340	3,000	13,009	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,304	\$ 2,345	\$ 3,004	\$ 13,016	\$ 251	\$ 42	\$ -	\$ 1
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,520	1,596	5,370	5,404	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,520	\$ 1,596	\$ 5,370	\$ 5,404	\$ -	\$ -	\$ -	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (216)	\$ 749	\$ (2,366)	\$ 7,612	\$ 251	\$ 42	\$ -	\$ 1
FUND BALANCE, JANUARY 1	1,619	1,619	2,368	2,368	732	732	774	774
FUND BALANCE, DECEMBER 31	\$ 1,403	\$ 2,368	\$ 2	\$ 9,980	\$ 983	\$ 774	\$ 774	\$ 775

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	DEPUTY SALARY FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	9,785	10,179	11,873	12,216	8,000	24,811	28,000	22,421
Interest	-	-	-	-	30	11	-	7
Other	-	-	-	-	6,950	2,270	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 9,785	\$ 10,179	\$ 11,873	\$ 12,216	\$ 14,980	\$ 27,092	\$ 28,000	\$ 22,428
DISBURSEMENTS								
Salaries	\$ -	\$ 8,394	\$ 11,023	\$ 10,353	\$ 15,650	\$ 16,639	\$ 20,479	\$ 20,554
Employee fringe benefits	-	642	850	792	5,113	4,930	5,235	5,220
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	9,785	1,520	-	1,240	5,000	3,947	3,500	2,434
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 9,785	\$ 10,556	\$ 11,873	\$ 12,385	\$ 25,763	\$ 25,516	\$ 29,214	\$ 28,208
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (377)	\$ -	\$ (169)	\$ (10,783)	\$ 1,576	\$ (1,214)	\$ (5,780)
FUND BALANCE, JANUARY 1	(670)	(670)	(1,047)	(1,047)	6,031	6,031	7,607	7,607
FUND BALANCE, DECEMBER 31	\$ (670)	\$ (1,047)	\$ (1,047)	\$ (1,216)	\$ (4,752)	\$ 7,607	\$ 6,393	\$ 1,827

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	ELECTION SERVICES FUND				CIVIL FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	20	20	20	18	34	35	33	14
Other	3,500	4,487	3,775	6,130	16,000	16,216	13,200	14,558
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 3,520	\$ 4,507	\$ 3,795	\$ 6,148	\$ 16,034	\$ 16,251	\$ 13,233	\$ 14,572
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	3,500	55	5,275	4,455	38,000	26,227	25,000	22,290
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 3,500	\$ 55	\$ 5,275	\$ 4,455	\$ 38,000	\$ 26,227	\$ 25,000	\$ 22,290
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 20	\$ 4,452	\$ (1,480)	\$ 1,693	\$ (21,966)	\$ (9,976)	\$ (11,767)	\$ (7,718)
FUND BALANCE, JANUARY 1	6,861	6,861	11,313	11,313	22,084	22,084	12,108	12,108
FUND BALANCE, DECEMBER 31	\$ 6,881	\$ 11,313	\$ 9,833	\$ 13,006	\$ 118	\$ 12,108	\$ 341	\$ 4,390

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	RECORDER'S TECHNOLOGY FUND				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	350	315	315	435
Charges for services	-	-	-	-	-	-	-	-
Interest	5	14	14	10	1	1	1	1
Other	1,700	1,884	1,850	1,720	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,705	\$ 1,898	\$ 1,864	\$ 1,730	\$ 351	\$ 316	\$ 316	\$ 436
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,000	1,905	2,000	1,825	500	1,108	500	747
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,000	\$ 1,905	\$ 2,000	\$ 1,825	\$ 500	\$ 1,108	\$ 500	\$ 747
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (295)	\$ (7)	\$ (136)	\$ (95)	\$ (149)	\$ (792)	\$ (184)	\$ (311)
FUND BALANCE, JANUARY 1	6,315	6,315	6,308	6,308	1,109	1,108	316	316
FUND BALANCE, DECEMBER 31	\$ 6,020	\$ 6,308	\$ 6,172	\$ 6,213	\$ 960	\$ 316	\$ 132	\$ 5

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	911 FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency telephone tax	-	101,008	-	105,678	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	20	34	35	26	80	21	140	11
Other	-	-	-	-	15,000	15,591	15,000	15,171
Transfers in	135,000	-	130,000	10,000	-	-	-	-
Total Receipts	<u>\$ 135,020</u>	<u>\$ 101,042</u>	<u>\$ 130,035</u>	<u>\$ 115,704</u>	<u>\$ 15,080</u>	<u>\$ 15,612</u>	<u>\$ 15,140</u>	<u>\$ 15,182</u>
DISBURSEMENTS								
Salaries	\$ 71,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	2,500	2,746	3,000	2,649
Services and Other	59,700	55,326	59,575	62,036	51,719	9,905	15,600	11,171
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	40,000	-	-
Total Disbursements	<u>\$ 130,700</u>	<u>\$ 111,326</u>	<u>\$ 115,575</u>	<u>\$ 118,036</u>	<u>\$ 54,219</u>	<u>\$ 52,651</u>	<u>\$ 18,600</u>	<u>\$ 13,820</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 4,320	\$ (10,284)	\$ 14,460	\$ (2,332)	\$ (39,139)	\$ (37,039)	\$ (3,460)	\$ 1,362
FUND BALANCE, JANUARY 1	<u>20,054</u>	<u>20,054</u>	<u>9,770</u>	<u>9,770</u>	<u>41,065</u>	<u>41,065</u>	<u>4,026</u>	<u>4,026</u>
FUND BALANCE, DECEMBER 31	<u>\$ 24,374</u>	<u>\$ 9,770</u>	<u>\$ 24,230</u>	<u>\$ 7,438</u>	<u>\$ 1,926</u>	<u>\$ 4,026</u>	<u>\$ 566</u>	<u>\$ 5,388</u>

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	DRUG COURT LOCAL FUND				CEMETERIES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	27,000	23,893	28,000	21,983	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	3,200	3,168	3,150	3,119
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 27,000</u>	<u>\$ 23,893</u>	<u>\$ 28,000</u>	<u>\$ 21,983</u>	<u>\$ 3,200</u>	<u>\$ 3,168</u>	<u>\$ 3,150</u>	<u>\$ 3,119</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	27,000	24,940	27,500	21,338	3,000	2,025	3,000	1,730
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 27,000</u>	<u>\$ 24,940</u>	<u>\$ 27,500</u>	<u>\$ 21,338</u>	<u>\$ 3,000</u>	<u>\$ 2,025</u>	<u>\$ 3,000</u>	<u>\$ 1,730</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (1,047)	\$ 500	\$ 645	\$ 200	\$ 1,143	\$ 150	\$ 1,389
FUND BALANCE, JANUARY 1 (RESTATED)	<u>29,514</u>	<u>29,514</u>	<u>28,467</u>	<u>28,467</u>	<u>222,291</u>	<u>222,291</u>	<u>223,434</u>	<u>223,434</u>
FUND BALANCE, DECEMBER 31	<u>\$ 29,514</u>	<u>\$ 28,467</u>	<u>\$ 28,967</u>	<u>\$ 29,112</u>	<u>\$ 222,491</u>	<u>\$ 223,434</u>	<u>\$ 223,584</u>	<u>\$ 224,823</u>

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	FRED FITCH TRUST FUND				CRIPPLED CHILDREN TRUST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	3,170	-	3,137	-	200	-	197
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 3,170	\$ -	\$ 3,137	\$ -	\$ 200	\$ -	\$ 197
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	400	-	3,400	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ 400	\$ -	\$ 3,400	\$ -	\$ -	\$ -	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 2,770	\$ -	\$ (263)	\$ -	\$ 200	\$ -	\$ 197
FUND BALANCE, JANUARY 1	135,048	135,048	137,818	137,818	13,275	13,275	13,475	13,475
FUND BALANCE, DECEMBER 31	\$ 135,048	\$ 137,818	\$ 137,818	\$ 137,555	\$ 13,275	\$ 13,475	\$ 13,475	\$ 13,672

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CASH BASIS

	SENIOR CITIZENS TAX BOARD				SENATE BILL 40 BOARD			
	Year Ended December 31,				Year Ended December 31,			
	2013		2014		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 52,809	\$ 55,754	\$ 52,302	\$ 50,056	\$ 93,000	\$ 111,658	\$ 95,000	\$ 122,035
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,500	1,893	3,181	2,332
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,325	1,629	3,916	1,705
Other	-	-	-	-	1,500	916	1,200	30,707
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 52,809</u>	<u>\$ 55,754</u>	<u>\$ 52,302</u>	<u>\$ 50,056</u>	<u>\$ 98,325</u>	<u>\$ 116,096</u>	<u>\$ 103,297</u>	<u>\$ 156,779</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 28,700	\$ 24,146	\$ 28,200	\$ 23,522
Employee fringe benefits	-	-	-	-	7,200	6,061	7,200	6,056
Materials and Supplies	-	-	-	-	3,000	3,269	3,500	7,316
Services and Other	52,715	55,931	51,805	57,492	72,200	62,849	74,275	79,012
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 52,715</u>	<u>\$ 55,931</u>	<u>\$ 51,805</u>	<u>\$ 57,492</u>	<u>\$ 111,100</u>	<u>\$ 96,325</u>	<u>\$ 113,175</u>	<u>\$ 115,906</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 94	\$ (177)	\$ 497	\$ (7,436)	\$ (12,775)	\$ 19,771	\$ (9,878)	\$ 40,873
FUND BALANCE, JANUARY 1	<u>1,291</u>	<u>9,530</u>	<u>9,353</u>	<u>9,353</u>	<u>215,745</u>	<u>215,745</u>	<u>235,516</u>	<u>235,516</u>
FUND BALANCE, DECEMBER 31	<u>\$ 1,385</u>	<u>\$ 9,353</u>	<u>\$ 9,850</u>	<u>\$ 1,917</u>	<u>\$ 202,970</u>	<u>\$ 235,516</u>	<u>\$ 225,638</u>	<u>\$ 276,389</u>

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Grundy County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grundy County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Grundy County, Missouri's basic financial statements, and have issued our report thereon dated August 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Grundy County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grundy County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Grundy County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies as items 1, 2 and 3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grundy County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 4 and 5.

We also noted two other matters that we reported to management of Grundy County, Missouri in the accompanying schedule of findings and recommendations as items 6 and 7.

Grundy County, Missouri's Response to Findings

Grundy County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. Grundy County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 10, 2015

FINDINGS AND RECOMMENDATIONS SECTION

GRUNDY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESS IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Treasurer/Ex-Officio Collector and Senior Citizens Tax Board Bank Reconciliations

Condition: The Treasurer/Ex-Officio Collector maintains funds in various bank accounts. She performs bank reconciliations for the main Treasurer and main Collector accounts. However, she does not perform bank reconciliations for several miscellaneous accounts. These accounts are the Fred Fitch Trust Fund, Crippled Children Trust Fund, Ambulance, Bankruptcy Account, Protested Tax, Payment Plan and the EFTPS accounts. Several of these accounts have little activity or the balance is transferred monthly to keep a zero balance. However, these accounts should be reviewed and evidence of the review recorded in order to ensure the bank account balances agree to the ledger balances and that misstatements are detected and corrected on a timely basis.

The Senior Citizens Tax Board does not perform bank reconciliations every month. The Board Treasurer stated this was because checks are not written every month and there are rarely outstanding checks.

Recommendation: We recommend that the Treasurer/Ex-Officio Collector ensure that all bank accounts are reconciled timely and evidence of the reconciliation maintained.

We recommend that the Senior Citizens Tax Board ensure that formal bank reconciliations are performed on a monthly basis and evidence of the reconciliation maintained.

County Response: The Treasurer/Ex-Officio Collector will begin doing bank reconciliations on all funds, and initialing bank statements for all funds with no activity.

Senior Citizen Tax Board Response: I think you gave us a very fair report and I will make monthly reconciliations in the future.

Auditor's Evaluation: The corrective action is appropriate.

2. Timesheets

Condition: The County's Road and Bridge Supervisor is approving the time reported on his own monthly timesheets. The timesheet presents the hours worked and vacation and sick leave taken for the month, and includes lines for "Supervisor's Signature" and "Employee Signature", however, both lines are signed by the Road and Bridge Supervisor.

In addition, two of eight timesheets reviewed did not have the required supervisory signatures to ensure the accuracy of time reported. These timesheets were for the Janitor and Prosecuting Attorney's Legal Assistant.

Recommendation: We recommend that the County ensure all timesheets are signed by each employee's supervisor prior to distributing payroll. Additionally, the County should designate a Commissioner or elected official to serve as the supervisor and review and approve the Road and Bridge Supervisor's timesheets each month.

County Response: We will have timesheets signed by the commissioners from now on for custodians, the Road and Bridge Supervisor and the Ambulance Director.

Auditor's Evaluation: The corrective action is appropriate.

3. Approved Pay Rates

Condition: The County does not maintain records of each employees current approved rate of pay, either in a centralized record or in each employees individual personnel file. The County explained that the personnel files contain a matrix of employee starting pay so the employee's pay should be able to be recalculated. Additionally, a year to date actual pay is kept in the employee file. Recalculating the employee's pay is complicated if an employee was determined to have prior experience and started at a different step, which was not clearly documented in the file. The County should be able to provide an approved employee pay rate without requiring a cumbersome recalculation.

Recommendation: We recommend that the County implement a process to document current approved employee pay rates that can be provided upon request.

County Response: We have already implemented sheets in each active employee file with rate of pay.

Auditor's Evaluation: The corrective action is appropriate.

ITEMS OF NONCOMPLIANCE

4. Budgetary Controls

Condition: We noted three issues with the County's budgeting process during 2014 and 2013, as follows:

- A. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Fred Fitch Trust or Crippled Children Trust funds. Chapter 50, RSMo requires the preparation and filing of annual budgets for all present funds to present a complete financial plan for the ensuing year.
- B. Actual expenditures exceeded budgeted amounts for seven funds in 2014 and for seven funds in 2013. A list of the individual funds can be found at Note 1.D.10 in the notes to the financial statements. State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

C. The Deputy Salary fund had a deficit fund balance at the end of both 2013 and 2014. The negative cash balance represents implicit borrowing from other pooled funds. Additionally, budgeted expenditures exceeded budgeted revenues plus anticipated beginning fund balance for the Prosecuting Attorney Bad Check fund in 2013 and the Deputy Salary fund in 2013 and 2014.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds, refraining from approving expenditures in excess of budgeted amounts, and refraining from approving expenditures that create deficit fund balances or adopting a budget with a deficit fund balance. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response:

- A. The funds will be budgeted from this year forward.
- B. We will watch closer. Most funds were controlled by elected officials.
- C. Deputy Salary Fund is a grant and reimbursed the following month. We cannot use County money to pay Supplement Salary to keep from negative balance. Will try to figure out a plan.

Auditor's Evaluation: The corrective action is appropriate.

5. Absence of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. An investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: We are putting together a policy to adopt.

Auditor's Evaluation: The corrective action is appropriate.

OTHER MATTERS

6. Stale-Dated Checks

Condition: Treasurer's bank reconciliation lists four checks as outstanding that are over three years old and should be turned over to unclaimed funds if they cannot be resolved. The County should monitor outstanding checks and attempt to resolve them on a timely basis. For checks that cannot be resolved within three years, the funds should be turned over to the State Unclaimed Funds in accordance with section 447.532 RSMo.

A review of the bank reconciliations of the Sheriff's inmate account for December 31, 2014 noted several stale outstanding checks. The December 31, 2014 reconciliation included 13 checks totaling \$211 that were written prior to December 31, 2013 and were not resolved during the year. Checks that are greater than three to six months old should be investigated to determine if they will be cashed or should be stopped and removed from the bank reconciliation to ensure the accuracy of the reported book balance of the account.

Recommendation: We recommend that the County implement procedures to ensure that checks outstanding for more than three to six months are followed up with in a timely manner. Checks outstanding for more than three years should be turned over to the State Unclaimed Funds.

County Response: The Treasurer/Ex-Officio Collector is working on finding why checks were not cashed and will either re-issue, or ones unable to contact will be sent to the State Unclaimed Funds.

Auditor's Evaluation: The corrective action is appropriate.

7. Undocumented Bank Reconciliations

Condition: The December 31, 2013 bank reconciliation of the Recorder's account could not be provided. The Recorder stated this reconciliation was prepared by the prior Recorder and she did not know what happened to it. No other bank reconciliations for this account were noted as missing.

In addition, the December 31, 2013 bank reconciliation for the Sheriff's Inmate fund could not be provided. No other bank reconciliations for this account were noted as missing.

Recommendation: We recommend that the Recorder and Sheriff implement procedures to ensure that all bank reconciliations be maintained.

County Response: We will recommend the sheriff and recorder perform and track bank reconciliations for the recorder and Inmates funds.

Auditor's Evaluation: The corrective action is appropriate.

GRUNDY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Grundy County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2012 and 2011.

There were no findings in the prior audit.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Dixon



September 2015
Report No. 2015-089

<http://auditor.mo.gov>

City of Dixon

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
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Status of Findings*

1.	Undeposited Receipts and Unsupported Transactions.....	3
2.1	Accounting Controls and Procedures-Segregation of duties	4
2.2	Accounting Controls and Procedures-Receipting, recording, and depositing procedures.....	5
2.3	Accounting Controls and Procedures-Accounting records.....	6
2.4	Accounting Controls and Procedures-Physical controls.....	6
3.1	Disbursements-Procurement procedures	7
3.2	Disbursements-Professional and engineering services	7
3.3	Disbursements-Approval process	8
4.	Payroll Taxes	8
6.	Utility System Controls and Procedures	9
7.1	Budgetary Procedures and Financial Reporting-Budgets	11
7.2	Budgetary Procedures and Financial Reporting-Budget amendments.....	11
7.3	Budgetary Procedures and Financial Reporting-Financial statements.....	11
7.4	Budgetary Procedures and Financial Reporting-Monitoring of excess revenues and filing of financial reports	12
8.1	Meeting Minutes, Qualifications of Aldermen, and Ordinances- Meeting minutes.....	12
9.	Computer Controls.....	13

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Dixon, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2015-007, *City of Dixon* (rated as Poor), issued in February 2015, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by city personnel and met with city officials. Documentation included meeting minutes, budgets, bank statements, receipt and deposit records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during July 2015.

Nicole R. Galloway, CPA
State Auditor

City of Dixon

Follow-Up Report on Audit Findings

Status of Findings

1. Undeposited Receipts
and Unsupported
Transactions

Some receipts issued/posted to the computerized utility system by various city employees were not deposited, former City Collector Plummer entered incorrect usage information or made unauthorized adjustments to her parents' utility account, and the city made reimbursements to officials and payments for meals without adequate supporting documentation.

Undeposited Receipts

The audit identified \$1,847 of recorded utility receipts in October 2012 that were not deposited. Manual receipt slips issued from October 12 to October 30, 2012, could not be agreed to a deposit. In addition, utility cash receipts (unrelated to the manual receipt slips) posted to customer accounts in the computerized utility system during October 2012 could not be agreed to a deposit.

According to city officials, during October 2012 various former city officials (City Collector, City Clerk, and Mayor) and the former Court Clerk issued manual receipt slips for monies received and access to monies on hand was not limited. In addition, it is unclear who made deposits during this time period.

Unbilled water usage and
adjustments

Former City Collector Plummer's parents were primarily charged only the minimum for water usage from January 2007 to July 2013, although their actual water usage had typically been above the amount charged for minimum usage. In addition, water usage for other months since October 2005 were apparently adjusted by the former City Collector. City procedures and records indicate former City Collector Plummer was fully responsible for utility billings from November 2005 to August 2012. A review of utility accounts during that period of time determined the water usage billed to her parents' account was much lower than it had been prior to November 2005. Records and explanations provided by city officials indicated the former City Collector entered incorrect usage information or made unauthorized adjustments to her parents' account in the computerized utility system to reduce the amount of water used each month. In several months, the water usage reading was reported as zero for this account resulting in a bill for the minimum amount each month. We estimated the amount not billed to former City Collector Plummer's parents during months where water usage was reported at zero to be approximately \$1,140.

Unsupported
reimbursements and
disbursements

The city reimbursed the former City Clerk for various items that lacked sufficient documentation, and overpaid the former City Clerk in one instance. The Board did not approve these reimbursements and the former Mayor and the former City Clerk signed these checks.

The city reimbursed the City Marshall \$800 based on a purchase order he prepared indicating the reimbursement was for a light bar for a city police car. The City Marshall did not provide documentation of the original cost or purchase of the light bar.



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

Additionally, there were several purchases of meals from local restaurants that lacked supporting documentation, including individuals in attendance, the business purpose, or the necessity of the purchase. City records indicate several of the meals involved the former Mayor and former City Clerk, and the Board did not approve several of the payments.

Recommendation

The Board of Aldermen investigate undeposited receipts. The Board of Aldermen should also work with law enforcement officials regarding criminal prosecution, if the undeposited receipts are determined to be missing, and regarding the erroneous utility system information and unauthorized utility account adjustments. The Board of Aldermen should seek reimbursement of the unsupported reimbursements, consider billing for past legitimate but unbilled utility service, and ensure all disbursements of city monies clearly benefit the city and are supported by invoices.

Status

In Progress

The Board has contacted the Missouri State Highway Patrol (MSHP) to investigate the erroneous utility system information and unauthorized utility account adjustments. The investigation is still in progress. The Board has contacted the city attorney regarding the undeposited receipts and unsupported reimbursements and is awaiting his guidance. Board members indicated they are waiting for completion of the MSHP investigation before taking any further actions.

**2.1 Accounting Controls
and Procedures-
Segregation of duties**

The Board had not adequately segregated accounting duties and did not have adequate review and approval procedures. The City Clerk was responsible for preparing invoices for payment, issuing checks, posting receipts and disbursements into the accounting system, processing payroll, and reconciling bank accounts. The City Clerk also sometimes received payments. The City Collector was responsible for taking payments, recording receipts in the utility account system, and depositing all monies. A comparison of monies received and recorded on manual receipt slips and the computerized utility system to those deposited was not performed. The city did not have a City Treasurer.

Recommendation

The Board of Aldermen implement procedures to adequately segregate duties or ensure independent or supervisory reviews of the City Clerk and City Collector's work are performed.

Status

Not Implemented

The City Clerk and City Collector are still responsible for the same accounting duties, and a comparison of monies received and recorded to those deposited is not performed and documented. We met with city



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

officials on July 27, 2015, and the Mayor indicated the Board would try to segregate accounting duties or perform a supervisory review in the future.

**2.2 Accounting Controls
and Procedures-
Receipting, recording,
and depositing
procedures**

The city's procedures for receipting, recording, and depositing were poor. As a result, there was no assurance all monies collected were properly receipted, recorded, or deposited.

- City personnel did not issue receipt slips for some monies received.
- City personnel did not issue receipt slips in numerical sequence, and used multiple receipt slip books concurrently.
- Amounts recorded on manual receipt slips were not reconciled to the computerized utility system, and amounts recorded in the computerized utility system were not reconciled to deposits.
- The former City Collectors did not deposit receipts intact or timely. They made separate deposits for each type and composition of receipt (cash receipts were deposited separately from receipts received by check).
- The former City Collectors did not always include an itemized listing of cash and checks on the deposit slips, and some of the recorded receipts could not readily be agreed to a deposit.
- The former City Collectors did not always record monies received timely in the computerized utility system.

Recommendation

The Board of Aldermen require issuance of prenumbered receipt slips for all monies received, record receipts in the computerized utility system timely, and deposit receipts intact and timely.

Status

Partially Implemented

We reviewed city receipt and deposit records for the period June 15 to June 30, 2015. We determined receipt slips were not issued for utility check payments unless requested by the payor or for some other miscellaneous city receipts, one receipt slip was not issued in numerical sequence, and copies of some receipt slips had been altered.

The City Collector indicated receipts are now recorded in the computerized utility system timely and newly implemented procedures ensure all manual receipt slips are entered in the computerized utility system. Amounts recorded in the computerized utility system were reconciled to amounts deposited, and receipts were deposited timely. However, we noted one deposit during this time period where receipts were not deposited intact. We



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

noted no undeposited receipts, duplicate manual receipt slips issued, or posting errors made to the computerized utility system.

2.3 Accounting Controls
and Procedures-
Accounting records

The city did not maintain accurate accounting records, and significant unexplained differences existed in the city's records.

- Differences existed between the September 30, 2013, reconciled bank balance and the book balance recorded in the accounting records of the city's main bank account. The city's computerized bank reconciliation report included a warning stating "bank totals do not equal the general ledger account totals" and reported a difference of (\$617,332). In addition, an adjustment was made on the September 2013 computerized bank reconciliation report by the former City Clerk to increase the main account balance and decrease the transportation account balance by \$200,000; however, the transfer was not made until October 7, 2013.
- The August 31, 2013, ending cash balances did not agree to the September 1, 2013, beginning balances for various city funds. In addition, the warning statement mentioned above appeared for three bank accounts on the August cash report with differences reported of \$871,603, (\$624,637), and \$31.
- The city's independent audit report letter of suggestions to management for fiscal year 2012 stated, "At the beginning of fieldwork, we noted the City's general ledger was not in balance. The City had to request the software company fix the out of balance. After the software company balanced the general ledger, we noted individual funds remained out of balance."

Recommendation

The Board of Aldermen ensure accounting records are accurately maintained.

Status

Not Implemented

Differences existed between the June 30, 2015, reconciled bank balance and the book balance recorded in the accounting records of the city's main bank account. The city's computerized bank reconciliation report included a warning stating "bank totals do not equal the general ledger account totals" and reported a difference of (\$113,858). Small unexplained differences existed for two other bank accounts.

2.4 Accounting Controls
and Procedures-Physical
controls

The current City Collector indicated that when she started in March 2013, the former City Collector maintained monies received in an unlocked drawer in the office and in a locked vault at night. The Mayor indicated during the year ended September 30, 2013, the Marshal rekeyed the vault and retained a key without authorization, and to further limit access the



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

maintenance supervisor rekeyed the vault a second time. Various city employees and the former Mayor had access to monies on hand and were allowed to collect receipts at city hall.

Recommendation

The Board of Aldermen maintain monies collected in a secure location and limit collection duties.

Status

Implemented

The City Collector indicated monies are now in a locked drawer and at the time of our July 2015 follow-up meeting, monies on hand were maintained in a locked drawer. Also, collection duties and access to the drawer are limited to the City Collector and City Clerk.

3.1 Disbursements-
Procurement procedures

The city did not have a formal bidding policy and bids were not solicited for numerous significant goods and services purchased. In addition, while Board meeting minutes indicate the city obtained bids for propane, city officials did not retain the bid documentation.

Recommendation

The Board of Aldermen establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for bids selected.

Status

Implemented

At the time of our July 2015 follow-up meeting, city officials provided documentation indicating they had advertised for bids for various services since the audit; however, a formal bidding policy had not been established. On September 2, 2015, the city provided our office with its newly adopted bidding policy.

3.2 Disbursements-
Professional and
engineering services

Professional services were obtained without the benefit of a competitive selection process, the city had not entered into a written agreement for legal services, and the city did not document its evaluation and selection of engineering services.

Recommendation

The Board of Aldermen solicit proposals for professional services, enter into written agreements for legal services, and comply with state law when procuring engineering services and document the evaluation and selection process for those services.

Status

In Progress

The city had not solicited proposals for auditing or legal services or entered into written agreements for legal services at the time of our review. However, subsequent to our July 2015 follow-up meeting, the Board provided copies of advertisements for bids for legal services and other



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

professional services, such as for website creation and management and engineering services.

3.3 Disbursements- Approval process

The Board's approval process for disbursements was not adequate. The list of bills approved by the Board each month was not complete, and a comparison of this list to approved invoices and the actual checks written was not performed. The list of bills approved by the Board each month did not include payroll disbursements. In addition, a list of bills approved by the Board did not include several of the non-payroll disbursements we reviewed. The Mayor and department heads failed to document their review and approval on most supporting documentation in compliance with city policy. Additionally, many of the invoices paid by the city did not have documentation acknowledging receipt of goods or services.

Recommendation

The Board of Aldermen ensure complete lists of bills (including payroll information) are prepared, the Board's approval is reflected on the lists, and the lists are retained. The Mayor and department heads should document their review and approval in accordance with city ordinance, and approved lists of bills should be compared to invoices and checks written. The Board should also ensure all invoices are initialed or signed by an employee to indicate acceptance of goods or services.

Status

Not Implemented

Although the June 15, 2015, meeting minutes indicate the Board approved bills due since its previous meeting, our review determined a complete list of bills (including payroll) was not prepared for the Board's approval. The list of bills (accounts payable) was not prepared until June 23, 2015, 8 days after the Board meeting, and the Board's approval was not reflected on the list. The Mayor and department heads did not document their review and approval on most supporting documentation reviewed in compliance with city policy and many of the invoices paid did not have documentation acknowledging receipt of goods or services. Subsequent to our July 2015 follow-up meeting, Board members provided a form they plan to use to document approval of bills.

4. Payroll Taxes

The former and current City Clerk did not timely file 941 forms and remit applicable payroll taxes to the IRS for the period January 2012 to March 2014, resulting in assessments of penalties and interest totaling \$26,980. The City Clerk also did not file/remit this form and applicable taxes for the second quarter of 2014 until September 2014; however, the IRS had not assessed the applicable penalties and interest.

Recommendation

The Board of Aldermen should establish procedures to ensure payroll taxes are remitted to the appropriate taxing entity timely.



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

The City remitted payroll taxes timely for the first and second quarter of 2015; however, it was assessed penalties of \$325 because the city failed to remit payroll taxes timely for the last quarter of 2014. The City Clerk did not file 941 forms for the third and fourth quarter of 2014 or the first quarter of 2015 timely. However, the 941 form for the second quarter of 2015 was filed on time. The Mayor indicated the Board is considering hiring an outside firm to handle payroll duties.

6. Utility System Controls
and Procedures

There were significant weaknesses in city operations related to utility services.

6.1 Utility rates

The Board had not performed a formal review of water and sewer rates, and as a result there was less assurance utility rates were set at an appropriate level. The city had not increased or decreased water and sewer rates since 2009.

Recommendation

The Board of Aldermen document formal reviews of utility rates periodically to ensure revenues are sufficient to cover all costs of providing these services and to support any rate changes.

Status

Not Implemented

At the time of our July 2015 follow-up meeting, the Board had not documented a formal review of utility rates, but indicated a review is planned for the fall of 2015.

6.2 Water reconciliations
and billings

The maintenance supervisor did not investigate significant differences identified in the monthly reconciliation of gallons of water billed to customers to gallons of water pumped. In addition, water usage was not tracked for city buildings, a fire district, and one privately-owned property. Without this water usage information, the city could not properly perform the reconciliation.

Recommendation

The Board of Aldermen investigate significant differences between gallons of water pumped to gallons billed, track all water usage on a monthly basis, and ensure all usage is appropriately billed and collected.

Status

In Progress

The City Collector indicated she is not reconciling the gallons of water billed to the gallons of water pumped each month; however she attempted to perform this reconciliation for June 2015, which resulted in significant unexplained differences. She believes some differences may be caused by



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

the software and is working with the utility software provider to determine the cause for the differences. Board members indicated the city plans to rehabilitate pumps at 2 city wells, which should improve the accuracy of the amount of water pumped and billed. The City Collector indicated meters were installed to track water use for city buildings and the fire district, but not the privately-owned property. The privately-owned property is vacant, and the Board cannot justify the cost of installing the meter at the vacant property. Subsequent to our July 2015 follow-up meeting, the Mayor indicated the city plans to purchase electronic meters.

6.3 Adjustments

The City Collector posted adjustments to the computerized utility system without obtaining independent approval or maintaining adequate documentation to support the reason for the adjustments. Because the City Collector was responsible for all utility functions, the ability to make adjustments without approvals represented a significant control weakness.

Recommendation

The Board of Aldermen ensure all adjustments are independently approved and supporting documentation is retained.

Status

Not Implemented

The Mayor indicated the Board had approved some adjustments to the utility system in May and June 2015; however, Board members did not document their review and approval of these adjustments. Also, the City Collector does not generate a report of all adjustments made to the utility system for the Board's review each month.

6.4 Utility deposits

The former City Collectors did not prepare a monthly list of utility deposits held and reconcile the list to the deposit payable balance in the general ledger. The list of utility deposits on hand as of February 28, 2014, totaled \$26,958, and the deposit balance in the city's general ledger totaled \$64,365, resulting in a difference of \$37,407.

Recommendation

The Board of Aldermen ensure a list of utility deposits on hand is prepared and reconciled monthly to the deposit payable balance in the general ledger. Any discrepancies should be investigated and resolved.

Status

Not Implemented

At the time of our July 2015 follow-up meeting, the City Collector had not prepared a monthly list of utility deposits held and she indicated she was working on correcting the amount recorded in the general ledger. Subsequent to our meeting, the City Collector provided a list of utility deposits held as of July 30, 2015, which totaled to \$30,388, and the deposit balance in the city's general ledger totaled \$72,709, resulting in a difference of \$42,321.



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

7.1 Budgetary Procedures
and Financial
Reporting-Budgets

The Board did not hold a budget hearing to establish and approve a budget for the year ending September 30, 2013, and on October 1, 2012, the Board approved operating under the prior year's budget for the upcoming year. A formal budget document for fiscal year 2013 was never prepared. Additionally, the annual budget for the year ended September 30, 2012, did not contain all elements required by state law. The budget did not include a budget message, and actual or budgeted amounts for the 2 preceding years. The beginning available resources and estimated ending available resources were also not included in these budgets, but were needed to present a complete financial plan for city finances.

Recommendation

The Board of Aldermen prepare complete budget documents in accordance with state law and ensure a public hearing is held to obtain input from city residents.

Status

Partially Implemented

The Board held a budget hearing to establish and approve the budget for the year ended September 30, 2015. However, the budget did not include a budget message, actual or budgeted disbursement amounts for the 2 preceding years, any revenue amounts, or the beginning available resources and estimated ending available resources.

7.2 Budgetary Procedures
and Financial
Reporting-Budget
amendments

The former City Clerk did not prepare and the Board did not approve budget amendments for the fiscal year ending September 30, 2013. The city overspent the General Fund and Library Fund during fiscal year 2013.

Recommendation

The Board of Aldermen prepare and approve budget amendments prior to incurring the related disbursements.

Status

Not Implemented

No budget amendment was made for the year ended September 30, 2014, and based on city records, the city overspent the Debt Service Fund budget during fiscal year 2014. One budget amendment was made during the year ended September 30, 2015; however, the city does not maintain records to monitor budget to actual financial activity on an ongoing basis. As a result, we could not determine whether the fiscal year 2015 amendment was approved prior to incurring the related disbursements.

7.3 Budgetary Procedures
and Financial
Reporting-Financial
statements

The Board did not comply with state law regarding publishing financial statements. Financial statements published for the year ended September 30, 2013, did not include a full and detailed account of the receipts, disbursements, beginning and ending cash balances, and indebtedness of the



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

city. The financial statements only presented the total budgeted and actual receipts and disbursements by fund, and did not include the beginning and ending cash balances of each fund, which were not required but were needed to present a complete financial plan for city finances. Also, the financial statements were not published semiannually.

Recommendation

The Board of Aldermen publish semiannual financial statements as required by state law.

Status

Not Implemented

The city did not publish semiannual financial statements for the year ended September 30, 2014, and the 2014 annual published financial statements did not include a full and detailed account of the receipts and disbursements and beginning and ending cash balances. In addition, the city did not publish semiannual financial statements for the 6 months ended March 31, 2015.

7.4 Budgetary Procedures and Financial Reporting-Monitoring of excess revenues and filing of financial reports

The city did not calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, determine whether excess revenues should be distributed to the state Department of Revenue, and provide an accounting of the percent in its annual financial report as required by state law. In addition, the city had not filed annual financial reports for the years ended September 30, 2012 and 2013, with the State Auditor's office as required by law.

Recommendation

The Board of Aldermen develop procedures to monitor excess revenues from traffic violations and submit annual financial reports to the State Auditor's office.

Status

Not Implemented

At the time of our July 2015 follow-up meeting, the city had not taken any steps to monitor excess revenues from traffic violations and had not submitted annual financial reports for the year ended September 30, 2014, to the State Auditor's office. The City Clerk indicated he would work with the Municipal Division Clerk to calculate possible excess revenues and report the results.

8.1 Meeting Minutes, Qualifications of Aldermen, and Ordinances-Meeting minutes

Open meeting minutes did not document the specific section of law that allowed a closed meeting for any of the closed meetings held during the year ended September 30, 2013; and some issues discussed in closed meetings were not allowable under the Sunshine Law. In addition, closed meeting minutes did not always document what was discussed during the closed meeting.



City of Dixon
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Board of Aldermen ensure the specific statutorily allowed reason for closing a session is documented and only allowable subjects are discussed in closed session. In addition, proper documentation of closed meetings should be maintained.

Status

Partially Implemented

We reviewed open and closed meeting minutes for May and June 2015. Open meeting minutes documented the specific section of law that allowed a closed meeting and closed meeting minutes were properly documented. However, some of the issues discussed in closed meetings were not allowable under the Sunshine Law. For example, the Board discussed a water leak and the related citizen's utility bill during the June 1, 2015, closed session, and the Dixon Cemetery and a dangerous sidewalk during the May 18, 2015, closed session.

9. Computer Controls

The city had not established adequate password controls to reduce the risk of unauthorized access to computer systems and data. City hall employees shared one user identification and password for each of 3 computers, and passwords were not required to be changed on a periodic basis to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password. In addition, security controls were not in place to shut down a computer after a certain period of inactivity or lock it after a specified number of incorrect logon attempts.

Recommendation

The Board of Aldermen should require a unique password for each employee that is confidential and periodically changed to prevent unauthorized access to city computer systems and data. The Board of Aldermen should also require each city computer to have security controls in place to shut down the computer after a certain period of inactivity and lock it after a specified number of incorrect logon attempts.

Status

Implemented

The Board indicated it has required unique passwords for each employee and passwords are required to be changed every 3 months. The Board has also established security controls to lock computers after 3 minutes of inactivity and shut down computers after the third failed logon attempt.



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

St. Joseph School District



September 2015
Report No. 2015-090

<http://auditor.mo.gov>

St. Joseph School District

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
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Status of Findings*

1.	District Compensation	3
2.1	Payroll, Procedures, Records, and Policies - Payroll procedures	6
2.2	Payroll, Procedures, Records, and Policies - Post-retirement employees.....	7
2.3	Payroll, Procedures, Records, and Policies - Related employees	8
2.6	Payroll, Procedures, Records, and Policies - Personal use of a district vehicle	8
2.7	Payroll, Procedures, Records, and Policies - Vacation leave payouts	9
3.	Summer School Funding	9
4.	Financial Condition	10
5.1	Bonds - Qualified Zone Academy bonds.....	11
6.1	Procurement Procedures and Construction Projects - Bidding.....	11
6.2	Procurement Procedures and Construction Projects - Professional services	12
7.1	Contracts - Contract compliance.....	12
8.1	Disbursements - Board approval.....	13
9.	Purchasing Cards	14
13.	Sunshine Law.....	15
14.	Computer Controls.....	16

*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Board of Education
St. Joseph School District

We have conducted follow-up work on certain audit report findings contained in Report No. 2015-006, *St. Joseph School District* (rated as Poor), issued in February 2015, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the school district about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the school district, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed the district's action steps, which were developed in response to our audit report and are available on the district's website. We also met with school district officials, and reviewed documents provided to us. Those documents included Board of Education meeting minutes, compensation plans, compensatory balance reports, employee contracts and timesheets, summer school plans, budget documents, accounting system reports, bid and request for proposal documentation, expenditure reports, and the technology disaster recovery plan. This report is a summary of the results of this follow-up work, which was substantially completed during June 2015.

Nicole R. Galloway, CPA
State Auditor

St. Joseph School District

Follow-Up Report on Audit Findings

Status of Findings

1. District Compensation The St. Joseph School District's (district) use of its existing salary schedules and stipend system resulted in a confusing, inconsistently applied, and poorly documented system of compensation. In addition, the district had not performed cost analyses or studies to determine whether hiring additional employees might have been more cost effective than paying significant amounts of overtime to existing staff.

1.1 Salary schedules and employment contracts Salary schedules were not complete or always properly approved and there were no salary schedules for some classes of employees. In addition, the district did not have adequate documentation to support some employees' placement or advancement on respective salary schedules.

District officials did not provide the Board all salary schedules for approval, and salary schedules provided to and approved by the Board were incomplete. In addition, there were no salary schedules supporting Parents as Teachers (PAT) educators' or summer school teachers' salaries. As a result, the Board only approved compensation for these employees in total through adoption of the district's annual budget for these programs. The district's placement or advancement of some employees on applicable district salary schedules was not always adequately documented, in accordance with policy, or approved by the Board. The Board did not review or approve certified teacher or administrator employment contracts. Some employment contracts did not include all employee compensation and district personnel did not prepare amendments for additional compensation provided to various employees. In addition, several employees were paid in excess of their contract.

1.2 Stipends Significant issues existed with district provided stipends. The district failed to establish adequate policies and procedures regarding all stipends, and adequate documentation of the stipend amounts paid to employees was not always retained. Most stipends were not approved by the Board, even if included in employment contracts, and documentation was not retained to justify that payments were actually for responsibilities performed outside normal contracted duties.

We identified several concerns regarding the stipend approval process, documentation, and payments.

- The district provided numerous stipends that were not included in Board approved salary schedules or otherwise approved by the Board. In addition, in August 2013 the Superintendent approved additional travel allowances (beyond amounts already approved in the salary schedule) and night duty stipends totaling approximately \$250,000 to 54 employees. The district did not amend the employees' contracts to reflect the addition of and/or change in the already approved amount of



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

their contracted travel allowance and night duty stipends. The Board retroactively approved these stipends in February 2014.

- Numerous stipend payment amounts did not agree to approved salary schedules or employee contracts.
- The district did not retain documentation for numerous employee stipends to justify payment for responsibilities performed outside an employee's normal contracted duties. In some instances the stipends appeared to be extra pay for something the employee was already doing or expected to do. In addition, current district officials were unable to determine why some "additional" stipends were ever provided to employees. These stipends totaled several thousands of dollars over some employees' base salaries.
- The district did not always contract for the number of days an employee is required to work, unnecessarily increasing the number of stipends. The district included stipends in each employee's contract, but the stipends were not always in Board approved salary schedules or otherwise approved by the Board.
- The district also did not have policies governing several other stipend payments made to district employees including those for obtaining certifications, attending meetings such as new teacher orientation, and participating in professional development opportunities. Criteria had not been established defining how this compensation is earned.

Recommendation

The School Board conduct a formal compensation study, revise salary schedules, and eliminate unnecessary stipends. In addition, the Board should provide additional oversight and approval regarding compensation decisions. The Board should also ensure that compensation amounts paid agree to authorized amounts.

Status

In Progress

The Board issued a request for proposal for a compensation study in April 2015 and selected a vendor in May 2015. The study will be conducted between May and September 2015 and results presented to the Board in October 2015. In January 2015, the Board adopted a salary schedule for the 2015-2016 school year that incorporated all previous administrator stipends into the base salary amounts. The only additional compensation now available for administrators is for graduate degrees. The district also developed administrator contracts rather than continuing to use teacher contracts for the various administrative positions. Additional compensation for teachers and other staff was included in salary schedules approved by the Board.



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

Three Board members reviewed all of the 2015-2016 administrative contracts in April 2015 and the Board President signed all administrative contracts. These Board members also reviewed selected teacher contracts and compared the salaries to a summary spreadsheet of all teachers' compensation to ensure the compensation listed in the teacher contracts agreed to approved compensation schedules. These reviews were documented. The Board Policy Committee also reviewed the Board policy for Certified and Classified Staff Contracts and Compensation Plans in March 2015.

1.3 Additional compensation

The school district used a variety of methods for providing additional compensation, including allowances, stipends, and other contracted payments to various district employees. Some compensation appeared questionable and unnecessary.

- The district had not documented the basis for the Superintendent's monthly vehicle allowance or employee travel stipends.
- The district's final contract with a former Superintendent included a provision for the district to provide medical insurance for life after he retired on December 31, 2005.
- In May 2013, the district paid \$99,734 to the Public Schools Retirement System of Missouri to purchase 2 years additional employment credit on behalf of another former Superintendent as an incentive for her to retire effective June 30, 2013.
- An employee under contract through June 30, 2013, continued to receive compensation from the district while on medical leave after exhausting all leave balances in February 2013.
- The district continued to provide "in lieu of health insurance" stipends to several employees.

Recommendation

The School Board review vehicle allowances and travel stipends and set amounts to reasonably reflect the actual expenses incurred by employees. In addition, the Board should consider eliminating unnecessary additional compensation payments.

Status

In Progress

No travel stipends were included in 2015-2016 compensation plans for administrators. The previous travel stipends were included in the base salaries for administrative staff and no additional compensation will be provided for travel. The Interim Superintendent does not receive a vehicle allowance. District officials indicated certified non-administrative staff will be reimbursed for mileage at the Internal Revenue Service approved



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

reimbursement rate. We reviewed the 2015-2016 compensation plans and noted there is only a travel salary schedule for coordinators, early childhood teachers, traveling certified staff, family involvement staff, and Reserve Officer's Training Corps instructors. "In lieu of health insurance" payments were also incorporated into the applicable employees' salaries and will no longer be offered as a stipend. In September 2015, the Board voted to discontinue paying for a former Superintendent's health insurance. The Board indicated it will consider eliminating unnecessary additional compensation payments in the future as applicable.

1.4 Overtime payouts

The district paid overtime to Maintenance Department employees when not required by the Fair Labor Standards Act of 1938 or Board policy. In addition, the district has not reviewed staffing and workloads for positions that incur frequent overtime payments to determine whether workloads need to be adjusted or whether more full- or part-time personnel should be hired. For the year ended June 30, 2014, the district paid approximately \$472,000 in overtime.

Recommendation

The School Board ensure compliance with the district overtime policy. In addition, the Board should review staffing and workloads to identify ways to reduce overtime and areas where additional personnel may be needed.

Status

In Progress

District personnel indicated the Chief Financial Officer and Business Office personnel are analyzing overtime by department and are working to set overtime limits by department and inform supervisors about the amount of overtime being used. The district is also considering implementing a new electronic time clock system. District officials indicated this change will help ensure compliance with district overtime policies. The district is also considering requiring a two-signature system for overtime approval to help ensure compliance.

2.1 Payroll, Procedures, Records, and Policies - Payroll procedures

The district had not established adequate segregation of duties or supervision over the payroll functions. In addition, various district personnel did not perform sufficient reviews of or maintain up-to-date time records.

- Payroll duties were not always adequately segregated. During the personnel budgeting process, prior to the start of each new school year, the Business Office was short staffed and granted the Human Resources Department system access to both establish new employees and enter their pay amounts.

Non-exempt employees prepared timesheets and leave requests; however, these documents were not always signed by the employees or



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

their supervisor to document approval of time worked, overtime earned, and leave used.

- The district did not maintain up-to-date compensatory time accrual records for employees. The Controller indicated compensatory time records were updated and paid out prior to the fiscal year end as appropriate, but due to staffing constraints the Payroll Department was unable to keep records up to date.

Recommendation

The School Board segregate payroll duties to the extent possible and implement appropriate reviews and monitoring procedures, and ensure timely tracking of compensatory time accruals.

Status

Implemented

The Business Office has been reorganized to add another person to the payroll function to allow for improved segregation and review of payroll duties. The district added compensatory time balance information to the accounting system and now enters the information monthly. We reviewed the employee leave balances report as of May 27, 2015, and noted compensatory time balances were included.

**2.2 Payroll, Procedures,
Records, and Policies -
Post-retirement
employees**

Documentation and reporting of post-retirement employment activities needed improvement.

- The district did not require all post-retirement employees to prepare timesheets, and as a result could not track compliance with the 550 hour requirement imposed by Section 169.560, RSMo.
- The district did not retain adequate documentation to support the determination of gross pay for some retired employees.

Recommendation

The School Board require post-retirement employees to maintain timesheets reflecting actual time worked. In addition, gross pay for post-retirement employees should be adequately documented.

Status

Implemented

Post-retirement employees are now required to maintain timesheets. The district is monitoring post-retirement time worked through timesheets and through the substitute teacher tracking system that allows the district to note the number of hours worked by post-retirement teachers. We reviewed employee timesheets for April and May 2015 and noted the reported documentation allowed for tracking of actual time worked. District officials indicated post-retirement employee gross pay is now limited to 50 percent of the employees final contract and this limit is documented in the



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

employee's personnel file. As the district transitions to a time clock system, the district will require post-retirement employees to use this system to document their time and hours and pay will be tracked with this system.

2.3 Payroll, Procedures,
Records, and Policies -
Related employees

A list of related employees and Board members was not maintained, and the district had not established adequate policies and procedures for the hiring, supervising, and tracking of related employees.

Recommendation

The School Board establish procedures to identify and monitor related employees, obtain related party information, verify information with each employee periodically, and ensure individuals are not working in conflicting employment capacities.

Status

In Progress

The Board is in the process of reviewing and revising all policies and procedures with the Missouri School Board Association (MSBA) and is working on a policy regarding nepotism to identify and monitor related employees and ensure individuals are not working in conflicting employment capacities. The district also compiled a list of district employees related to Board members, administrators, and supervisors. We reviewed the list and noted each Board member, administrator, or supervisor is listed along with the names and relationship of any related district employee.

2.6 Payroll, Procedures,
Records, and Policies -
Personal use of a district
vehicle

Personal use of a district vehicle by the Chief Operating Officer (COO) was not authorized by the personnel policy or Board, nor was the usage monitored. The district reported the value of the COO's usage of a district vehicle as compensation. To counter the associated tax liability, the district annually calculated the resulting liability and paid the COO in the form of a vehicle allowance. This agreement was authorized by former Superintendent Smith and was documented in a handwritten agreement with the COO. The March 2012 agreement also included a provision that as of the date of the agreement the COO was supposed to pay for every fourth tank of gas, but according to district officials all fuel for the vehicle was paid by the district. No other district employee had such an agreement.

Recommendation

The School Board establish procedures regarding the personal use of district vehicles, or reconsider allowing use of district vehicles for personal business.

Status

In Progress

District staff gathered information about all district vehicles and which employees had assigned vehicles. District officials also gathered



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

information on the total number of miles driven using district vehicles to determine if employees needed vehicles and removed vehicles from employees when their usage did not dictate the need for a district vehicle. District personnel also reviewed Internal Revenue Service guidelines to ensure proper reporting of personal usage of district vehicles. We reviewed the district analysis and noted no concerns.

The Board is in the process of reviewing and revising all policies and procedures with the MSBA. The Board included district vehicle usage on the list of policies to be included in the revised policy manual.

2.7 Payroll, Procedures,
Records, and Policies -
Vacation leave payouts

The district did not have a policy governing vacation leave payouts made to retiring employees, nor were the payouts authorized in employment contracts or otherwise approved by the Board. In addition, the district's method for calculating unused leave payouts may have caused the district to incur unintended additional costs and district personnel did not calculate payouts consistently for all employees.

Recommendation

The School Board establish policies regarding vacation leave payouts, ensure vacation leave payouts are calculated appropriately, and ensure the same procedures are consistently applied to all employees.

Status

In Progress

The Board is in the process of reviewing and revising all policies and procedures with the MSBA. The Board included vacation leave payouts on the list of policies to be included in the revised policy manual.

3. Summer School
Funding

The district inaccurately reported 2014 and 2013 summer school attendance to the Department of Elementary and Secondary Education (DESE) resulting in overpayment of state aid totaling approximately \$1.8 million for 2014 and \$1.7 million for 2013. District staff and administrators lacked a sufficient understanding of summer school program requirements and, as a result, claimed certain types of unallowable programs for reimbursement.

Working with the DESE the district identified and removed 30 unallowable summer school courses and the related 269 students' attendance hours the district had inaccurately reported. The resulting \$1.8 million overpayment will be withheld by the DESE in future periods. In December 2014, the district submitted a corrective action plan to the DESE detailing additional procedures adopted to ensure only allowable courses are submitted for reimbursement in the future.

We reviewed prior years to determine the extent of the problem and for how many years summer school attendance may have been inaccurately reported and reimbursed. Working with the DESE and the district, we noted the



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

district claimed similar courses and student attendance hours for 2013 summer school. Unallowable hours represented an overpayment of state aid of approximately \$1.7 million for 2013. In addition, the district had reported similar or higher summer school average daily attendance (ADA) to DESE since 2006, with summer school ADA ranging between 567 and 738 students. However, detailed course and attendance data was not available prior to 2013, so we were unable to quantify potential overpayments for prior years.

Recommendation

The School Board improve controls over summer school reporting, including implementing the corrective action plan, and ensure future summer school programs meet the criteria set by the DESE. In addition, the Board should work with the DESE to resolve any overpayments from the 2013 school year.

Status

Implemented

To implement a corrective action plan, district personnel reviewed the 2015 DESE summer school handbook prior to completing the 2015 summer school application. District personnel also participated in a conference call with DESE personnel to ensure summer school classes met DESE requirements. District personnel indicated they discussed 2013 summer school overpayments with DESE officials who indicated the agency does not plan to pursue repayment.

4. Financial Condition

The district reduced budgeted expenditures by \$3.07 million to offset declining state funding for the 2013-2014 school year. A \$3 million deficit between revenues and expenditures was also projected for the 2014-2015 school year, primarily due to budgeted increases in employee salaries and benefits. In addition, the DESE plans to withhold \$1.8 million from future district funding payments because the district received state funding for disallowable 2014 summer school courses. Also, the district's tax levy will sunset in August 2015, and if not renewed the district estimates losing approximately \$6.5 million in annual revenues.

In addition, the district made several questionable expenditures that if continued may worsen the district's financial condition and should be avoided in the future.

Recommendation

The School Board closely monitor the district's financial condition and expenditures, improve controls and management practices, and take appropriate actions as necessary.

Status

In Progress

Board members indicated they are monitoring the district's financial condition and taking steps to limit expenditures and improve controls as



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

discussed throughout the follow-up report. We reviewed the 2015-2016 budget and noted budgeted expenditures exceed projected revenues for the 2015-2016 school year. However, the 2015-2016 budget message indicates the 2015-2016 budget includes approximately \$1.4 million in total cost reductions in the areas of payroll, supplies, repairs, and purchased services cost savings. The 63 cent property tax levy expired in August 2015 and the Board did not choose to place renewal on the ballot. Board members indicated it is the Board's preference to have a balanced or surplus budget through cost control measures in the future. The Board members indicated they will look for future cost controls in non-education areas and potential revenue increases in the future.

5.1 Bonds - Qualified Zone Academy bonds

The district was not complying with Qualified Zone Academy (QZA) bond program requirements. For the Series 2013 issuance totaling \$2.72 million, the district had not separately accounted for all QZA revenues and expenditures (the district maintained separate records for the 2012 QZA issuance). As a result, the district was unable to readily identify all 2013 QZA issuance expenditures.

Recommendation

The School Board ensure separate accounting for bond proceeds and expenditures by bond issuance type and project.

Status

Implemented

The district established new budget units in the accounting system to allow for separate accounting of QZA bond proceeds and expenditures. We reviewed an accounting system report and determined school building construction expenditures funded using QZA bond proceeds were appropriately classified.

6.1 Procurement Procedures and Construction Projects - Bidding

The district did not bid, obtain quotes, or document sole source justification for several purchases. In addition, Board policy did not require competitive bidding or Board approval for all purchases exceeding \$15,000 and did not address the need to bid supplies purchased from one vendor that may have exceeded \$15,000 within a specified time period.

Recommendation

The School Board competitively bid purchases in accordance with Board policies and state law and document justification for sole source procurement. In addition, the Board should amend Board policies to ensure all significant purchases of goods/services are subject to a competitive selection process.

Status

In Progress

The Board hired a purchasing manager in April 2015 to oversee and provide guidance to district staff on purchasing. The district also held procurement



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

procedure training for all administrative and supervisory staff in June 2015. The Board is in the process of reviewing and revising all policies and procedures with the MSBA and will consider revisions to purchasing policies as appropriate. We reviewed the district's May 2015 recommendation to the Board for copier bids and justification for the recommendation, and noted the decision making process was sufficiently documented.

6.2 Procurement Procedures
and Construction
Projects - Professional
services

The district did not solicit requests for proposals or document sole source justification for several professional services, and had not reissued requests for proposals for its primary legal counsel since 2002.

Recommendation

The School Board periodically solicit proposals for professional services in accordance with district policies.

Status

In Progress

The Board is in the process of reviewing and revising all policies and procedures with the MSBA and this review will include the professional services purchasing policies. District personnel indicated the purchasing manager will oversee all professional service providers and plans to develop a process to review professional service contracts and renew the contracts on a cycle. The district issued a request for proposal for audit services in April 2015 and the Board directed the administration to issue a request for proposal for legal services at the June 8, 2015, Board meeting. We reviewed the documentation for the audit services proposal and related Board meeting minutes and noted the Board approved the selected firm.

7.1 Contracts - Contract
compliance

The district did not always monitor contracts effectively, enter into written contracts when appropriate, or enter into written contracts timely.

- The district had not required its transportation service provider to comply with fuel contract requirements.
- The district did not require a special education service provider to meet all of the requirements provided for in the master service agreement between the provider and the district. In addition, the separate contracts detailing the timeframe of services provided to each student expired and the district had not approved new contracts or contract amendments. One of these student service contracts also was not amended to reflect an increase in the base monthly rate for provided services.
- The district did not require the City of St. Joseph to submit invoices for school resource officers in compliance with contract provisions.



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

- The district did not enter into a written contract for transportation of homeless students, stopped requiring trip tickets from the vendor for reconciliation to invoices, and did not require the vendor to provide evidence that it performed background checks on all of its drivers.
- In April 2013 the Superintendent entered into a professional development services agreement with a vendor that was not approved by the Board. In addition, the district was unable to locate a subsequent signed written contract from September 2013 with this vendor for professional development. The district entered into several written agreements with this vendor for training, consulting, and a keynote speaking engagement during the 2012-2013 and 2013-2014 school years.
- The district did not enter into a timely written contract for food services management.
- The district's primary legal services contract has not been amended to reflect increases in the annual retainer totaling \$12,888.
- The Superintendent signed a contract for professional development services and authorized the initial payment for services before the Board authorized the administration to enter into the contract.
- The district did not enter into fully executed contracts for (1) interpreter services and (2) behavior consultation and training services before the contractors provided the services.

Recommendation

Establish procedures to properly monitor contract requirements, and enter into timely written contracts defining services provided and benefits received.

Status

In Progress

The district's recently hired purchasing manager is in the process of reviewing all contracts and consolidating the contract files in the business office. District personnel indicated a periodic review will be established to monitor contract compliance. District personnel also indicated they plan to include termination clauses in future multi-year contracts.

8.1 Disbursements - Board approval

District officials did not present a list of bills paid to the Board for review and approval. In addition, the Board did not approve numerous large purchases and contracts prior to payments, some of which were not bid.

Recommendation

The School Board provide additional oversight of disbursements, including approving a monthly list of bills paid.



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

The district now submits a list of all bills and credit card transactions to the Board for approval and posts this information on the district website. The Board has also requested the Business Office provide additional expenditure reports to allow for further monitoring of expenditures. In addition, the Community/Transparency section of the district website provides details of district purchases, including check and credit card transactions. We reviewed the March and April 2015 Board minutes and noted Board approval of bills and credit card transactions.

9. Purchasing Cards

The district did not monitor or limit purchasing card (P card) monthly cycle limits and P card procedures did not detect some inappropriate purchases.

9.1 Purchasing limits

The district did not monitor monthly P card purchasing limits and limits for some individuals were significantly greater than necessary to cover their typical actual purchases. The district determined the monthly limits when the cards were issued, but did not periodically reevaluate the limits.

Recommendation

The School Board evaluate the need for each P card issued and adjust employee P card limits as deemed appropriate.

Status

Implemented

The district contracted with a new P card provider that began providing services in June 2015. Prior to the issuance of new P cards, district personnel compiled and evaluated employee P card usage for fiscal years 2014 and 2015, and used this information to set purchasing limits. We reviewed the analysis, and it included monthly transaction data and average transaction data for each cardholder. We compared the analysis to the transaction limits now set for cardholders and noted the limits had been reduced for some cardholders. The Board approved P card employee issuances in June 2015.

9.2 Purchases

We identified several concerns during our review of P card transactions. The District Purchasing Card Process Manual (Process Manual) sets forth district policies for use of P cards.

- Employees purchased items specifically prohibited by the Process Manual.
- We identified several purchases that appeared unreasonable and/or did not appear to benefit the school district.
- We identified several large P card purchases the district did not bid or receive quotes for and did not obtain Board approval. We also noted



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

district personnel made routine supplies purchases from several vendors totaling more than \$15,000 each during the 2013-2014 school year.

- We identified several purchases without adequate supporting documentation.
- Cardholders did not sign the invoice to document approval for 7 purchases reviewed.
- The district could not locate 2 Purchasing Cardholder Account Action Request forms authorizing cardholder use of the card and card limits. In addition, the cardholders did not sign the cardholder agreement forms for these 2 P Cards and 1 additional card acknowledging the terms and conditions for proper use.

Recommendation

The School Board ensure prohibited purchases are not made with P cards and P card purchases are reasonable and prudent uses of public funds. In addition, the Board should ensure P card purchases follow purchasing policies, adequate documentation is submitted and maintained, approval is obtained for all P card transactions, and all P cards are properly authorized.

Status

In Progress

As part of the new P card process, the provider limits certain purchases by prohibiting purchases of certain merchant codes. We reviewed the initial list of prohibited merchant codes and noted no concerns. District personnel indicated this list will be adjusted as the contract continues. In addition, the district plans to provide online access to certain administrators to monitor purchasing activity. District personnel indicated the P card manual will be reviewed and revised as necessary. District personnel also indicated new controls and safeguards, including ensuring required documentation is obtained, will be implemented along with the new P card program.

13. Sunshine Law

The School Board did not always comply with the Sunshine Law and held numerous improper closed meetings.

13.1 Closed meetings

The Board held approximately 40 closed meetings from January 2012 through June 2014, but did not always follow various requirements of Chapter 610, RSMo (the Sunshine Law).

- The Board approved a list of reasons for going into a closed session at an open meeting in several instances, but only discussed some of these topics in the closed meeting.
- The Board discussed some topics in closed meetings that are not allowable under the Sunshine Law. The Board also discussed items in



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

closed session that may be unallowable and did not maintain sufficient documentation to demonstrate how those issues were allowable under the Sunshine Law.

Recommendation

The School Board cite specific reasons for going into closed meetings only for topics it plans to discuss, and ensure items discussed in closed meetings are allowable topics under state law and adequately demonstrated as such.

Status

Implemented

The Board now cites the specific reasons for going into closed meeting and ensures that topics discussed in closed meeting are limited to the cited reasons and allowable under state law. We reviewed the open and closed meeting minutes from January 2015 through May 11, 2015. The specific reason for going into closed session was cited and the Board did not discuss any unallowable topics.

13.2 Public disclosure

The Board did not always make public the final disposition of legal matters or contracts discussed and approved in closed meetings, as required by the Sunshine Law.

The Board also voted on and approved some contracts in closed session and did not subsequently disclose those votes in an open meeting or by other means.

Recommendation

The School Board ensure the final disposition of legal matters discussed at closed meetings and all votes to approve contracts are made public as required by state law.

Status

Implemented

Board members indicated they have implemented procedures to ensure the disclosure of final disposition of legal matters and votes to approve contracts as required by law. Our review of meeting minutes from January 2015 through May 11, 2015, indicated the Board made required disclosures.

14. Computer Controls

Controls over district computer systems were not sufficient to prevent unauthorized access.

14.1 Password controls

The district had not established adequate password controls to reduce the risk of unauthorized access to computer systems and data. Passwords were not required to be changed on a periodic basis to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password.



St. Joseph School District
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The School Board require a unique password for each employee that is confidential and periodically changed to prevent unauthorized access to district computer systems and data.

Status

In Progress

The district has provided a unique, confidential password for each employee. District personnel indicated the district will implement a policy at the beginning of the new school year requiring employees change their password at least every 90 days.

14.2 Backup data

The district did not periodically test its backup data. Data backups were performed daily and stored at a secure off-site location, but periodic testing of the data for adequacy was not performed.

Recommendation

The School Board ensure backup data is tested on a regular, predefined basis.

Status

Implemented

As noted in the audit report response, in November 2014, the district developed a plan for safeguarding backup data and testing it as part of the overall disaster recovery plan. During follow up discussions, district personnel indicated they perform random tests of the backups to evaluate if data was appropriately backed up and will perform a restore test on the last Friday of each quarter.

14.3 Disaster recovery

The district had not developed a disaster recovery plan to ensure it could promptly restore computer operations in the event of a natural disaster or other major disruptive event.

Recommendation

The School Board develop a comprehensive disaster recovery plan and periodically test and evaluate the plan.

Status

Implemented

As noted in the audit report response, in November 2014, the district developed a technology disaster recovery plan. The plan was developed by the Director of Technology and successfully tested in May 2015. District personnel indicated the district will continue to test and evaluate the plan on an annual basis. We reviewed the disaster recovery plan and noted no concerns.



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Pulaski County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Pulaski County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2014, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

October 2015
Report No. 2015-091

**The County of Pulaski
Waynesville, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2014 & 2013**



**The County of Pulaski
Waynesville, Missouri
Table of Contents**

<u>Financial Section</u>	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2014.....	3
For the year ended December 31, 2013.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget & Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2014 and 2013.....	5
Notes to the Financial Statements.....	25
<u>Federal Compliance Section</u>	
Report on Internal Control over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	34
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	36
Schedule of Expenditures of Federal Awards.....	38
Notes to Schedule of Expenditures of Federal Awards.....	40
Schedule of Findings and Questioned Costs.....	41
Schedule of Prior Year Audit Findings.....	44



INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Pulaski County, Missouri

We have audited the accompanying financial statements of Pulaski County, Missouri, as of and for the years ended December 31, 2014 and 2013, which collectively comprise the County's basic financial statements and the related notes to the financial statements as identified in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Pulaski County, Missouri, using accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Pulaski County, Missouri, as of December 31, 2014 and 2013, or the changes in its financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Pulaski County, Missouri, as of December 31, 2014 and 2013, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

Other Matters

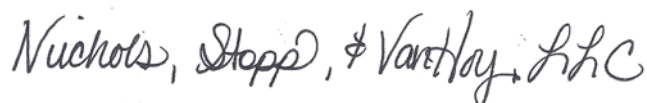
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pulaski County, Missouri’s basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2015, on our consideration of Pulaski County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pulaski County, Missouri’s internal control over financial reporting and compliance.



Creve Coeur, Missouri
July 8, 2015

The County of Pulaski
Waynesville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2014

<u>Fund</u>	Cash and Equivalents January 1, 2014	Receipts 2014	Disbursements 2014	Cash and Equivalents December 31, 2014
General Revenue Fund	\$ 159,448	\$ 3,670,462	\$ 3,671,458	\$ 158,452
Road and Bridge Fund	136,603	3,739,355	3,500,919	375,039
Assessment Fund	245,122	325,137	254,652	315,607
Courthouse Repair and Maint. Fund	1,688,229	16,988	282,681	1,422,536
Prosecuting Attorney Training Fund	1,569	1,891	3,230	230
Prosecuting Attorney Delinquent Fund	6,039	1,109	1,578	5,570
Prosecuting Attorney User Fund	7,557	21,132	27,987	702
Election Services Fund	11,406	6,721	8,602	9,525
Civil Fees Fund	15,484	53,841	48,605	20,720
Law Officer Training Fund	15,741	11,578	14,721	12,598
Criminal Investigation Fund	-	-	-	-
Recorder User Fund	6,656	12,534	17,084	2,106
Recorder Technology Fund	4,926	8,768	10,763	2,931
Collector's Tax Maintenance Fund	84,846	41,325	41,747	84,424
LEPC Chemical Preparedness Fund	18,306	107	1,924	16,489
Sheriff Revolving Fund	15,416	70,051	80,066	5,401
Inmate Security Fund	20,002	113,876	109,244	24,634
Federal Drug Seizure Fund	7,682	11,097	17,365	1,414
Vest Grant Fund	105	1	-	106
County Law Enforcement Restitution Fund	19,527	54,545	64,354	9,718
State Schools Fund	-	81,566	81,566	-
Sheriff Special Equipment Fund	7,458	382	7,840	-
Highway H NID Fund	119,077	29,336	42,445	105,968
Highway H Maintenance Fund	23,780	42,233	50,652	15,361
Northwood NID Fund	43,081	432	-	43,513
Country Hills NID Fund	18,105	5,850	5,420	18,535
White Oaks NID Fund	4,190	6,521	8,850	1,861
Eagles Point NID Fund	4,583	4,947	5,375	4,155
Timbers NID Fund	2,388	15	-	2,403
Northlake NID Fund	16,548	101	-	16,649
Senior Citizens Service Board Fund	96,902	193,668	189,589	100,981
Crisis Fund	19,859	16,707	19,859	16,707
HAVA Fund	12,314	5,247	4,135	13,426
Senate Bill 40 Board Fund	323,081	584,495	503,208	404,368
Missouri DOT Deputy Sheriff OT Grant Fund	-	-	-	-
Special Election Fund	-	33,015	33,015	-
MOSMART Grant Fund	(9,465)	59,688	55,400	(5,177)
Community Development Block Grant Fund	-	691,299	691,299	-
Total	<u>\$ 3,146,565</u>	<u>\$ 9,916,020</u>	<u>\$ 9,855,633</u>	<u>\$ 3,206,952</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2013

<u>Fund</u>	Cash and Equivalents January 1, 2013	Receipts 2013	Disbursements 2013	Cash and Equivalents December 31, 2013
General Revenue Fund	\$ 164,098	\$ 3,676,659	\$ 3,681,309	\$ 159,448
Road and Bridge Fund	162,140	1,754,098	1,779,635	136,603
Assessment Fund	181,060	340,745	276,683	245,122
Courthouse Repair and Maint. Fund	1,775,467	38,595	125,833	1,688,229
Prosecuting Attorney Training Fund	571	2,460	1,462	1,569
Prosecuting Attorney Delinquent Fund	3,448	3,500	909	6,039
Prosecuting Attorney User Fund	778	20,017	13,238	7,557
Election Services Fund	8,202	22,546	19,342	11,406
Civil Fees Fund	11,576	50,098	46,190	15,484
Law Officer Training Fund	8,961	13,979	7,199	15,741
Criminal Investigation Fund	3,524	4,759	8,283	-
Recorder User Fund	22,923	17,437	33,704	6,656
Recorder Technology Fund	7,731	9,628	12,433	4,926
Collector's Tax Maintenance Fund	68,021	39,901	23,076	84,846
LEPC Chemical Preparedness Fund	20,238	119	2,051	18,306
Sheriff Revolving Fund	24,145	60,057	68,786	15,416
Inmate Security Fund	928	37,535	18,461	20,002
Federal Drug Seizure Fund	332	7,350	-	7,682
Vest Grant Fund	104	1	-	105
County Law Enforcement Restitution Fund	23,444	55,382	59,299	19,527
State Schools Fund	-	96,345	96,345	-
Sheriff Special Equipment Fund	7,170	10,771	10,483	7,458
Highway H NID Fund	119,176	40,694	40,793	119,077
Highway H Maintenance Fund	20,589	53,253	50,062	23,780
Northwood NID Fund	42,755	326	-	43,081
Country Hills NID Fund	18,134	5,676	5,705	18,105
White Oaks NID Fund	5,727	6,927	8,464	4,190
Eagles Point NID Fund	4,706	5,537	5,660	4,583
Timbers NID Fund	2,373	15	-	2,388
Northlake NID Fund	16,448	100	-	16,548
Senior Citizens Service Board Fund	99,771	187,005	189,874	96,902
Crisis Fund	16,384	19,859	16,384	19,859
HAVA Fund	13,207	5,107	6,000	12,314
Senate Bill 40 Board Fund	410,675	552,099	639,693	323,081
Missouri DOT Deputy Sheriff OT Grant Fund	-	3,129	3,129	-
Special Election Fund	-	34,291	34,291	-
MOSMART Grant Fund	567	46,950	56,982	(9,465)
Community Development Block Grant Fund	2,000	25,378	27,378	-
Total	\$ 3,267,373	\$ 7,248,328	\$ 7,369,136	\$ 3,146,565

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	General Revenue Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 69,300	\$ 80,076	\$ 65,200	\$ 72,215
Sales Taxes	2,108,000	2,163,150	2,107,855	2,133,338
Intergovernmental	137,606	124,449	113,724	161,666
Charges for Services	816,296	678,397	746,086	768,191
Interest	2,000	1,455	3,400	1,869
Other Receipts	424,020	515,138	320,906	449,003
Transfers In	111,947	107,797	94,012	90,377
Total Receipts	<u>\$ 3,669,169</u>	<u>\$ 3,670,462</u>	<u>\$ 3,451,183</u>	<u>\$ 3,676,659</u>
Disbursements				
County Commission	\$ 108,510	\$ 108,354	\$ 107,510	\$ 109,524
County Clerk	107,800	109,518	128,150	110,640
Elections	120,700	85,748	33,150	25,723
Buildings and Grounds	219,940	249,519	184,180	228,989
Employee Fringe Benefits	269,000	253,020	254,000	252,723
County Treasurer	51,150	51,130	53,650	51,100
County Collector	117,020	117,967	114,850	116,081
Recorder of Deeds	46,408	45,557	53,000	48,775
Circuit Clerk	101,192	87,224	96,000	96,763
Court Administration	75,808	79,233	75,813	78,828
Public Administrator	88,470	87,123	84,830	83,141
Sheriff	827,899	810,124	858,691	899,121
Jail	628,500	611,731	610,021	714,837
Prosecuting Attorney	404,248	389,368	339,320	338,464
Juvenile Officer	152,186	152,186	152,190	152,190
County Coroner	42,350	63,249	42,750	50,480
Health and Welfare	-	-	-	-
Debt Service	-	-	-	-
Emergency	110,075	-	103,576	-
Transfers Out	-	-	-	-
Other	357,361	370,407	323,600	323,930
Total Disbursements	<u>\$ 3,828,617</u>	<u>\$ 3,671,458</u>	<u>\$ 3,615,281</u>	<u>\$ 3,681,309</u>
Receipts Over (Under)				
Disbursements	\$ (159,448)	\$ (996)	\$ (164,098)	\$ (4,650)
Cash and Equivalents, Jan 1	<u>159,448</u>	<u>159,448</u>	<u>164,098</u>	<u>164,098</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 158,452</u>	<u>\$ -</u>	<u>\$ 159,448</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Road and Bridge Fund			
	2014		2013	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 863,000	\$ 883,086	\$ 824,675	\$ 861,525
Sales Taxes	6	-	-	6
Intergovernmental	820,130	894,881	795,380	852,965
Charges for Services	300	700	500	400
Interest	2,500	3,514	4,000	2,755
Other Receipts	2,738,868	1,957,174	3,000	36,447
Transfers In	-	-	-	-
Total Receipts	<u>\$ 4,424,804</u>	<u>\$ 3,739,355</u>	<u>\$ 1,627,555</u>	<u>\$ 1,754,098</u>
<u>Disbursements</u>				
Salaries	\$ 637,900	\$ 671,881	\$ 595,000	\$ 600,452
Employee Fringe Benefits	147,200	143,334	123,898	128,597
Supplies	293,500	290,479	300,100	258,879
Insurance	32,000	32,351	28,000	29,465
Road & Bridge Materials	283,000	273,314	301,000	153,619
Equipment Repairs	90,000	162,536	90,000	129,457
Rentals	-	-	2,500	-
Equipment Purchases	91,892	182,637	100,770	132,594
Road and Bridge Construction	1,231,868	1,157,439	50,000	17,447
Other Expenditures	1,669,750	502,651	117,050	247,748
Debt Service	-	-	-	-
Transfers Out	84,297	84,297	81,377	81,377
Total Disbursements	<u>\$ 4,561,407</u>	<u>\$ 3,500,919</u>	<u>\$ 1,789,695</u>	<u>\$ 1,779,635</u>
Receipts Over (Under)				
Disbursements	\$ (136,603)	\$ 238,436	\$ (162,140)	\$ (25,537)
Cash and Equivalents, Jan 1	<u>136,603</u>	<u>136,603</u>	<u>162,140</u>	<u>162,140</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 375,039</u>	<u>\$ -</u>	<u>\$ 136,603</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Assessment Fund				Courthouse Repair and Maint. Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	331,056	321,803	311,000	338,416	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	1,650	2,132	2,000	1,633	18,020	16,946	16,000	18,536
Other Receipts	500	1,202	-	696	-	42	-	20,059
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 333,206</u>	<u>\$ 325,137</u>	<u>\$ 313,000</u>	<u>\$ 340,745</u>	<u>\$ 18,020</u>	<u>\$ 16,988</u>	<u>\$ 16,000</u>	<u>\$ 38,595</u>
<u>Disbursements</u>								
Salaries	\$ 174,820	\$ 171,329	\$ 201,132	\$ 176,486	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	37,000	19,381	39,000	27,776	-	-	-	-
Materials and Supplies	43,000	27,690	27,600	22,445	20,000	14,692	20,000	16,095
Services and Other	37,900	36,252	29,200	49,976	275,000	267,989	275,000	109,738
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 292,720</u>	<u>\$ 254,652</u>	<u>\$ 296,932</u>	<u>\$ 276,683</u>	<u>\$ 295,000</u>	<u>\$ 282,681</u>	<u>\$ 295,000</u>	<u>\$ 125,833</u>
Receipts Over (Under)								
Disbursements	\$ 40,486	\$ 70,485	\$ 16,068	\$ 64,062	\$ (276,980)	\$ (265,693)	\$ (279,000)	\$ (87,238)
Cash and Equivalents, Jan 1	<u>245,122</u>	<u>245,122</u>	<u>181,060</u>	<u>181,060</u>	<u>1,688,229</u>	<u>1,688,229</u>	<u>1,775,467</u>	<u>1,775,467</u>
Cash and Equivalents, Dec 31	<u>\$ 285,608</u>	<u>\$ 315,607</u>	<u>\$ 197,128</u>	<u>\$ 245,122</u>	<u>\$ 1,411,249</u>	<u>\$ 1,422,536</u>	<u>\$ 1,496,467</u>	<u>\$ 1,688,229</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Prosecuting Attorney Training Fund				Prosecuting Attorney Delinquent Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,500	1,073	3,700	3,472
Charges for Services	2,500	1,883	2,000	2,453	-	-	-	-
Interest	8	7	3	7	28	36	15	28
Other Receipts	-	1	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,508</u>	<u>\$ 1,891</u>	<u>\$ 2,003</u>	<u>\$ 2,460</u>	<u>\$ 3,528</u>	<u>\$ 1,109</u>	<u>\$ 3,715</u>	<u>\$ 3,500</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	3,000	3,230	2,000	1,462	6,000	1,578	4,000	909
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,000</u>	<u>\$ 3,230</u>	<u>\$ 2,000</u>	<u>\$ 1,462</u>	<u>\$ 6,000</u>	<u>\$ 1,578</u>	<u>\$ 4,000</u>	<u>\$ 909</u>
Receipts Over (Under)								
Disbursements	\$ (492)	\$ (1,339)	\$ 3	\$ 998	\$ (2,472)	\$ (469)	\$ (285)	\$ 2,591
Cash and Equivalents, Jan 1	<u>1,569</u>	<u>1,569</u>	<u>571</u>	<u>571</u>	<u>6,039</u>	<u>6,039</u>	<u>3,448</u>	<u>3,448</u>
Cash and Equivalents, Dec 31	<u>\$ 1,077</u>	<u>\$ 230</u>	<u>\$ 574</u>	<u>\$ 1,569</u>	<u>\$ 3,567</u>	<u>\$ 5,570</u>	<u>\$ 3,163</u>	<u>\$ 6,039</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Prosecuting Attorney User Fund				Election Services Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	25,000	21,086	22,000	19,987	6,000	4,193	1,000	118
Interest	35	46	25	30	50	56	40	71
Other Receipts	-	-	-	-	2,293	2,472	10,000	22,357
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 25,035</u>	<u>\$ 21,132</u>	<u>\$ 22,025</u>	<u>\$ 20,017</u>	<u>\$ 8,343</u>	<u>\$ 6,721</u>	<u>\$ 11,040</u>	<u>\$ 22,546</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	7,752	7,752	7,752	7,752	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	9,805	5,235	13,200	5,486	18,000	8,602	14,000	19,342
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	15,000	15,000	-	-	-	-	-	-
Total Disbursements	<u>\$ 32,557</u>	<u>\$ 27,987</u>	<u>\$ 20,952</u>	<u>\$ 13,238</u>	<u>\$ 18,000</u>	<u>\$ 8,602</u>	<u>\$ 14,000</u>	<u>\$ 19,342</u>
Receipts Over (Under)								
Disbursements	\$ (7,522)	\$ (6,855)	\$ 1,073	\$ 6,779	\$ (9,657)	\$ (1,881)	\$ (2,960)	\$ 3,204
Cash and Equivalents, Jan 1	<u>7,557</u>	<u>7,557</u>	<u>778</u>	<u>778</u>	<u>11,406</u>	<u>11,406</u>	<u>8,202</u>	<u>8,202</u>
Cash and Equivalents, Dec 31	<u>\$ 35</u>	<u>\$ 702</u>	<u>\$ 1,851</u>	<u>\$ 7,557</u>	<u>\$ 1,749</u>	<u>\$ 9,525</u>	<u>\$ 5,242</u>	<u>\$ 11,406</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Civil Fees Fund				Law Officer Training Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	50,000	50,000	50,000	50,000	5,000	7,427	7,700	4,188
Interest	97	87	97	98	80	80	61	68
Other Receipts	-	3,754	-	-	9,920	4,071	3,600	9,723
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 50,097</u>	<u>\$ 53,841</u>	<u>\$ 50,097</u>	<u>\$ 50,098</u>	<u>\$ 15,000</u>	<u>\$ 11,578</u>	<u>\$ 11,361</u>	<u>\$ 13,979</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50,000	48,605	45,000	46,190	-	-	-	-
Services and Other	-	-	-	-	15,000	14,721	11,000	7,199
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 50,000</u>	<u>\$ 48,605</u>	<u>\$ 45,000</u>	<u>\$ 46,190</u>	<u>\$ 15,000</u>	<u>\$ 14,721</u>	<u>\$ 11,000</u>	<u>\$ 7,199</u>
Receipts Over (Under)								
Disbursements	\$ 97	\$ 5,236	\$ 5,097	\$ 3,908	\$ -	\$ (3,143)	\$ 361	\$ 6,780
Cash and Equivalents, Jan 1	<u>15,484</u>	<u>15,484</u>	<u>11,576</u>	<u>11,576</u>	<u>15,741</u>	<u>15,741</u>	<u>8,961</u>	<u>8,961</u>
Cash and Equivalents, Dec 31	<u>\$ 15,581</u>	<u>\$ 20,720</u>	<u>\$ 16,673</u>	<u>\$ 15,484</u>	<u>\$ 15,741</u>	<u>\$ 12,598</u>	<u>\$ 9,322</u>	<u>\$ 15,741</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Criminal Investigation Fund				Recorder User Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	9,100	4,743	18,000	12,508	18,000	17,316
Interest	-	-	29	16	120	26	135	121
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,129</u>	<u>\$ 4,759</u>	<u>\$ 18,120</u>	<u>\$ 12,534</u>	<u>\$ 18,135</u>	<u>\$ 17,437</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	9,100	8,283	15,000	14,584	18,000	30,704
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	3,000	2,500	-	3,000
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,100</u>	<u>\$ 8,283</u>	<u>\$ 18,000</u>	<u>\$ 17,084</u>	<u>\$ 18,000</u>	<u>\$ 33,704</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ 29	\$ (3,524)	\$ 120	\$ (4,550)	\$ 135	\$ (16,267)
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>3,524</u>	<u>3,524</u>	<u>6,656</u>	<u>6,656</u>	<u>22,923</u>	<u>22,923</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,553</u>	<u>\$ -</u>	<u>\$ 6,776</u>	<u>\$ 2,106</u>	<u>\$ 23,058</u>	<u>\$ 6,656</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Recorder Technology Fund				Collector's Tax Maintenance Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	10,000	8,735	9,000	9,585	38,000	40,784	40,000	39,344
Interest	45	33	45	43	500	541	600	483
Other Receipts	-	-	-	-	-	-	-	74
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,045</u>	<u>\$ 8,768</u>	<u>\$ 9,045</u>	<u>\$ 9,628</u>	<u>\$ 38,500</u>	<u>\$ 41,325</u>	<u>\$ 40,600</u>	<u>\$ 39,901</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	15,100	26,645	38,000	15,966
Services and Other	12,000	10,763	12,000	12,433	16,000	9,102	1,600	1,110
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	6,000	6,000	6,000	6,000
Total Disbursements	<u>\$ 12,000</u>	<u>\$ 10,763</u>	<u>\$ 12,000</u>	<u>\$ 12,433</u>	<u>\$ 37,100</u>	<u>\$ 41,747</u>	<u>\$ 45,600</u>	<u>\$ 23,076</u>
Receipts Over (Under)								
Disbursements	\$ (1,955)	\$ (1,995)	\$ (2,955)	\$ (2,805)	\$ 1,400	\$ (422)	\$ (5,000)	\$ 16,825
Cash and Equivalents, Jan 1	<u>4,926</u>	<u>4,926</u>	<u>7,731</u>	<u>7,731</u>	<u>84,846</u>	<u>84,846</u>	<u>68,021</u>	<u>68,021</u>
Cash and Equivalents, Dec 31	<u>\$ 2,971</u>	<u>\$ 2,931</u>	<u>\$ 4,776</u>	<u>\$ 4,926</u>	<u>\$ 86,246</u>	<u>\$ 84,424</u>	<u>\$ 63,021</u>	<u>\$ 84,846</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	LEPC Chemical Preparedness Fund				Sheriff Revolving Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	40,000	53,584	34,000	41,838
Interest	100	107	125	119	180	58	125	194
Other Receipts	3,500	-	3,200	-	17,500	16,409	13,775	18,025
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,600</u>	<u>\$ 107</u>	<u>\$ 3,325</u>	<u>\$ 119</u>	<u>\$ 57,680</u>	<u>\$ 70,051</u>	<u>\$ 47,900</u>	<u>\$ 60,057</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 29,843	\$ -	\$ 22,814
Employee Fringe Benefits	-	-	-	-	4,000	3,919	-	319
Materials and Supplies	1,000	1,121	996	1,499	-	-	-	-
Services and Other	14,060	803	6,404	552	28,000	46,304	41,500	45,653
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 15,060</u>	<u>\$ 1,924</u>	<u>\$ 7,400</u>	<u>\$ 2,051</u>	<u>\$ 72,000</u>	<u>\$ 80,066</u>	<u>\$ 41,500</u>	<u>\$ 68,786</u>
Receipts Over (Under)								
Disbursements	\$ (11,460)	\$ (1,817)	\$ (4,075)	\$ (1,932)	\$ (14,320)	\$ (10,015)	\$ 6,400	\$ (8,729)
Cash and Equivalents, Jan 1	<u>18,306</u>	<u>18,306</u>	<u>20,238</u>	<u>20,238</u>	<u>15,416</u>	<u>15,416</u>	<u>24,145</u>	<u>24,145</u>
Cash and Equivalents, Dec 31	<u>\$ 6,846</u>	<u>\$ 16,489</u>	<u>\$ 16,163</u>	<u>\$ 18,306</u>	<u>\$ 1,096</u>	<u>\$ 5,401</u>	<u>\$ 30,545</u>	<u>\$ 15,416</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Inmate Security Fund				Federal Drug Seizure Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10,000	11,097	7,500	7,350
Charges for Services	45,000	113,753	7,700	37,505	-	-	-	-
Interest	205	123	25	30	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 45,205</u>	<u>\$ 113,876</u>	<u>\$ 7,725</u>	<u>\$ 37,535</u>	<u>\$ 10,000</u>	<u>\$ 11,097</u>	<u>\$ 7,500</u>	<u>\$ 7,350</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ 37,844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	4,280	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	36,000	67,120	7,500	18,461	10,000	17,365	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 36,000</u>	<u>\$ 109,244</u>	<u>\$ 7,500</u>	<u>\$ 18,461</u>	<u>\$ 10,000</u>	<u>\$ 17,365</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 9,205	\$ 4,632	\$ 225	\$ 19,074	\$ -	\$ (6,268)	\$ 7,500	\$ 7,350
Cash and Equivalents, Jan 1	<u>20,002</u>	<u>20,002</u>	<u>928</u>	<u>928</u>	<u>7,682</u>	<u>7,682</u>	<u>332</u>	<u>332</u>
Cash and Equivalents, Dec 31	<u>\$ 29,207</u>	<u>\$ 24,634</u>	<u>\$ 1,153</u>	<u>\$ 20,002</u>	<u>\$ 7,682</u>	<u>\$ 1,414</u>	<u>\$ 7,832</u>	<u>\$ 7,682</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Vest Grant Fund				County Law Enforcement Restitution Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	8,300	-	1,250	-	-	-	-	-
Charges for Services	-	-	-	-	60,000	54,148	58,000	55,148
Interest	-	1	-	1	125	111	120	122
Other Receipts	-	-	-	-	125	286	-	112
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,300</u>	<u>\$ 1</u>	<u>\$ 1,250</u>	<u>\$ 1</u>	<u>\$ 60,250</u>	<u>\$ 54,545</u>	<u>\$ 58,120</u>	<u>\$ 55,382</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	8,300	-	1,354	-	79,000	64,354	78,000	59,299
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,300</u>	<u>\$ -</u>	<u>\$ 1,354</u>	<u>\$ -</u>	<u>\$ 79,000</u>	<u>\$ 64,354</u>	<u>\$ 78,000</u>	<u>\$ 59,299</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 1	\$ (104)	\$ 1	\$ (18,750)	\$ (9,809)	\$ (19,880)	\$ (3,917)
Cash and Equivalents, Jan 1	<u>105</u>	<u>105</u>	<u>104</u>	<u>104</u>	<u>19,527</u>	<u>19,527</u>	<u>23,444</u>	<u>23,444</u>
Cash and Equivalents, Dec 31	<u><u>\$ 105</u></u>	<u><u>\$ 106</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 105</u></u>	<u><u>\$ 777</u></u>	<u><u>\$ 9,718</u></u>	<u><u>\$ 3,564</u></u>	<u><u>\$ 19,527</u></u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	State Schools Fund				Sheriff Special Equipment Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	81,566	-	96,345	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	100	16	20	42
Other Receipts	-	-	-	-	11,900	366	13,315	10,729
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 81,566</u>	<u>\$ -</u>	<u>\$ 96,345</u>	<u>\$ 12,000</u>	<u>\$ 382</u>	<u>\$ 13,335</u>	<u>\$ 10,771</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	81,566	-	96,345	12,000	7,840	9,400	10,483
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 81,566</u>	<u>\$ -</u>	<u>\$ 96,345</u>	<u>\$ 12,000</u>	<u>\$ 7,840</u>	<u>\$ 9,400</u>	<u>\$ 10,483</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,458)	\$ 3,935	\$ 288
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,458</u>	<u>7,458</u>	<u>7,170</u>	<u>7,170</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,458</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,105</u></u>	<u><u>\$ 7,458</u></u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Highway H NID Fund				Highway H Maintenance Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	850	1,212	800	887	340	316	250	335
Other Receipts	40,000	28,124	37,800	39,807	50,000	41,917	55,000	52,918
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 40,850</u>	<u>\$ 29,336</u>	<u>\$ 38,600</u>	<u>\$ 40,694</u>	<u>\$ 50,340</u>	<u>\$ 42,233</u>	<u>\$ 55,250</u>	<u>\$ 53,253</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	81,925	42,445	81,910	40,793	50,000	50,652	50,000	50,062
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 81,925</u>	<u>\$ 42,445</u>	<u>\$ 81,910</u>	<u>\$ 40,793</u>	<u>\$ 50,000</u>	<u>\$ 50,652</u>	<u>\$ 50,000</u>	<u>\$ 50,062</u>
Receipts Over (Under)								
Disbursements	\$ (41,075)	\$ (13,109)	\$ (43,310)	\$ (99)	\$ 340	\$ (8,419)	\$ 5,250	\$ 3,191
Cash and Equivalents, Jan 1	<u>119,077</u>	<u>119,077</u>	<u>119,176</u>	<u>119,176</u>	<u>23,780</u>	<u>23,780</u>	<u>20,589</u>	<u>20,589</u>
Cash and Equivalents, Dec 31	<u>\$ 78,002</u>	<u>\$ 105,968</u>	<u>\$ 75,866</u>	<u>\$ 119,077</u>	<u>\$ 24,120</u>	<u>\$ 15,361</u>	<u>\$ 25,839</u>	<u>\$ 23,780</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Northwood NID Fund				Country Hills NID Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	325	432	250	326	100	121	60	118
Other Receipts	-	-	-	-	5,600	5,729	5,879	5,558
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 325</u>	<u>\$ 432</u>	<u>\$ 250</u>	<u>\$ 326</u>	<u>\$ 5,700</u>	<u>\$ 5,850</u>	<u>\$ 5,939</u>	<u>\$ 5,676</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	43,300	-	42,700	-	18,200	5,420	18,000	5,705
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 43,300</u>	<u>\$ -</u>	<u>\$ 42,700</u>	<u>\$ -</u>	<u>\$ 18,200</u>	<u>\$ 5,420</u>	<u>\$ 18,000</u>	<u>\$ 5,705</u>
Receipts Over (Under)								
Disbursements	\$ (42,975)	\$ 432	\$ (42,450)	\$ 326	\$ (12,500)	\$ 430	\$ (12,061)	\$ (29)
Cash and Equivalents, Jan 1	<u>43,081</u>	<u>43,081</u>	<u>42,755</u>	<u>42,755</u>	<u>18,105</u>	<u>18,105</u>	<u>18,134</u>	<u>18,134</u>
Cash and Equivalents, Dec 31	<u>\$ 106</u>	<u>\$ 43,513</u>	<u>\$ 305</u>	<u>\$ 43,081</u>	<u>\$ 5,605</u>	<u>\$ 18,535</u>	<u>\$ 6,073</u>	<u>\$ 18,105</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	White Oaks NID Fund				Eagles Point NID Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	25	15	30	26	35	50	17	36
Other Receipts	6,800	6,506	7,654	6,901	5,500	4,897	5,491	5,501
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,825</u>	<u>\$ 6,521</u>	<u>\$ 7,684</u>	<u>\$ 6,927</u>	<u>\$ 5,535</u>	<u>\$ 4,947</u>	<u>\$ 5,508</u>	<u>\$ 5,537</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	8,900	8,850	13,411	8,464	6,500	5,375	10,000	5,660
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,900</u>	<u>\$ 8,850</u>	<u>\$ 13,411</u>	<u>\$ 8,464</u>	<u>\$ 6,500</u>	<u>\$ 5,375</u>	<u>\$ 10,000</u>	<u>\$ 5,660</u>
Receipts Over (Under)								
Disbursements	\$ (2,075)	\$ (2,329)	\$ (5,727)	\$ (1,537)	\$ (965)	\$ (428)	\$ (4,492)	\$ (123)
Cash and Equivalents, Jan 1	<u>4,190</u>	<u>4,190</u>	<u>5,727</u>	<u>5,727</u>	<u>4,583</u>	<u>4,583</u>	<u>4,706</u>	<u>4,706</u>
Cash and Equivalents, Dec 31	<u>\$ 2,115</u>	<u>\$ 1,861</u>	<u>\$ -</u>	<u>\$ 4,190</u>	<u>\$ 3,618</u>	<u>\$ 4,155</u>	<u>\$ 214</u>	<u>\$ 4,583</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Timbers NID Fund				Northlake NID Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	15	15	10	15	100	101	80	100
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 10</u>	<u>\$ 15</u>	<u>\$ 100</u>	<u>\$ 101</u>	<u>\$ 80</u>	<u>\$ 100</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,400	-	2,383	-	16,600	-	16,528	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,400</u>	<u>\$ -</u>	<u>\$ 2,383</u>	<u>\$ -</u>	<u>\$ 16,600</u>	<u>\$ -</u>	<u>\$ 16,528</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (2,385)	\$ 15	\$ (2,373)	\$ 15	\$ (16,500)	\$ 101	\$ (16,448)	\$ 100
Cash and Equivalents, Jan 1	<u>2,388</u>	<u>2,388</u>	<u>2,373</u>	<u>2,373</u>	<u>16,548</u>	<u>16,548</u>	<u>16,448</u>	<u>16,448</u>
Cash and Equivalents, Dec 31	<u>\$ 3</u>	<u>\$ 2,403</u>	<u>\$ -</u>	<u>\$ 2,388</u>	<u>\$ 48</u>	<u>\$ 16,649</u>	<u>\$ -</u>	<u>\$ 16,548</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Senior Citizens Service Board Fund				Crisis Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 189,266	\$ 193,632	\$ 183,961	\$ 186,663	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	18,000	16,620	15,745	19,772
Interest	1,384	36	1,516	40	90	87	95	87
Other Receipts	-	-	-	302	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 190,650</u>	<u>\$ 193,668</u>	<u>\$ 185,477</u>	<u>\$ 187,005</u>	<u>\$ 18,090</u>	<u>\$ 16,707</u>	<u>\$ 15,840</u>	<u>\$ 19,859</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	522	49	522	-	-	-	-	-
Services and Other	183,345	189,540	183,345	189,874	19,859	19,859	16,384	16,384
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 183,867</u>	<u>\$ 189,589</u>	<u>\$ 183,867</u>	<u>\$ 189,874</u>	<u>\$ 19,859</u>	<u>\$ 19,859</u>	<u>\$ 16,384</u>	<u>\$ 16,384</u>
Receipts Over (Under)								
Disbursements	\$ 6,783	\$ 4,079	\$ 1,610	\$ (2,869)	\$ (1,769)	\$ (3,152)	\$ (544)	\$ 3,475
Cash and Equivalents, Jan 1	<u>96,902</u>	<u>96,902</u>	<u>99,771</u>	<u>99,771</u>	<u>19,859</u>	<u>19,859</u>	<u>16,384</u>	<u>16,384</u>
Cash and Equivalents, Dec 31	<u>\$ 103,685</u>	<u>\$ 100,981</u>	<u>\$ 101,381</u>	<u>\$ 96,902</u>	<u>\$ 18,090</u>	<u>\$ 16,707</u>	<u>\$ 15,840</u>	<u>\$ 19,859</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	HAVA Fund				Senate Bill 40 Board Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 289,007	\$ 319,043	\$ 288,809	\$ 309,135
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	331,322	253,456	242,950	231,589
Interest	60	76	60	61	4,000	1,435	4,000	5,941
Other Receipts	18,984	5,171	3,000	5,046	4,550	10,561	4,550	5,434
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 19,044</u>	<u>\$ 5,247</u>	<u>\$ 3,060</u>	<u>\$ 5,107</u>	<u>\$ 628,879</u>	<u>\$ 584,495</u>	<u>\$ 540,309</u>	<u>\$ 552,099</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 163,955	\$ 146,526	\$ 121,064	\$ 128,600
Employee Fringe Benefits	-	-	-	-	52,395	30,893	33,196	31,793
Materials and Supplies	-	-	-	-	11,000	3,788	2,000	1,846
Services and Other	25,000	4,135	10,000	6,000	401,529	322,001	339,061	477,454
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 25,000</u>	<u>\$ 4,135</u>	<u>\$ 10,000</u>	<u>\$ 6,000</u>	<u>\$ 628,879</u>	<u>\$ 503,208</u>	<u>\$ 495,321</u>	<u>\$ 639,693</u>
Receipts Over (Under)								
Disbursements	\$ (5,956)	\$ 1,112	\$ (6,940)	\$ (893)	\$ -	\$ 81,287	\$ 44,988	\$ (87,594)
Cash and Equivalents, Jan 1	<u>12,314</u>	<u>12,314</u>	<u>13,207</u>	<u>13,207</u>	<u>323,081</u>	<u>323,081</u>	<u>410,675</u>	<u>410,675</u>
Cash and Equivalents, Dec 31	<u>\$ 6,358</u>	<u>\$ 13,426</u>	<u>\$ 6,267</u>	<u>\$ 12,314</u>	<u>\$ 323,081</u>	<u>\$ 404,368</u>	<u>\$ 455,663</u>	<u>\$ 323,081</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	Missouri DOT Deputy Sheriff OT Grant Fund				Special Election Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,129	-	5,000	3,129	-	-	-	-
Charges for Services	-	-	-	-	-	33,015	-	34,291
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,129</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 3,129</u>	<u>\$ -</u>	<u>\$ 33,015</u>	<u>\$ -</u>	<u>\$ 34,291</u>
<u>Disbursements</u>								
Salaries	\$ 3,129	\$ -	\$ 5,000	\$ 3,129	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	33,015	-	34,291
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,129</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 3,129</u>	<u>\$ -</u>	<u>\$ 33,015</u>	<u>\$ -</u>	<u>\$ 34,291</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2014 & 2013

	MOSMART Grant Fund				Community Development Block Grant Fund			
	2014		2013		2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	67,700	59,688	48,200	46,325	-	691,299	-	25,378
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	625	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 67,700</u>	<u>\$ 59,688</u>	<u>\$ 48,200</u>	<u>\$ 46,950</u>	<u>\$ -</u>	<u>\$ 691,299</u>	<u>\$ -</u>	<u>\$ 25,378</u>
<u>Disbursements</u>								
Salaries	\$ 51,000	\$ 48,717	\$ 46,000	\$ 51,185	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	6,100	6,683	2,200	5,797	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	691,299	-	27,378
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 57,100</u>	<u>\$ 55,400</u>	<u>\$ 48,200</u>	<u>\$ 56,982</u>	<u>\$ -</u>	<u>\$ 691,299</u>	<u>\$ -</u>	<u>\$ 27,378</u>
Receipts Over (Under)								
Disbursements	\$ 10,600	\$ 4,288	\$ -	\$ (10,032)	\$ -	\$ -	\$ -	\$ (2,000)
Cash and Equivalents, Jan 1	<u>(9,465)</u>	<u>(9,465)</u>	<u>567</u>	<u>567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Cash and Equivalents, Dec 31	<u>\$ 1,135</u>	<u>\$ (5,177)</u>	<u>\$ 567</u>	<u>\$ (9,465)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies

Pulaski County, Missouri, which is governed by a three-member board of commissioners, was established in 1833 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk/Ex-Officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Pulaski County, Missouri, the Pulaski County, Missouri Senate Bill 40 Board, and the Pulaski County, Missouri Senior Citizens Service Board.

Pulaski County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Pulaski County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Pulaski County's legal entity. The Pulaski County Senate Bill 40 Board and Senior Citizens Service Board are controlled by separate boards and are also included under the control of Pulaski County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Pulaski County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If Pulaski County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Pulaski County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for his or her office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year, as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2014: Prosecuting Attorney Training, Collector's Tax Maintenance, Sheriff Revolving, Inmate Security, Federal Drug Seizure, Highway H Maintenance, and the Senior Citizens Service Board. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: General Revenue, Election Services, Civil Fees, Recorder User, Recorder Technology, Sheriff Revolving, Inmate Security, Sheriff Special Equipment, Highway H Maintenance, Senior Citizens Service Board, Senate Bill 40 Board, and the MOSMART Grant.

The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property included within Pulaski County's boundaries for the calendar year 2014 and 2013, respectively, for the purposes of County taxation, was:

	<u>2014</u>	<u>2013</u>
Real Estate	\$ 370,619,900	\$ 363,698,660
Personal Property	74,282,877	77,726,104
Railroad and Utilities	17,122,567	16,909,255
	<u>\$ 462,025,344</u>	<u>\$ 458,334,019</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2014 and 2013, respectively, for the purpose of County taxation, was as follows:

	<u>2014</u>	<u>2013</u>
Road and Bridge Fund	0.1949	0.1901
Senior Citizens Service Board Fund	0.0442	0.0431
Senate Bill 40 Board Fund	0.0708	0.0691

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Pulaski County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Pulaski County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2014 and 2013, the carrying amount of Pulaski County's deposits was \$3,206,952 and \$3,146,565 and the bank balance was \$3,343,364 and \$3,388,150, respectively. As of December 31, 2014, 100% of Pulaski County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

The carrying values of deposits and investments shown below are included in the financial statements at December 31, 2014, as follows:

Deposits	\$ 1,692,952
Investments	1,514,000
Restricted Cash	<u>-</u>
Total Deposits and Investments as of December 31, 2014	<u><u>\$ 3,206,952</u></u>

The carrying values of deposits and investments shown below are included in the financial statements at December 31, 2013, as follows:

Deposits	\$ 1,532,565
Investments	1,614,000
Restricted Cash	<u>-</u>
Total Deposits and Investments as of December 31, 2013	<u><u>\$ 3,146,565</u></u>

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Pulaski County's investment policy does not include custodial credit risk requirements. Pulaski County's deposits were not exposed to custodial credit risk for the years ended December 31, 2014 and 2013.

The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Pulaski County or its agent but not in the government's name. Pulaski County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Pulaski County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pulaski County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Pulaski County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Pulaski County has a policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities. Pulaski County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2014 and 2013.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2014 and 2013 are as follows:

Fund	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 107,797	\$ -	\$ 90,377	\$ -
Road and Bridge Fund	-	84,297	-	81,377
Prosecuting Attorney User Fund	-	15,000	-	-
Recorder User Fund	-	2,500	-	3,000
Collector's Tax Maintenance Fund	-	6,000	-	6,000
Total	<u>\$ 107,797</u>	<u>\$ 107,797</u>	<u>\$ 90,377</u>	<u>\$ 90,377</u>

**The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013**

Note 4 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active eligible member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65102, or by calling 1-877-632-2373.

Funding Policy

In accordance with Missouri state statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2014 and 2013, the County collected and remitted to CERF, employee contributions of \$137,022 and \$133,635, respectively, for the years then ended.

Note 5 - Other Retirement Plan

Pulaski County have voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2014 and 2013 for the 457 plan were \$58,853 and \$58,978, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2014 and 2013 for the 401(a) plan were \$16,992 and \$16,735, respectively.

The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, Pulaski County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System. Once remitted, the State of Missouri is responsible for administration of this plan. Pulaski County has contributed \$7,752 and \$7,106, respectively, for the years ended December 31, 2014 and 2013.

Note 7 - Post-Employment Benefits

Pulaski County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Pulaski County.

Note 8 - Claims, Commitments and Contingencies

Litigation

Pulaski County is involved in pending litigation as of December 31, 2014. The extent of the liability, if any, cannot be determined at this time.

Compensated Absences

The County provides full time employees with up to 24 days of sick time to accrue at one day per complete calendar month of employment. Upon termination, the employee will not be compensated for any unused sick time. Vacation time will accrue at the rate of one day per month with a maximum carryover at the employee's anniversary date of five days. Compensatory time accrues at a rate of one and one half time actual hours worked based on federal wage and hour regulations.

Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 9 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 10 - Subsequent Events

The County has evaluated events subsequent to December 31, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 8, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Note 11 - Long-Term Debt

In 1996, Pulaski County issued \$500,000 in General Obligation Bonds for the purpose of the Highway H NID. Principal payments are due in annual installments of \$30,000 through March 1, 2012; \$35,000 due March 1, 2013; and \$40,000 due March 1, 2014. Interest is paid at 5.40% through March 1, 2012 and 6.40% through March 1, 2014.

In 1999, Pulaski County issued \$55,000 in General Obligation Bonds for the purpose of the Eagles Point NID. Principal payments are due in annual installments of \$4,000 through June 1, 2011 and \$5,000 thereafter through June 1, 2014. Interest is paid at 6.00%.

In 1999, Pulaski County issued \$53,000 in General Obligation Bonds for the purpose of the Country Hills NID. Principal payments are due in annual installments of \$4,000 through June 1, 2011 and \$5,000 thereafter through June 1, 2014. Interest is paid at 5.70%.

In 1996, Pulaski County issued \$500,000 in General Obligation Bonds for the purpose of the White Oaks NID. Principal payments are due in annual installments of \$6,000 through February 1, 2013; \$7,000 thereafter through February 1, 2015; and \$8,000 at February 1, 2016. Interest is paid at 5.70%.

In February of 2013, the County entered into a non-cancelable lease agreement for two John Deere tractors with mowers. The agreement requires annual payments of \$28,688 ending March of 2017, which includes interest of 2.71%.

In April of 2010, the County entered into a non-cancelable lease agreement for a John Deere Backhoe. The agreement requires semi annual payments of \$9,802 ending March of 2015, which includes interest of 4.90%. This lease was paid off in 2014.

In April of 2013, the County entered into a non-cancelable lease agreement for 5 Sheriff vehicles. The agreement requires annual payments of \$43,849 ending April of 2016, which includes interest of 3.75%.

In August of 2010, the County entered into a non-cancelable lease agreement for a Caterpillar Backhoe. The agreement requires semi annual payments of \$6,839 ending February of 2015, which includes interest of 4.90%. This lease was paid off in 2014.

The County of Pulaski
Waynesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2014 & 2013

Note 11 - Long-Term Debt (continued)

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014	Interest Paid
Highway H NID Bonds	\$ 40,000	\$ -	\$ (40,000)	\$ -	\$ 2,445
Eagles Point NID Bonds	5,000	-	(5,000)	-	143
Country Hills NID Bonds	5,000	-	(5,000)	-	143
White Oaks NID Bonds	22,000	-	(7,000)	15,000	1,320
John Deere Tractors with Mower	107,380	-	(25,778)	81,602	2,910
John Deere Backhoe	27,832	-	(27,832)	-	1,261
Sheriff Vehicles	81,339	-	(40,799)	40,540	3,050
Caterpillar Backhoe	19,634	-	(19,634)	-	901
Total	<u>\$ 308,185</u>	<u>\$ -</u>	<u>\$ (171,043)</u>	<u>\$ 137,142</u>	<u>\$ 12,173</u>

Future minimum long-term debt payments for the year ended December 31, 2014 is as follows:

Year Ending December 31	Principal	Interest	Total
2015	74,017	4,727	78,744
2016	35,194	1,974	37,168
2017	27,931	757	28,688
	<u>\$ 137,142</u>	<u>\$ 7,458</u>	<u>\$ 144,600</u>

	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013	Interest Paid
Highway H NID Bonds	\$ 75,000	\$ -	\$ (35,000)	\$ 40,000	\$ 5,793
Eagles Point NID Bonds	10,000	-	(5,000)	5,000	428
Country Hills NID Bonds	10,000	-	(5,000)	5,000	428
White Oaks NID Bonds	28,000	-	(6,000)	22,000	1,680
John Deere Tractors with Mower	-	136,068	(28,688)	107,380	-
John Deere Backhoe	45,299	-	(17,467)	27,832	2,137
Sheriff Vehicles	-	122,261	(40,922)	81,339	2,927
Caterpillar Backhoe	31,800	-	(12,166)	19,634	1,512
Total	<u>\$ 200,099</u>	<u>\$ 258,329</u>	<u>\$ (150,243)</u>	<u>\$ 308,185</u>	<u>\$ 14,905</u>

Future minimum long-term debt payments for the year ended December 31, 2013 is as follows:

Year Ending December 31	Principal	Interest	Total
2014	171,043	12,173	183,216
2015	74,083	5,080	79,163
2016	35,194	2,394	37,588
2017	27,865	1,237	29,102
	<u>\$ 308,185</u>	<u>\$ 20,884</u>	<u>\$ 329,069</u>



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Pulaski County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Pulaski County, Missouri, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Pulaski County, Missouri's basic financial statements and have issued our report thereon dated July 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pulaski County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pulaski County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Pulaski County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: 14/13-002 and 14/13-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pulaski County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

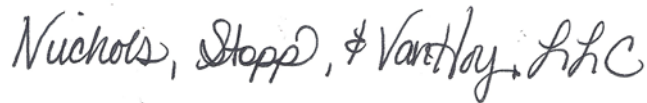
opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 14/13-001.

Pulaski County, Missouri's Response to Findings

Pulaski County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Pulaski County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, reading "Nichols, Stopp, & VanHay, LLC". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
July 8, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

To the County Commission and
Officeholders of Pulaski County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Pulaski County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Pulaski County, Missouri's major federal programs for the years ended December 31, 2014 and 2013. Pulaski County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Pulaski County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pulaski County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Pulaski County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Pulaski County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2014 and 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 14/13-004. Our opinion on each major federal program is not modified with respect to these matters.

Pulaski County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Pulaski County,

Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Pulaski County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Pulaski County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pulaski County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 14/13-004 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Pulaski County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Pulaski County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Nichols, Stopp, & VanHay, LLC

Creve Coeur, Missouri
July 8, 2015

**The County of Pulaski
Waynesville, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Agriculture				
Passed through state:				
Office of Administration - Schools and Roads - Grants to States	10.665	N/A	\$ 106,503	\$ 128,460
Total Department of Agriculture			106,503	128,460
U.S. Department of Housing and Urban Development				
Passed through state:				
Department of Economic Development - Community Development Block Grant	14.228	2008-DI-43	162,523	12,283
Community Development Block Grant	14.228	2008-DI-11	239,176	7,095
Community Development Block Grant	14.228	2012-PF-05	289,600	8,000
Total Community Development Block Grant			691,299	27,378
Total U.S. Department of Housing and Urban Development			691,299	27,378
U.S. Department of the Interior				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226	N/A	70,032	63,009
Total U.S. Department of the Interior			70,032	63,009
U.S. Department of Justice				
Direct Programs -				
Equitable Sharing Program	16.922	MO0850000	17,365	-
Passed through state:				
Missouri Department of Public Safety - Violence Against Women Formula Grants	16.588	2012-VAWA-007-SE	34,356	-
Total U.S. Department of Justice			51,721	-
U.S. Department of Transportation				
Passed through state:				
Missouri Safety Center - State and Community Highway Safety	20.600	13-PT-02-051	3,129	3,129
Highway and Transportation Commission - Highway Planning and Construction	20.205	BHO-B085(4)	874,267	-
Highway Planning and Construction	20.205	STP-990(930)	250,000	-
Highway Planning and Construction	20.205	N/A	13,780	4,000
Total Highway Planning and Construction			1,138,047	4,000
Total U.S. Department of Transportation			1,141,176	7,129

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Pulaski
Waynesville, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2014	2013
U.S. Department of Health and Human Services				
Passed through state:				
Department of Social Services -				
Child Support Enforcement	93.563	ER10214C074	31,509	-
Child Support Enforcement	93.563	ER102120085	-	38,379
Total U.S. Department of Health and Human Services			31,509	38,379
U.S. Department of Homeland Security				
Passed through state:				
Emergency Management Agency -				
Disaster Grants - Public Assistance	97.036	FEMA-4144-DR-MO	773,671	-
Total U.S. Department of Homeland Security			773,671	-
Total Expenditures of Federal Awards			\$ 2,865,911	\$ 264,355

See Notes to the Schedule of Expenditures of Federal Awards

The County of Pulaski
Waynesville, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2014 & 2013

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of *OMB Circular A-133*. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Pulaski County, Missouri.

Basis of Presentation

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Subrecipients

The County passed through \$425,123 and \$20,283 of federal funds related to the Community Development Block Grants Program (CFDA #14.228) to other organizations for the years ended December 31, 2014 and 2013, respectively.

The County passed through \$79,877 and \$96,345 of federal funds related to the Schools and Roads - Grants to States (CFDA #10.665) to local schools and road districts for the years ended December 31, 2014 and 2013, respectively.

**The County of Pulaski
Waynesville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 510 (a) of Circular A-133?

 X Yes _____ No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grant Program
20.205	Highway Planning and Construction
97.036	Disaster Grants - Public Assistance

Dollar threshold used to distinguish
between type A and type B programs:

 \$ 300,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**The County of Pulaski
Waynesville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings

14/13-001 **Condition:** During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2014: Prosecuting Attorney Training, Collector's Tax Maintenance, Sheriff Revolving, Inmate Security, Federal Drug Seizure, Highway H Maintenance, and the Senior Citizens Service Board. The following funds had actual expenditures that exceeded the budgeted expenditures in 2013: General Revenue, Election Services, Civil Fees, Recorder User, Recorder Technology, Sheriff Revolving, Inmate Security, Sheriff Special Equipment, Highway H Maintenance, Senior Citizens Service Board, Senate Bill 40 Board, and the MOSMART Grant.

Criteria: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget.

Effect: Due to exceeding budget in certain funds, the County is in violation of Missouri Revised Statutes.

Cause: Lack of oversight.

Recommendation: We recommend the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: Pulaski County will follow recommendations and have the office holders submit budget amendments for their funds as needed. The Senior Citizen's Board and Senate Bill 40 Board are their own boards and Pulaski County Commission has no authority over them. The phone number for the Clerk's office is 573-774-4701.

14/13-002 **Condition:** Documentation of the County's internal controls has not been prepared.

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: Currently researching information and working to develop a plan. The phone number for the Clerk's office is 573-774-4701.

**The County of Pulaski
Waynesville, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2014 & 2013**

Section 2 - Financial Statement Findings (continued)

14/13-003 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: Pulaski County is researching and have already implemented some solutions to reduce fraud risk. The phone number for the Clerk's office is 573-774-4701.

Section 3 - Federal Award Findings and Questioned Costs

14/13-004 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Criteria: OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Effect: The SEFA schedules prepared for the County's federal programs were misstated for both years of 2014 and 2013.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: Now that we have been told we will take appropriate action to make sure the SEFA is completed with all awards. The phone number for the Clerk's office is 573-774-4701.

**The County of Pulaski
Waynesville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Pulaski County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2010.

Prior Year Financial Statement Findings

1. Treasurer's Settlement

Condition: Bank reconciliations and Treasurer's settlements had not been completed since July 2009. The last reconciliation was completed by the Treasurer who resigned in September 2009. A Governor-appointed Treasurer served the remaining term of office through December 31, 2010.

Bank reconciliations and Treasurer's settlements are essential to ensure integrity of reported fund and cash balances. The absence of bank reconciliations and Treasurer's settlements adversely affects the County's ability to detect or correct errors or misstatements. In addition, annual Treasurer's settlements are required by Chapter 54.290, RSMo.

Cash balances reported herein are based on the County Clerk's records. Verification that the aggregate of cash balances reported were on hand in the Treasurer's accounts could not be made.

Recommendation: We recommend the County complete bank reconciliations each month going forward and going back as necessary to reconcile the aggregate of reported cash balances to cash shown on bank statements.

County's Response: As the newly elected Treasurer, I, Sue Rapone, have begun reconciliation on the banking for my term starting January 2011. I am also in the process of working back through the time period of the Treasurer's settlement for the January 2011 to completing June 2011 time period. In doing so I will also go back to produce the two settlements not done by the interim Treasurer.

Cash Balance not able to be verified due to using the same receipt line for both receipting and dispersing, also done prior to my term has been corrected by myself to receipting in receipt lines and dispersing through expenditure lines.

Auditor's Evaluation: The stated corrective action is responsive to the concerns expressed in the finding.

Status: Management has corrected this issue.

2. Courthouse Sales Fund

Condition: The Courthouse Sales Fund was used for expenditures not authorized by the ballot presented to and approved by the voters. Expenditures that were made but not identified as eligible expenditures on the ballot included utilities, janitor salaries and benefits, routine maintenance, supplies and other such expenses. The Official Ballot in the Special Election of August 4, 1987 presented the following question:

"Shall the County of Pulaski impose a countywide sales tax at the rate of one-half of one percent for a period of ten years from the date on which such tax is first imposed for the purpose of funding the acquisition, construction, reconstruction, improvement, extension, repair, renovation, remodeling and furnishing of buildings and facilities located on the Courthouse Square in the City of Waynesville, Missouri, to be used by the County?"

The County of Pulaski
Waynesville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

2. Of the \$512,394 of costs charged to the Courthouse Sales Fund during 2009 and 2010, \$323,245 of costs were not
(cont.) consistent with the categories included on the ballot.

Recommendation: We recommend the County Commission implement monitoring procedures to ensure that restricted funds are used only for authorized purposes and repay to the fund any unauthorized inappropriate charges.

County's Response: The Commission requested a legal opinion from the Prosecuting Attorney and acted in accordance with his guidance to address this concern. The Commission adopted two ordinances based upon that guidance. The first created a new fund called the Courthouse Repair and Maintenance Fund that clearly states the specific purposes for use of that fund. In addition, this ordinance reinstated the Facilities Advisory Board, which is a board of citizens, appointed by the Commission, to oversee and make recommendations as to the Courthouse and the use of this fund to the Commission. It is the Commission's hope that this board, along with the standard budgetary process, will provide a transparent oversight to the use of this fund. The second ordinance declared that the old Courthouse Sales Fund had completed its purpose (which was the construction of the current courthouse), terminated the fund, and transferred the remainder of the fund into the newly created Courthouse Repair and Maintenance Fund. The Commission intends to make a yearly payment from the General Revenue fund into the new Courthouse Repair and Maintenance Fund to reimburse the fund for the expenditures of the past Commissions.

Auditor's Evaluation: It is not certain whether ordinances can have the impact of overriding the purposes stated in the ballot language for which taxes are collected. The reimbursement of amounts into the Courthouse Repair and Maintenance Fund alleviates the principal concern expressed in the finding.

Status: Management has corrected this issue.

3. **Sheriff's Office Internal**

Condition: There is not an adequate separation of duties in the Sheriff's Office in the receipts handling functions. The same person receives monies, makes deposits, records transactions, reconciles bank statements and prepares checks for signature. Effective control over cash necessitates the separation of the cash handling function from the accounting and bank reconciliation functions. One person performing multiple duties creates a high internal control risk for the County and hinders the ability of the County to prevent or detect errors and irregularities.

Recommendation: We recommend the cash handling duties in the Sheriff's Office be separated to the extent practicable from the duties of reconciling bank statements and recording transactions. If such functions are not separated the individual processes and records should be closely and thoroughly reviewed by an independent party.

County's Response: With only two employees in the office there are a limited number of things we can do to separate duties. At this time we are in the middle of another audit by the Missouri State Auditor's Office and one of their employees raised this same problem with me on 7-6-2011 for discussion. We plan to adopt the State Auditor's suggestions for segregations of duties. The Pulaski County Sheriff's office will do whatever we need to do to safeguard the money entrusted to our office.

**The County of Pulaski
Waynesville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

3. Auditor's Evaluation: In circumstances involving limited personnel, the officeholder can resolve internal control (cont.) deficiencies through oversight and/or actual performance of the duty.

Status: This is no longer considered a significant deficiency.

4. **Law Library Internal**

Condition: There is not an adequate separation of duties in the receipts, disbursement and accounting functions for this fund and bank reconciliations have not been performed. The same person maintains accounting records, makes deposits, approves disbursements, writes checks, and receives bank statements. Effective control over cash necessitates the separation of the cash handling function from the accounting and bank reconciliation functions. One person performing multiple duties can create a high internal control risk for the County and hinders the ability of the County to prevent or detect errors and irregularities.

Recommendation: We recommend the cash handling, accounting and disbursement functions be separated to the extent practicable. If not practicable, the Prosecuting Attorney should consider moving custodial and accounting functions for this fund to the County Treasurer.

County's Response: The same procedure utilized by the Prosecutor's Office in regards to bad check and restitution collection will be utilized with in regards to the law library account. Specifically, the bad check and restitution clerk will deposit all income and all outgoing checks will have to be signed by two attorneys in the prosecutor's office. In addition, a monthly report will be forwarded to the clerk and treasurer.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding.

Status: This is no longer considered a significant deficiency.

5. **Accounting for Transfers**

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs representing reimbursements that were recorded as transfers. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2010 and 2009.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds are balanced by transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers category.

County Response: Transfers out will be labeled as such and not as expenditures.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding.

Status: Management has corrected this issue.

**The County of Pulaski
Waynesville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

6. Competitive Bidding

Condition: Competitive bids were not always solicited for goods and services procured by the County. Our review included 16 purchases which required competitive bids. County Clerk files contained no bid documentation for five of these items. Examples of items purchased without competitive bids included: constructed concrete slab; rifles and other equipment for the Sheriff; camera units for the Sheriff; and software licenses. These items cost \$64,682.

Section 50.660, RSMo, requires the advertisement for bids for any purchase of \$6,000 or more, from any one person, firm, or corporations during any period of 90 days. Competitive bidding helps to assure the County receives fair value for goods and services procured and ensures all interested parties are given an equal opportunity to participate in County business.

Recommendation: We recommend the County Commission solicit bids for all purchases in accordance with state law and maintain adequate documentation of all bids obtained and the justifications for awards.

County's Response: We plan to follow recommendation.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding

Status: Management has corrected this issue.

7. Budgetary Controls

Condition: We noted two issues with the County's budgeting process during 2010 and 2009, as follows:

a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the LEPC Chemical Preparedness fund in 2010. Chapter 50, RSMo, requires the preparation and filing of annual budgets for all funds to present a complete financial plan for the ensuing year.

b) Actual expenditures exceeded budgeted expenditures for the following funds in 2010 and 2009 by more than an inconsequential amount:

	2010	2009
LEPC Chemical Preparedness	X	N/A
Vest Grant	X	N/A
Sheriff's Special Equipment	X	N/A
Law Library	N/A	X
Tourism Tax	N/A	X
White Oaks NID	X	N/A
HAVA	X	N/A
Senate Bill 40 Board	N/A	X

State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. Amounts in excess of budgeted amounts for Commission-controlled funds for the years ended December 31, 2010 and 2009 were \$7,991 and \$47,816 respectively.

**The County of Pulaski
Waynesville, Missouri
Follow-Up to Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

7. Recommendation: We recommend the County ensure compliance with State Statutes by refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: We plan to follow recommendation.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding.

Status: Management has not corrected this issue and the finding is repeated as finding 14/13-001.

Prior Year Federal Award Findings and Questioned Cost

None



Nicole R. Galloway, CPA
Missouri State Auditor

Economic Development

Neighborhood Assistance Program Tax Credit



October 2015

Report No. 2015-092

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Neighborhood Assistance Program Tax Credit

Program Administration

The audit identified several opportunities to improve the administration of the Neighborhood Assistance Program (NAP) tax credit. The Department of Economic Development does not provide all appropriate information to allow the General Assembly to properly review and determine the effectiveness of the NAP. Without accurate information, legislators cannot determine if the program should continue, be modified or terminated. The project selection scoring system used to rate potential projects appears well-designed, however, it may not ensure the most effective use of program resources. Program policy guidelines provide per project funding limits that do not vary based on the rating issued. Amending program guidelines to allow additional funding that reflects the results of the scoring system would help maximize the effectiveness of the program and take full advantage of the scoring system in place. Currently, DED does not always follow program guidelines and justification for exceptions to guidelines is not adequately documented. Decisions to award additional funding to specific projects should be made in accordance with policy guidelines, using consistent and objective criteria, and the justification should be well documented.

In the areas audited, the overall performance of this program was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Neighborhood Assistance Program Tax Credit

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology.....	6

Management Advisory Report - State Auditor's Findings	1. Program Administration	8
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Appendixes	A Neighborhood Assistance Program Tax Credit Activity	13
	B Tax Credit Redemptions.....	14



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Mike Downing, Director
Department of Economic Development
Jefferson City, Missouri

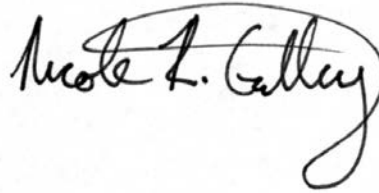
We have audited certain operations of the Neighborhood Assistance Program Tax Credit in fulfillment of our duties under Chapter 29, RSMo, and Section 620.1300, RSMo. The scope of the audit included, but was not limited to, the 2 years ended June 30, 2015. The objectives of our audit were to:

1. Analyze the costs and benefits of the program to determine if it is an effective and efficient use of state resources.
2. Evaluate the internal controls over significant management and financial functions related to the program.
3. Evaluate compliance with certain legal requirements related to the program.
4. Evaluate the economy and efficiency of certain management practices and operations.

For the areas audited, we (1) determined the current program structure is generally an efficient use of state resources, (2) identified no significant deficiencies in internal controls, (3) identified no significant instances of noncompliance with legal provisions, and (4) identified inefficiencies resulting from certain management practices and procedures.

Except for the matter discussed in the last paragraph of the Scope and Methodology Section, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Management Advisory Report presents our findings arising from our audit of the Neighborhood Assistance Program Tax Credit.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
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Neighborhood Assistance Program Tax Credit

Introduction

Background

The Neighborhood Assistance Program (NAP) tax credit was established in 1978 under Sections 32.100 to 32.125, RSMo, and has no expiration. The program was designed to provide assistance to community-based organizations to enable them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training, and physical revitalization. The Department of Economic Development (DED) administers the program and is responsible for issuance of all tax credits based upon verification of qualified contributions to an approved NAP project. With approximately \$8.2 million in redemptions in fiscal year 2015, the NAP is the state's 9th largest tax credit program. See Appendix B for redemption information on all state tax credits.

Tax credits can generally be broken into three categories. Some are established to create certain economic benefits, some are established to induce certain social benefits, and others are created for both economic and social benefits. The NAP is designed to create both economic and social benefits with more emphasis on social impact. NAP credits can be used by entities to offset costs of service delivery or for capital improvements. NAP service delivery projects focus on applicants who provide services addressing a targeted problem or need in a neighborhood. Capital campaign projects involve an entity seeking to raise funds for the acquisition, construction, improvement, and/or renovation of real property that will house services that address a targeted problem or need in a neighborhood.

The NAP is a donation tax credit program. Tax credits are awarded to individuals and entities making a donation to an authorized project. Generally, tax credits will equal 50 percent of the value of donations for an approved project. However, for projects located in a city, town or village with populations less than 15,000, or in unincorporated areas (with the exception of Clay, Jackson, St. Charles and St. Louis counties), the tax credits equal 70 percent of the donation value. The program has three statutorily established eligibility requirements:

1. Applicant Eligibility - There are three type of eligible applicants: not-for-profit corporations organized under Chapter 355, RSMo; organizations holding a 501(c)(3) ruling from the IRS; or Missouri businesses, defined as a person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in Missouri, and subject to state income tax, that is conducting a project outside the scope of normal business operations.
2. Project Eligibility - There are five different types of eligible projects: community services, education, crime prevention, job training, and physical revitalization.



Neighborhood Assistance Program Tax Credit Introduction

3. Donor Eligibility - Eligible donors are limited to businesses or individuals who have business income (i.e. farm income, sole proprietor, S corporations, etc.).

The NAP tax credits cannot be transferred, sold, or assigned, and are not refundable. The credits cannot be carried back to offset prior tax liability, but can be carried forward for 5 years to offset future tax liabilities. Any remaining balance of tax credits not claimed in this period is forfeited.

The NAP tax credits may be used to offset the following taxes and must be claimed in this order first: (1) against the annual tax on gross premium receipts of insurance companies under Chapter 148, RSMo, if applicable; (2) against the tax on banks under Section 148.030, RSMo, if applicable; (2) against the tax on other financial institutions under Chapter 148, RSMo, if applicable; (4) against corporate franchise tax under Chapter 147, RSMo, if applicable; (5) against state income tax under Chapter 143, RSMo, if applicable; or (6) against the annual tax on gross receipts of express companies under Chapter 153, RSMo, if applicable.

Approval process

The DED reviews applications in two rounds per fiscal year, but reserves the right to approve additional projects outside of the normal application rounds. Round 1 applications are expected to start on July 1st, and Round 2 applications are expected to start on January 1st.

The NAP has a fiscal year authorization cap of \$16 million. Section 32.115.2(4), RSMo, sets the limit on the 70 percent credits at \$6 million annually. The \$16 million authorization cap is broken out as follows:

Round 1 - 50 percent	\$5,000,000
Round 1 - 70 percent	\$3,000,000
Round 2 - 50 percent	\$5,000,000
Round 2 - 70 percent	\$3,000,000

Any credits not authorized in first round of a fiscal year carry over to the second round, but do not carry over to the next fiscal year.

Applicants submit an application to the DED detailing the project, its projected outcomes, and expected costs. Once DED personnel determine the application is complete and both the applicant and the project are eligible for tax credits, the application is reviewed and given a score on a 100 point scale based on the following criteria:

- Services, targeted clients, and need
- Other facilities, targets, and milestones
- Capacity (i.e. past history and fundraising capacity)
- Budget efficiency and impact



Neighborhood Assistance Program Tax Credit Introduction

While DED does not require a minimum score to be approved, DED personnel look for a logical break in the scores in each grouping of projects and approve all projects above that score. Projects falling below that score can reapply in the next round. The DED has implemented a policy limiting the amount of 50 percent credits any one project can receive to \$250,000, and the amount of 70 percent credits to \$350,000 per project.

After a project is approved, the DED notifies applicants of its agreement to award NAP state tax credits to eligible donors making qualifying donations to the project. The DED and the applicant sign a tax credit agreement that defines the relationship between the two parties and governs the use of contributions made available to the applicant for the project.

The approved applicant receives donations directly from the donor. The DED issues tax credits after receiving a completed application for tax credit from the donor. This application is accompanied by a donation verification from the project's director and specific documentation to support the donation.

Reporting

The DED provides the General Assembly and the public key program information for the NAP annually through tax credit activity reports.

Agencies administering tax credit programs are required under Section 33.282.2, RSMo, to submit the estimated amount of tax credit activity for the next fiscal year to the State Budget Director for submission to the Chairmen of the Senate Appropriations and House Budget Committees. In addition to the estimates of tax credit activity, the agencies must also include a cost-benefit analysis of the program for the preceding fiscal year. The annual estimates and cost benefit analyses are submitted on forms called tax credit activity reports. State law requires submission of the tax credit activity report to the State Budget Director by October of each year and to the Chairmen of the Senate Appropriation and House Budget Committees by January 1st of each year.

Scope and Methodology

To gain an understanding of the NAP tax credit program, we interviewed DED officials involved in the evaluation and approval of project applications, the issuance of tax credits, and the reporting process. We also discussed project oversight with Department of Revenue (DOR) personnel responsible for performing site visits. Our audit also included visits to two not-for-profit entities with approved NAP projects; one a service delivery project and the other a capital campaign project, as well as phone interviews with 4 additional participating entities.

To evaluate the project selection process, and determine whether required laws and procedures were followed, we reviewed 28 project files and related documentation, and interviewed DED staff.



Neighborhood Assistance Program Tax Credit Introduction

To understand how the economic impact of the NAP tax credit program is calculated, we met with representatives of the DED responsible for generating the economic impact estimates. We interviewed DED staff regarding assumptions provided by the entities to calculate the economic impact of the tax credit.

We obtained aggregate totals of annual tax credit redemptions from the DOR. In accordance with the Missouri Supreme Court decision in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974), auditors are not provided individual tax returns. As a result, auditors were not able to verify the completeness and accuracy of redemption data provided.

Neighborhood Assistance Program Tax Credit

Management Advisory Report

State Auditor's Findings

1. Program Administration

Opportunities exist to improve the administration of the Neighborhood Assistance Program (NAP) tax credit. The DED does not provide accurate and useful information to allow the General Assembly to properly review and determine the effectiveness of the NAP. In addition, the current project selection scoring system used to rate potential projects appears well-designed, however, current program policy guidelines require the same funding limits for all approved projects regardless of rating. Amending program guidelines to allow additional funding that reflects the results of the scoring system would help maximize the effectiveness of the program and take full advantage of the scoring system in place. Currently, DED does not always follow program guidelines and justification for exceptions to guidelines is not adequately documented. Decisions to award additional funding to specific projects should be made in accordance with policy guidelines, using consistent and objective criteria, and the justification be well documented.

1.1 Economic impact

The DED does not provide accurate and useful information to allow the General Assembly to properly review and determine the effectiveness of the NAP. Without accurate information, legislators cannot determine if the program should continue, be modified or terminated. Program activity projections reported by the DED to the General Assembly annually on the tax credit activity report assume full utilization and overstate the economic impact of the NAP tax credit program

According to the fiscal year 2014 tax credit activity report prepared by the DED, over the next 10 years the \$11.9 million in credits authorized in fiscal year 2014 will return \$0.16 in state revenue for every dollar of tax credit authorized, create \$82.7 million in new economic output, including \$8.7 million in construction spending, and \$7 million in additional earnings for 1,040 individuals receiving either a high school diploma or GED. The economic activity projections reported are based on data provided in the preliminary project applications.

DED projections assume 100 percent of authorizations will be utilized; however, program data shows approximately 14 percent of credits authorized are not issued because some projects may fall short of donation goals and require less tax credits than planned. Adjusting economic projections to account for uncompleted projects would provide a more accurate picture of the economic impact of the program.

1.2 Selection process

The NAP project selection process does not ensure the most effective use of program resources. While state statute does not establish a per project tax credit limit, the DED has implemented per project limits of up to \$250,000 for 50 percent credits and \$350,000 for 70 percent credits. Current program guidelines do not allow for credits to be awarded in excess of per project limits. Per DED, the project limits in place are intended to provide broad access to the program and finance a number of projects each year. However,



Neighborhood Assistance Program Tax Credit Management Advisory Report - State Auditor's Findings

the DED is not taking full advantage of the scoring system in place, and does not ensure the most highly rated projects receive adequate funding. As a result, highly rated projects may be at risk of not being completed, and a significant portion of tax credits are left unauthorized each year.

During the 2 years ended June 30, 2015, there were 128 projects approved. Under the current process, the highest rated of those projects were subject to the same authorization limit as the lowest. In addition, of the \$32 million in credits statutorily available to be authorized for the 2 years ended June 30, 2015, \$6.6 million (21 percent) was left unauthorized.

Project review

Our review identified highly rated projects with capital needs in excess of the established per project limits. For example, one 50 percent project reviewed had been awarded the maximum of \$250,000, but the not-for-profit entity still needed to raise an additional \$440,000 to begin construction. Officials with this entity stated they had identified additional potential donors, but were having difficulty obtaining additional donations because they didn't have credits left to offer. In this case, authorization of additional credits to this highly rated project would have helped ensure timely completion of the project.

Similarly, the two highest rated 70 percent projects (scores of 80.25 and 77) in the first authorization round of 2014 were capital projects awarded the \$350,000 maximum, although the projects potentially had additional capital needs. In the same authorization round, the lowest rated project receiving funding (score of 51.5) was also a capital project and also received the \$350,000 maximum.

The use of a maximum authorization limit is effective in ensuring the broad use of the program, however, modifying guidelines to allow for additional credits when justified may help ensure the completion of certain projects or ensure the delivery of additional services for highly rated projects. Utilizing the scoring system in place to ensure the most highly rated projects can receive additional tax credits when appropriate would help increase the effectiveness of the program.

1.3 Program guidelines

The DED did not always follow program guidelines when authorizing tax credits. Though current program guidelines appear to provide for no exceptions to the per project limits, our review noted 4 of the 128 projects approved were authorized credits for significantly more than DED's authorization limit (discussed in finding 1.2). No justification for exceeding the limit was documented. The total authorized amount for these 4 projects was \$3.4 million in NAP tax credits, or approximately \$2.4 million over the authorization limit. We noted the following issues with these 4 project applications:



Neighborhood Assistance Program Tax Credit Management Advisory Report - State Auditor's Findings

- Two of the four projects were not subjected to the project scoring and evaluation process. Under the normal process, NAP tax credit project applications are first reviewed for eligibility, and then scored on a 100 point scale using pre-established evaluation criteria, by a panel of scorers. For the two projects in question, credits were authorized without such an evaluation or scoring.
- No justification was documented or provided for why these 4 projects warranted additional authorizations. As noted above, two projects were not scored. The other two projects received scores that did not seem to justify the additional authorizations. One project was authorized tax credits of approximately \$1.5 million and received a score of 70, which would generally place it in the middle of the projects selected during a normal evaluation process. The other project was authorized credits of \$900,000 and received a score of 60.25, which would generally rank it at the bottom of the projects selected for authorization. During several funding rounds in our review period, projects with such a score would have fallen below the cutoff for funding and not received any authorizations.

Three of the projects were involved in other state programs (2 through the Department of Elementary and Secondary Education and 1 through the Department of Natural Resources Division of Missouri State Parks) and were referred to the DED from those agencies. While state statutes provide the DED significant flexibility in how to decide which projects should receive NAP tax credits, ensuring projects are evaluated in a consistent manner provides the DED and the public assurance program resources are being used in the most fair and effective way possible. Determining which projects are worthy of tax credits in excess of the established authorization limits in an objective and structured manner provides the public and stakeholders assurance any tax credits authorized are justified.

Recommendations

The DED:

- 1.1 Report economic benefit projections to the General Assembly that more accurately reflect program performance.
- 1.2 Consider modifying program guidelines related to authorization limits to allow for additional funding when justified for higher rated projects identified by the scoring system.
- 1.3 Ensure all project applications are evaluated in a consistent manner and ensure the justification for any credits authorized above authorization limits is documented.



Neighborhood Assistance Program Tax Credit
Management Advisory Report - State Auditor's Findings

Auditee's Response

1.1 *The economic benefit projections performed by DED related to the Missouri Neighborhood Assistance Tax Credit Program are performed in accordance with Section 33.282.2, RSMo, and based on information submitted by tax credit applicants pursuant to Sections 32.100 to 32.125, RSMo, and the Tax Credit Accountability Act of 2004, Sections 135.800 to 135.830, RSMo.*

1.2 *DED will evaluate and determine the best method for providing the potential increases in credit awards and define the process to accomplish the same. DED and the non-profit community can work together to define circumstances to award more funding at the application stage as well as after the award, and incorporate those processes into the guidelines. The process will include the means to provide awards in excess of \$500,000.*

Currently, DED allows not-for-profits to request increases after the original approval in tax credits up to a \$500,000 budget: (1) after they have determined the additional demand for the service, (2) after they have determined the availability of new donors, and (3) after DED has determined their capacity to deliver the additional results. Those same parameters will create the basis for how decisions for additional credits may be made at either point (at application stage or after project has proceeded).

Consistent with the Auditor's comments, DED will create a clear process, established in guidelines, that: avoids paying more for accomplishing the same result; or providing additional funding to non-profits without the capacity to serve additional needs, or limiting outcomes where circumstances may provide for increased awards of credits.

1.3 *DED appreciates the Auditor's comments and the need for consistency. The two projects referenced that were not subjected to the project scoring and evaluation process were a part of the Start Smart Initiative. That initiative was in partnership with the Department of Elementary and Secondary Education (DESE) and the Community Development Block Grant Program. The review and evaluation process consisted of the two departments providing expertise in their respective areas. DED evaluated the capacity of the applicants, the costs of the project (cost per square foot, cost/beneficiary), need in the community for the facility, the impact this facility will have on the need identified, and sustainability of the project. DESE evaluated the quality of the curriculum, the staff, professional, and teacher required qualifications, outcomes projected and identified the strengths and weaknesses of their proposed plan.*



Neighborhood Assistance Program Tax Credit
Management Advisory Report - State Auditor's Findings

DED will amend its evaluation process to reflect the Auditor's comments. DED will add documentation to the file for any project authorized credits above the guidelines.

Neighborhood Assistance Program Tax Credit

The following table lists the Neighborhood Assistance Program tax credits authorized, issued, and redeemed for fiscal years 2005 through 2015. The figures presented reflect amounts provided as of our fieldwork completion and may not reflect amounts reported by the DED on past or future tax credit activity reports.

Fiscal Year		Amount Authorized	Amount Issued	Amount Redeemed
2005	\$	11,904,526	11,263,135	9,232,117
2006		13,215,892	13,150,725	9,911,355
2007		11,938,233	13,176,389	13,808,031
2008		13,735,379	13,222,190	10,743,394
2009		13,039,981	11,447,049	12,869,703
2010		10,806,606	10,284,768	10,032,256
2011		11,568,409	8,129,873	8,505,828
2012		12,338,129	8,493,353	9,757,102
2013		14,157,914	10,144,225	7,392,113
2014		11,875,480	9,640,126	10,848,983
2015		15,974,536	11,435,785	8,230,286
Total	\$	140,555,085	120,387,618	111,331,168

Source: DED Customer Management System

Tax Credit Redemptions

The following table shows redeemed tax credits for fiscal years 2012 through 2015 for all state tax credit programs. We did not audit the information.

Program	Year Ended June 30,			
	2012	2013	2014	2015
Adoption (Special Needs)	\$ 1,036,226	744,155	718,495	380,715
Affordable Housing Assistance	5,629,466	7,406,988	5,620,750	3,358,808
Agricultural Product Utilization Contributor	1,468,156	1,267,239	2,022,953	1,051,662
Alternative Fuel Infrastructure	45,690	69,454	784	7,785
Amateur Sporting	n/a	n/a	n/a	38,610
Bank Franchise	2,333,619	2,559,444	3,224,212	2,245,779
Bank Tax Credit for S Corporation Shareholders	5,523,276	4,533,837	2,607,870	6,298,018
Brownfield Jobs/Investment	1,660,626	68,693	105,842	89,422
Brownfield Remediation	16,967,400	6,378,613	5,354,819	7,492,114
Business Use Incentives for Large-Scale Development (BUILD)	6,591,948	8,212,533	8,533,926	7,990,466
Business Facility	4,867,041	4,572,711	6,622,467	4,493,611
Certified Capital Business ²	411,014	590,235	345,678	147,614
Charcoal Producers ¹	59,595	0	0	0
Children in Crisis	629,456	792,368	930,769	999,990
Community Development Corporation ²	224	231	261	0
Development Tax ¹	3,856,648	3,863,814	3,301,504	3,087,640
Developmental Disability Care Program	0	7,819	92,993	16,794
Disabled Access	24,791	14,603	13,340	16,525
Distressed Areas Land Assemblage	7,558,203	1,651,415	9,491,328	4,018,256
Domestic Violence	988,996	851,517	1,079,795	901,392
Dry Fire Hydrant ¹	3,124	0	264	34
Enhanced Enterprise Zone	7,324,093	6,451,698	7,423,842	5,400,268
Enterprise Zone ¹	232,990	557,312	504,129	147,773
Examination Fees and Other Fees	4,926,191	5,886,105	5,042,337	5,511,518
Family Development Account	10,616	95	0	0
Family Farms Act	53,948	32,032	22,770	24,981
Film Production	4,839,217	56,665	119,800	389,942
Food Pantry	796,156	72,822	840,234	1,118,866
Historic Preservation	133,937,747	78,814,711	59,829,671	47,638,885
Life and Health Guarantee Association	3,306,409	5,664,124	6,520,591	7,208,654
Low Income Housing	164,208,547	144,082,976	155,168,645	140,292,351
Maternity Home	1,354,431	1,138,969	2,051,028	1,511,157
MDFB Infrastructure Development	33,444,754	14,804,416	19,474,878	14,792,341
Missouri Automotive Manufacturing Jobs Act	0	0	5,419,607	16,460,214
Missouri Health Insurance Pool	14,318,218	16,874,865	17,830,771	5,581,543



Appendix B Tax Credit Redemptions

Program	Year Ended June 30,			
	2012	2013	2014	2015
Missouri Quality Jobs ¹	35,431,828	39,278,156	46,021,490	56,246,334
Missouri Works	n/a	n/a	146,923	3,588,785
Missouri Works Retained Jobs	n/a	n/a	7,494,768	8,570,164
Neighborhood Assistance	9,757,102	7,392,113	10,848,983	8,230,286
Neighborhood Preservation	2,159,654	1,232,214	1,789,898	1,766,763
New Enterprise Creation ²	25,000	0	0	0
New Generation Cooperative Incentive	826,953	2,100,091	4,747,230	2,842,870
New Jobs Training	4,090,193	3,081,261	6,236,452	6,319,681
New Market	15,385,989	12,934,464	18,620,744	18,353,742
Pregnancy Resource	1,892,183	1,194,477	1,715,600	1,581,045
Property Tax	117,603,638	113,962,551	107,556,467	104,810,266
Public Safety Officer Surviving Spouse	32,793	78,249	76,533	70,941
Qualified Beef	219,062	522,858	305,552	165,376
Qualified Research Expense	n/a	n/a	n/a	(44,114)
Rebuilding Communities ¹	1,388,190	1,430,329	2,095,225	1,693,099
Residential Dwelling Accessibility	6,501	10,258	6,759	18,190
Residential Treatment Agency	283,501	292,396	490,033	303,112
Retain Jobs	2,403,687	1,960,931	n/a	n/a
Self-Employed Health Insurance	1,847,045	1,811,060	2,959,063	3,418,312
Shared Care	70,004	41,645	64,991	37,056
Small Business Incubator	166,336	68,441	142,685	141,068
Small Business Investment (Capital) ¹	(19,395)	0	0	0
Transportation Development ¹	9,342	12,510	5,415	1,458
Wine and Grape Production	61,598	15,301	26,597	15,527
Wood Energy	2,282,401	3,563,209	2,853,117	2,220,340
Youth Opportunities	4,979,138	3,906,263	5,239,666	4,247,825
Total	\$ 629,311,559	512,911,236	549,760,544	513,311,854

n/a - Tax credit did not exist in this fiscal year.

¹ The tax credit has expired or has been repealed. Redemptions may be reported due to carry forward provisions.

² The tax credit program has met the cumulative program cap.

Source: Office of Administration, Department of Revenue, and tax credit administering agencies



Nicole R. Galloway, CPA
Missouri State Auditor

ELEMENTARY AND SECONDARY EDUCATION

Missouri Student Information System Data Governance



October 2015

Report No. 2015-093

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Missouri Student Information System Data Governance

Background	The Department of Elementary and Secondary Education (DESE) Office of Data System Management is responsible for the Missouri Comprehensive Data System, which includes the Missouri Student Information System (MOSIS), the student-level record system. MOSIS is the main student information reporting system used by DESE to collect student-level data from school districts. The scope of our audit included DESE management's approach to data governance, including information security, privacy, and other relevant internal controls, policies and procedures, and other management functions and compliance issues.
User Account Management	DESE management has not fully established and documented user account management policies and procedures. User account management includes requesting, establishing, issuing, suspending, modifying, closing, and periodically reviewing user accounts and related user privileges. Multiple DESE users are allowed access to the MOSIS system via shared accounts; however, DESE management does not regularly monitor these accounts to ensure actions taken by account holders are appropriate.
Data Collection	Certain MOSIS system data submissions from school districts to DESE include an optional field to collect social security numbers, even when there is no business purpose to include that information. Maintaining personally identifiable information that is not necessary for business functions places students at risk should a data breach occur. By limiting this information to the least amount necessary, DESE may limit potential negative consequences in the event of a data breach.
Breach Response Policy	DESE management has not established a comprehensive data breach response policy, as recommended by the U.S. Department of Education. Without a comprehensive data breach response policy, management may not be sufficiently equipped to respond quickly and effectively in the event of a breach, increasing the risk of potential harm to affected individuals.
Business Continuity Plan	DESE established a comprehensive business continuity plan in 2004; however, the plan has not been updated or tested, increasing the risk the plan may not be adequate to support the timely recovery of business functions after the occurrence of a disaster or other significant incident. Without an up-to-date or tested business continuity plan, management has limited assurance the organization's business functions can be sustained during or promptly resumed after a disruptive incident.

In the areas audited, the overall performance of this entity was Good.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Missouri Student Information System Data Governance

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology.....	6

Management Advisory	
Report - State Auditor's	
Findings	
1. User Account Management	8
2. Data Collection.....	9
3. Breach Response Policy	10
4. Business Continuity Plan.....	11



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Dr. Margie Vandeven, Commissioner
Department of Elementary and Secondary Education
Jefferson City, Missouri

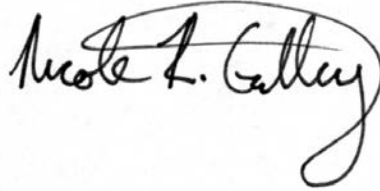
We have audited the Department of Elementary and Secondary Education, Missouri Student Information System (MOSIS) data governance in fulfillment of our duties under Chapter 29, RSMo. This audit was conducted to evaluate the effectiveness of the data governance approach, including security and privacy controls designed to secure student data and as a result of increasing concerns regarding security of information maintained in state databases. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions.
2. Evaluate compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and information system control activities.
4. Evaluate the security and privacy controls designed to ensure the confidentiality, integrity, and availability of data and information maintained by the MOSIS system.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) no deficiencies in internal controls, (2) no significant noncompliance with legal provisions, (3) the need for improvement in management policies and procedures, and (4) the need to fully establish certain security and privacy controls.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Elementary and Secondary Education, Missouri Student Information System Data Governance.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Jeffrey Thelen, CPA, CISA
In-Charge Auditor:	Patrick M. Pullins, M.Acct., CISA
Audit Staff:	Hussein A. Arwe

Missouri Student Information System Data Governance

Introduction

Background

The Department of Elementary and Secondary Education (DESE) reports to the State Board of Education and is primarily a service agency working with educators, legislators, government agencies and citizens to maintain the state's public education system. According to the department's website, DESE strives to guarantee the superior preparation and performance of every child in school and in life through its statewide school-improvement initiatives and regulatory functions. To help carry out this mission, the DESE utilizes a series of information systems to collect, analyze, and report student-level information.

The DESE Office of Data System Management is responsible for the Missouri Comprehensive Data System, which includes the Missouri Student Information System (MOSIS), the student-level record system. The office coordinates school district data team training and certification regarding the use of data to improve classroom instruction. In addition, the office collects and generates data to meet federal reporting requirements and compliance, as well as providing data utilized in research and analysis that impacts policy decision-making.

The MOSIS is the main student information reporting system used by the DESE. The system is composed of two separate subsystems purchased from and supported by contractors. The MOSIS Identification (ID) component is used to assign students a unique, 10-digit number to allow schools to link an individual student's records from any district in the state. The MOSIS Data Collection component is used to collect student-level data from school districts and transmit the data to the state for processing and reporting. Data collection includes elements such as enrollment and attendance, demographics, performance information, and college and career data for evaluating the success and achievements of students.

The DESE employs a user access management system for granting and administering school district employees access rights to various DESE systems, including the MOSIS ID and MOSIS Data Collection components. Each local school district has a designated user manager or security administrator who is responsible for approving and administering employee access requests and for ensuring access remains appropriate. While the DESE has assigned responsibility for the day-to-day management of user accounts to local user managers, as system owners, DESE remains ultimately responsible for ensuring access rights are appropriate.

According to the U.S. Department of Education, Privacy Technical Assistance Center,¹ data governance is an organizational approach to data

¹ U.S. Department of Education, Privacy Technical Assistance Center, *Data Governance Checklist*, is available at <<https://nces.ed.gov/programs/ptac/pdf/data-governance-checklist.pdf>>.



Missouri Student Information System Data Governance Introduction

and information management that is formalized as a set of policies and procedures encompassing the full life cycle of data, from acquisition to use to disposal. This includes establishing policies, procedures, and standards regarding data security and privacy protection, data inventories, content and records management, data quality control, data access, data sharing and dissemination. Establishing a comprehensive data governance program helps ensure confidentiality, integrity, and availability of data and information by reducing data security risks due to unauthorized access or misuse of data.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information. Effective privacy controls depend on the safeguards employed within the information system that is processing, storing, and transmitting personally identifiable information (PII)² and the environment in which the system operates. Organizations cannot have effective privacy without a basic foundation of information security. Without proper safeguards and controls, information systems and confidential data are vulnerable to individuals with malicious intentions who can use access to obtain sensitive data or disrupt operations.

In the 2015 High-Risk Series³ update, the Government Accountability Office (GAO) expanded the scope of the information security high-risk area to include protecting the privacy of PII. The GAO expanded this risk area due to the challenges of ensuring the privacy of PII created by advances in technology. Technological advances, such as lower data storage costs and increasing interconnectivity, have allowed both government and private sector agencies to collect and process extensive amounts of PII more effectively. Risks to PII can originate from unintentional and intentional

² According to the Family Educational Rights and Privacy Act (FERPA), personally identifiable information (PII) includes, but is not limited to (a) the student's name; (b) the name of the student's parent or other family members; (c) the address of the student or student's family; (d) a personal identifier, such as the student's social security number, student number, or biometric record; (e) other indirect identifiers, such as the student's date of birth, place of birth, and mother's maiden name; and (f) other information that, alone or in combination, is linked or linkable to a specific student that would allow a reasonable person in the school community, who does not have personal knowledge of the relevant circumstances, to identify the student.

³ Report GAO-15-290, *Report to Congressional Committees, High-Risk Series An Update*, February 2015, is available at <<http://www.gao.gov/assets/670/668415.pdf>>.



Missouri Student Information System Data Governance Introduction

threats. These risks include insider threats from careless, disgruntled, or improperly trained employees and contractors; the ease of obtaining and using hacking tools; and the emergence of more destructive attacks and data thefts.

Technology advances, combined with the increasing sophistication of individuals or groups with malicious intent, have increased the risk of PII being compromised and exposed. Correspondingly, the number of reported security incidents involving PII in both the private and public sectors has increased dramatically in recent years. At the same time, state agencies are increasingly reliant on technology and information sharing to interact with citizens and to deliver essential services. As a result, the need to protect information, including PII, against cybersecurity attacks is increasingly important.

Various state and federal laws and regulations pertain to the protection of sensitive student data, including the Family Educational Rights and Privacy Act (FERPA), the Individuals with Disabilities Education Act (IDEA), and the Protection of Pupil Rights Amendment (PPRA). Additionally, Section 161.096, RSMo, passed by the Missouri Legislature in 2014, required the State Board of Education to promulgate rules regarding "student data accessibility, transparency, and accountability."

Scope and Methodology

The scope of our audit included DESE management's approach to data governance, including information security, privacy, and other relevant internal controls; policies and procedures; and other management functions and compliance issues in place for the MOSIS during the year ended June 30, 2015.

Our methodology included reviewing written policies and procedures, and interviewing various DESE personnel. We obtained an understanding of the data governance approach and applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained the employment records of all state employees for fiscal years 2001 to 2015 from the statewide accounting system for human resources. We matched these records to the MOSIS user account records to determine if any terminated employees had active accounts. No terminated state



Missouri Student Information System Data Governance Introduction

employees with active accounts were identified. Although we used computer-processed data from the human resources system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We obtained a listing of the MOSIS user account records from the user access management system for two school districts the State Auditor's office was currently auditing. We asked the selected districts to verify whether employees on the list of authorized users were current employees and whether the user access was appropriate. No employees with inappropriate access were identified. Although we used computer-processed data from the student records system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We obtained certain records from the MOSIS for testing. These records were modified and resubmitted to the system to test the functionality and accuracy of certain system data edits.⁴ We found one insignificant issue with a numeric validity edit, which we discussed with DESE management who promptly had the edit corrected. Although we used computer-processed data from the MOSIS, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards; policies and procedures; and best practices related to information technology security and privacy controls from the following sources:

- Office of Administration (OA) - Information Technology Services Division (ITSD)⁵
- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- ISACA (previously known as the Information Systems Audit and Control Association)
- U.S. Department of Education

⁴ An edit, also known as a data validity check, is program code that tests the input for correct and reasonable conditions; such as account numbers falling within a range; numeric data being all digits; and dates having a valid day, month, and year; etc.

⁵ The OA-ITSD established the Missouri Adaptive Enterprise Architecture (MAEA) to guide information technology decisions. The MAEA includes standards, policies, and guidelines and is made up of several information technology domains, including domains dedicated to security and information. The domains define the principles needed to help ensure the appropriate level of protection for the state's information and technology assets.

Missouri Student Information System Data Governance Management Advisory Report State Auditor's Findings

1. User Account Management

Department of Elementary and Secondary Education (DESE) management has not fully established and documented user account management policies and procedures. User account management includes requesting, establishing, issuing, suspending, modifying, closing, and periodically reviewing user accounts and related user privileges, according to accepted standards. User account management policies and procedures should be established for all user accounts, including system administrators.

1.1 Periodic review of user accounts

DESE management has not fully established policies and procedures for administering and reviewing user access to data to ensure access rights remain appropriate and are commensurate with job responsibilities.

DESE management has provided training and issued administrative memos to local user managers emphasizing the need to ensure user account access rights remain appropriate. However, DESE management has not established a formal policy or procedures requiring local security administrators to perform a documented review of user accounts to ensure users are still employed and access rights commensurate with job responsibilities, and to verify to the DESE that user accounts have been reviewed.

Requiring a periodic review of all accounts ensures the right type and level of access has been provided. Otherwise, user accounts and access rights can be granted to or maintained for users who should not have access, according to accepted standards.

Without requiring a periodic review of user access rights, there is an increased risk of inappropriate access, that unauthorized alterations of these rights would go undetected, or that access rights would not be aligned with current job duties.

1.2 Shared accounts

Multiple DESE users are allowed access to the MOSIS system via shared accounts. However, DESE management does not regularly monitor these accounts to ensure actions taken by account holders are appropriate.

Since the access management system only allows a user account access to a single school district, DESE employees use a separate method to gain access to student data. This method allows the use of two accounts for each of the over 500 school districts in the state. Each account allows either view-only or full access to student records for a specific district. View-only accounts are used primarily for support and technical assistance purposes, while the full access accounts are typically used to upload data to the MOSIS system prior to asking the district to review and verify the information. While the rights granted a full access account allow for uploading data to the MOSIS system, only in rare circumstances would a shared account be needed to submit data to the MOSIS for processing, according to a DESE official. For



Missouri Student Information System Data Governance Management Advisory Report - State Auditor's Findings

example if a district ceased operations, DESE staff might need to upload and submit that district's records.

Fifteen DESE users (8 with full access and 7 with view-only access) share the passwords for these accounts. While the sharing of accounts greatly decreases the administrative burden of creating and maintaining fifteen accounts at each of the over 500 school districts (over 7,500 accounts total), this process has the potential to limit accountability for changes made in the system. If the DESE determines the continued use of shared accounts is necessary, increasing account monitoring controls would reduce risk and help to increase accountability.

Accepted standards require all users to have uniquely identifiable user accounts. Allowing multiple users to share the same account, without establishing compensating controls, makes it difficult, if not impossible, to identify the user responsible for making changes to student records.

Recommendations

The DESE:

- 1.1 Periodically require school district officials perform documented reviews of user access to the MOSIS to ensure access rights remain appropriate and are commensurate with job duties and responsibilities.
- 1.2 Eliminate the use of shared accounts, or establish compensating monitoring controls over shared accounts to mitigate the risk of lack of individual accountability for system activity.

Auditee's Response

- 1.1 *The Department concurs with the recommendation and will put in place a process for access rights by June 30, 2016.*
- 1.2 *The Department concurs with the recommendation and has eliminated the shared accounts as of September 25, 2015.*

2. Data Collection

Certain MOSIS student data submissions collect personally identifiable information (PII) that is not used by the system. Maintaining PII that is not necessary for business functions places students at risk should a data breach occur.

Local school districts upload a "Student Core" data submission to the DESE through the MOSIS Data Collection component five times throughout the year. Each of these submissions has an identical file layout, with certain



Missouri Student Information System Data Governance Management Advisory Report - State Auditor's Findings

fields changing status between "Required," "Optional," "Conditional,"⁶ or "Not allowed" for each submission. Other data collections are submitted by school districts to the MOSIS Data Collection component throughout the year as well.

One of the optional fields collected by the DESE during the MOSIS "Student Core" submission is a student's Social Security Number (SSN). According to DESE staff, the number was required for students participating in the A+ Scholarship program since the number was used as a key field to link records between DESE and the Department of Higher Education systems, but the SSN is no longer used in this capacity. However, the SSN needs to be maintained as a data element in certain records that are not used on a daily basis because of the importance of using the data when linkages are needed to other record systems, such as across education levels within a state.

Accepted standards state minimization of the use, collection, and retention of PII is a basic privacy principle. By limiting PII collections to the least amount necessary to conduct its mission, the DESE may limit potential negative consequences in the event of a data breach involving PII. In addition, organizations should regularly review holdings of previously collected PII to determine whether the PII is still relevant and necessary for meeting their business purpose and mission.

Recommendation

The DESE discontinue the collection and maintenance of optional SSN data in the MOSIS Data Collection component and securely remove the data already collected that is no longer needed for business purposes. Additionally, the DESE should periodically review PII collected to ensure the collection of sensitive data remains necessary for business purposes.

Auditee's Response

The Department concurs with the recommendation and will remove the SSN collected in the MOSIS Data Collection component by June 30, 2016. In addition, the Department will ensure that the PII collected is needed for business purposes.

3. Breach Response Policy

DESE management has not established a comprehensive data breach response policy. Implementing a data breach response policy is an essential step in protecting the privacy of student data.

While the Family Educational Rights and Privacy Act (FERPA) does not contain specific breach notification requirements, the law requires recording of each data disclosure incident in the applicable record. However, the U.S.

⁶ Conditional fields may or may not be required based on the status of a second field. For example, a field indicating the student's participation in the A+ Scholarship program is conditional on the student being enrolled in grades 9 - 12.



Missouri Student Information System Data Governance Management Advisory Report - State Auditor's Findings

Department of Education recommends all educational organizations create a data breach response policy, approved by the organization's leadership, that is germane to its environment. The policy should establish goals for the response process and include the definition of a breach, staff roles and responsibilities, as well as reporting, remediation, and feedback mechanisms. The policy should be well publicized and made easily available to all personnel whose duties involve data privacy and security protection. While DESE staff provided us a document with steps to take in the event of a breach, this document had not been formally presented to or approved by DESE management and did not contain all key elements required for an effective breach response.

Documenting and formalizing operational practices and procedures with sufficient detail helps to eliminate security lapses and oversights, gives new personnel sufficiently detailed instructions, and provides a quality assurance function to help ensure operations will be performed correctly and efficiently, according to accepted standards.

Without a comprehensive data breach response policy, management may not be sufficiently equipped to respond quickly and effectively in the event of a breach, increasing the risk of potential harm to affected individuals.

Recommendation

The DESE should formally document and adopt a comprehensive data breach response policy to promote an appropriate response in the event of a breach of protected student data.

Auditee's Response

The Department concurs with the recommendation, and will be adopting a formal breach response policy by December 31, 2015, and will publish the policy in the Department administrative manual.

4. Business Continuity Plan

The DESE has established a comprehensive business continuity plan; however, the plan has not been updated or tested, increasing the risk the plan may not be adequate to support the timely recovery of business functions after the occurrence of a disaster or other significant incident.

The DESE adopted a business continuity plan in May 2004; however, the plan has not been updated since that time. The maintenance section of the plan indicates the document should be reviewed annually in December. DESE staff said the plan has not been updated since that time due to staff turnover and changes in the DESE operating environment, including the Office of Administration (OA), Information Technology Services Division (ITSD) taking over responsibility for information technology services and consolidation of facilities services within the OA - Division of Facilities Management, Design, and Construction.



Missouri Student Information System Data Governance Management Advisory Report - State Auditor's Findings

DESE staff said the plan has not been tested, primarily because critical functions of the plan (specifically the recovery of information systems and facilities) are no longer the responsibility of the DESE, but rather the OA divisions providing those services. While OA divisions do play a significant role, the business continuity plan also covers non-infrastructure issues, such as recovery team organization, communication plans, and DESE preparedness and response efforts needed to ensure critical DESE business functions could continue.

Continuity planning provides an efficient approach for agencies to develop policies and procedures for the timely recovery and restoration of critical processes and services vital to citizens, according to accepted standards. Continuity planning also provides a structured approach for developing cost-effective solutions that accurately reflect business requirements and integrate continuity planning principles into all aspects of information technology operations.

Without an up-to-date or tested business continuity plan, management has limited assurance the organization's business functions can be sustained during or promptly resumed after a disruptive incident.

Recommendation

The DESE maintain and test a comprehensive business continuity plan that reflects the current business environment.

Auditee's Response

The Department concurs with the recommendation and will update its current business continuity plan by June 30, 2016.



Nicole R. Galloway, CPA
Missouri State Auditor

PUBLIC SAFETY

Missouri Gaming Commission



October 2015
Report No. 2015-094

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Missouri Gaming Commission

Background

The Missouri Gaming Commission was established in 1993 to regulate excursion gambling boats. In addition, the Commission has been charged with overseeing the lawful operation of the game of bingo and regulating horse racing. The Commission consists of 5 members appointed by the Governor, with the advice and consent of the Senate. The Commission hires the Executive Director who oversees the operations of the Commission. From 1993 to 2015, approximately \$5.1 billion of gaming proceeds were distributed for education funding.

This audit includes a review of gaming proceeds transferred to various agencies and funds as required by state law, but does not include a review of distributions made by the Department of Elementary and Secondary Education from the Gaming Proceeds for Education Fund or disbursements of gaming funds made by other agencies.

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Missouri Gaming Commission

Table of Contents

State Auditor's Report	2
------------------------	---

Organization and Statistical Information	4
------------------------------------------	---

Appendixes

	Combined Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Changes in Cash and Investments, Year Ended -	
A-1	June 30, 2015	6
A-2	June 30, 2014	7
B	Comparative Statement of Gaming Receipts and Distributions, 2 Years Ended June 30, 2015	8
C	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2015	9
D	Comparative Statement of Expenditures (from Appropriations), 5 Years Ended June 30, 2015	10
E	Receipt and Distribution Charts, June 1, 1993 through June 30, 2015	11



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor,
and
Missouri Gaming Commission
and
William K. Seibert, Jr., Executive Director
Missouri Gaming Commission
Jefferson City, Missouri

We have audited certain operations of the Missouri Gaming Commission, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015, and 2014. The objectives of our audit were to:

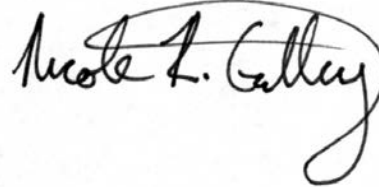
1. Evaluate the commission's internal controls over significant management and financial functions.
2. Evaluate the commission's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Gaming Commission; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the commission's management and was not subjected to the procedures applied in our audit of the commission.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Missouri Gaming Commission.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	James M. Applegate, MBA
Audit Staff:	Alexander Druzenko, MBA, CPA
	Sherrye Lesmes

Missouri Gaming Commission

Organization and Statistical Information

The Missouri Gaming Commission (commission) was established in 1993 by the Eighty-Seventh General Assembly, as specified by Chapter 313, RSMo. The Commission is assigned to the Department of Public Safety (DPS) for administrative purposes. However, the Director of the DPS has no authority or control over the commission.

Section 313.822, RSMo, provides that a tax be imposed on the adjusted gross receipts (the gross receipts from licensed gambling games and devices less the winnings paid to wagerers) at the rate of 21 percent. This section allows the home dock city or county to receive 10 percent of the adjusted gross receipts tax and the remainder to be deposited in the state treasury to the credit of the Gaming Proceeds for Education Fund. Furthermore, Article III, Section 39(d) of the Missouri Constitution requires all state revenues derived from gaming activities be appropriated solely for public institutions of elementary, secondary, and higher education.

Section 313.820, RSMo, provides that an excursion boat licensee shall pay to the commission an admission fee of \$2 for each person embarking on an excursion with a ticket of admission. One dollar shall be paid to the home dock city or county while the other dollar, per Section 313.835, RSMo, shall be deposited in the state treasury to the credit of the Gaming Commission Fund. This fund is for the purpose of funding the administrative costs of the commission relating to excursion gambling boat operations, subject to appropriation. This fund also includes revenue received by the commission for license fees, administrative fees, and reimbursement by any excursion gambling boat operation for services provided by the commission. Also, up to 1 cent of each dollar from admission fees deposited in the Gaming Commission Fund may be transferred to the Compulsive Gamblers Fund, pursuant to Section 313.842, RSMo. The Compulsive Gamblers Fund is used by the commission to administer the voluntary exclusion program for problem gamblers and programs to educate the public about problem gambling, and by the Department of Mental Health for its treatment programs.

Section 313.835, RSMo, requires the first \$500,000 of Gaming Commission Fund proceeds to be annually appropriated on a per capita basis to cities and counties that match the state portion and have demonstrated a need for funding community neighborhood organization programs for the homeless and to deter gang-related violence and crimes. In addition, the statute provides for remaining net proceeds of the Gaming Commission Fund to be transferred as follows: (1) the first \$5 million to the Access Missouri Financial Assistance Fund, plus any additionally appropriated monies; (2) the next \$3 million to the Veterans' Commission Capital Improvement Trust Fund; (3) the next \$4 million to the Missouri National Guard Trust Fund plus up to \$1.5 million, subject to appropriation by the General Assembly; and (4) the remaining net proceeds, subject to appropriation, to the Veterans' Commission Capital Improvement Trust Fund.



Missouri Gaming Commission Organization and Statistical Information

This audit includes a review of gaming proceeds transferred to various agencies and funds as required by state law, but does not include a review of distributions made by the Department of Elementary and Secondary Education from the Gaming Proceeds for Education Fund or disbursements of gaming funds made by other agencies.

The commission performs all duties and has all powers and responsibilities conferred and imposed upon it relating to the licensing and regulation of excursion gambling boats and the lawful operation of the game of bingo under Chapter 313, RSMo. Within the commission there is a Division of Gaming and a Division of Bingo. In addition, the commission is responsible for regulating horse racing under Chapter 313, RSMo. Section 313.720, RSMo, establishes the Missouri Breeders Fund, which provides incentives for breeders and owners of Missouri bred horses.

The Executive Director of the Missouri Gaming Commission is hired by the commission. Roger Stottlemire served as Executive Director until his retirement on March 1, 2015. At that time, William "Bill" K. Seibert, Jr. was named Executive Director and currently holds that position.

The Missouri Gaming Commission consists of 5 members appointed by the Governor, with the advice and consent of the Senate. Terms of members are for 3 years on a staggered basis. No person shall serve as a member more than 6 years. The chairman is appointed by the Governor.

At June 30, 2015, members of the Missouri Gaming Commission were:

Name	Term Expires
Leland M. Shurin, Chairman ¹	April 2017
Diane C. Howard, Vice Chairman ²	April 2015
Brian Jamison ³	April 2016
Larry D. Hale	April 2016
Thomas Neer	April 2017

¹ Leland M. Shurin resigned from the Commission on July 16, 2015.

² Richard Lombardo was appointed to the Commission on September 11, 2015.

³ Brian Jamison was appointed as the Commission Chair after Mr. Shurin's resignation.

At June 30, 2015, the Missouri Gaming Commission had 107 employees and 132 Missouri State Highway Patrol employees who are assigned to the commission and paid from the Gaming Commission Fund.

Appendix A-1

Missouri Gaming Commission
Combined Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Change in Cash and Investments
Year Ended June 30, 2015

	Gaming Commission Fund	Compulsive Gamblers Fund	Missouri Breeders Fund	Total (Memorandum Only)
RECEIPTS				
Admissions	\$ 44,222,953	0	0	44,222,953
Licenses, penalties, and fees	1,675,375	0	0	1,675,375
Reimbursement payments	17,577,353	0	0	17,577,353
Interest	14,455	0	418	14,873
Other	8,495	339	0	8,834
Total Receipts	<u>63,498,631</u>	<u>339</u>	<u>418</u>	<u>63,499,388</u>
DISBURSEMENTS				
Personal service	13,818,787	0	0	13,818,787
Employee fringe benefits	8,979,462	0	0	8,979,462
Expense and equipment	1,325,602	208	0	1,325,810
Total Disbursements	<u>24,123,851</u>	<u>208</u>	<u>0</u>	<u>24,124,059</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>39,374,780</u>	<u>131</u>	<u>418</u>	<u>39,375,329</u>
OTHER FINANCING SOURCES (USES)				
Appropriations exercised by other agencies	(2,945,427)	(177,781)	0	(3,123,208)
Transfers from:				
Gaming Commission Fund	0	80,000	0	80,000
Proceeds of Surplus Property Sales Fund	7,831	0	0	7,831
Transfer to:				
OA - Cost Allocation Plan	(550,364)	0	0	(550,364)
Access Missouri Financial Assistance Trust Fund	(5,000,000)	0	0	(5,000,000)
Missouri National Guard Trust Fund	(4,000,000)	0	0	(4,000,000)
Veterans' Commission Capital Improvement Trust Fund	(25,137,609)	0	0	(25,137,609)
Compulsive Gamblers Fund	(80,000)	0	0	(80,000)
Total Financing Sources (Uses)	<u>(37,705,569)</u>	<u>(97,781)</u>	<u>0</u>	<u>(37,803,350)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	1,669,211	(97,650)	418	1,571,979
CASH AND INVESTMENTS, JULY 1, 2014	637,609	154,374	85,651	877,634
CASH AND INVESTMENTS, JUNE 30, 2015	<u>\$ 2,306,820</u>	<u>56,724</u>	<u>86,069</u>	<u>2,449,613</u>

Appendix A-2

Missouri Gaming Commission
Combined Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Change in Cash and Investments
Year Ended June 30, 2014

	Gaming Commission Fund	Compulsive Gamblers Fund	Missouri Breeders Fund	Total (Memorandum Only)
RECEIPTS				
Admissions	\$ 44,870,917	0	0	44,870,917
Licenses, penalties, and fees	1,862,118	0	0	1,862,118
Reimbursement payments	15,930,865	0	0	15,930,865
Interest	15,958	0	483	16,441
Other	4,196	0	0	4,196
Total Receipts	<u>62,684,054</u>	<u>0</u>	<u>483</u>	<u>62,684,537</u>
DISBURSEMENTS				
Personal service	13,296,848	0	0	13,296,848
Employee fringe benefits	8,388,278	0	0	8,388,278
Expense and equipment	1,330,381	0	4,000	1,334,381
Total Disbursements	<u>23,015,507</u>	<u>0</u>	<u>4,000</u>	<u>23,019,507</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>39,668,547</u>	<u>0</u>	<u>(3,517)</u>	<u>39,665,030</u>
OTHER FINANCING SOURCES (USES)				
Appropriations exercised by other agencies	(3,094,850)	(117,235)	0	(3,212,085)
Transfers from:				
Gaming Commission Fund	0	150,000	0	150,000
Proceeds of Surplus Property Sales Fund	5,622	0	0	5,622
Transfer to:				
OA - Cost Allocation Plan	(591,710)	0	0	(591,710)
Access Missouri Financial Assistance Trust Fund	(5,000,000)	0	0	(5,000,000)
Missouri National Guard Trust Fund	(4,000,000)	0	0	(4,000,000)
Veterans' Commission Capital Improvement Trust Fund	(26,792,691)	0	0	(26,792,691)
Compulsive Gamblers Fund	(150,000)	0	0	(150,000)
Total Financing Sources (Uses)	<u>(39,623,629)</u>	<u>32,765</u>	<u>0</u>	<u>(39,590,864)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>44,918</u>	<u>32,765</u>	<u>(3,517)</u>	<u>74,166</u>
CASH AND INVESTMENTS, JULY 1, 2013	<u>592,691</u>	<u>121,609</u>	<u>89,168</u>	<u>803,468</u>
CASH AND INVESTMENTS, JUNE 30, 2014	<u>\$ 637,609</u>	<u>154,374</u>	<u>85,651</u>	<u>877,634</u>

Appendix B

Missouri Gaming Commission Comparative Statement of Gaming Receipts and Distributions

	Year Ended June 30,	
	2015	2014
Receipts		
Gaming proceeds	\$ 355,728,870	352,154,894
Admissions	88,128,214	90,087,470
Bingo taxes	1,771,432	1,810,599
Licenses, penalties, and fees	1,675,375	1,862,118
Reimbursement payments	17,577,353	15,930,865
Interest	10,387	11,658
Other	8,476	4,196
Total	<u>\$ 464,900,107</u>	<u>461,861,800</u>
Distributions *		
Gaming Commission Fund	\$ 63,498,631	62,684,054
Gaming Proceeds for Education Fund	320,383,840	316,930,649
Home Dock Cities	79,246,932	80,432,042
Bingo Proceeds for Education Fund	1,770,286	1,814,572
Missouri Breeders Fund	418	483
Total	<u>\$ 464,900,107</u>	<u>461,861,800</u>

* Distributions represent distributions of receipts for the fiscal year, a portion of which is disbursed after the end of the fiscal year.

Appendix C

Missouri Gaming Commission
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2015			2014		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
COMPULSIVE GAMBLERS FUND						
Expense And Equipment	\$ 56,310	208	56,102	56,310	0	56,310
Total Compulsive Gamblers Fund	56,310	208	56,102	56,310	0	56,310
GAMING COMMISSION FUND						
Divisions of Gaming and Bingo:						
Personal Service	14,315,963	13,818,787	497,176	13,889,507	13,296,848	592,659
Expense and Equipment	1,726,519	1,325,452	401,067	1,726,519	1,330,208	396,311
Fringe benefits and insurance premiums for State Highway Patrol employees assigned to work under the direction of the Gaming Commission:						
Personal Service	6,605,754	5,835,992	769,762	6,605,754	5,340,511	1,265,243
Expense And Equipment	267,317	197,914	69,403	267,317	241,379	25,938
Refund any overpayment or erroneous payment of any amount credited to the Gaming Commission Fund	100,000	150	99,850	100,000	0	100,000
Total Gaming Commission Fund	23,015,553	21,178,295	1,837,258	22,589,097	20,208,946	2,380,151
BINGO PROCEEDS FOR EDUCATION FUND						
Bingo refunds	5,000	0	5,000	5,000	0	5,000
Total Bingo Proceeds For Education Fund	5,000	0	5,000	5,000	0	5,000
MISSOURI BREEDERS FUND						
Breeder incentive payments	5,000	0	5,000	5,000	4,000	1,000
Total Missouri Breeders Fund	5,000	0	5,000	5,000	4,000	1,000
Total All Funds	\$ 23,081,863	21,178,503	1,903,360	22,655,407	20,212,946	2,442,461

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2015	2014
Gaming Commission Fund		
Personal Service	\$ 429,479	416,685
Expense and Equipment	51,796	51,796
Total Gaming Commission Fund	\$ 481,275	468,481

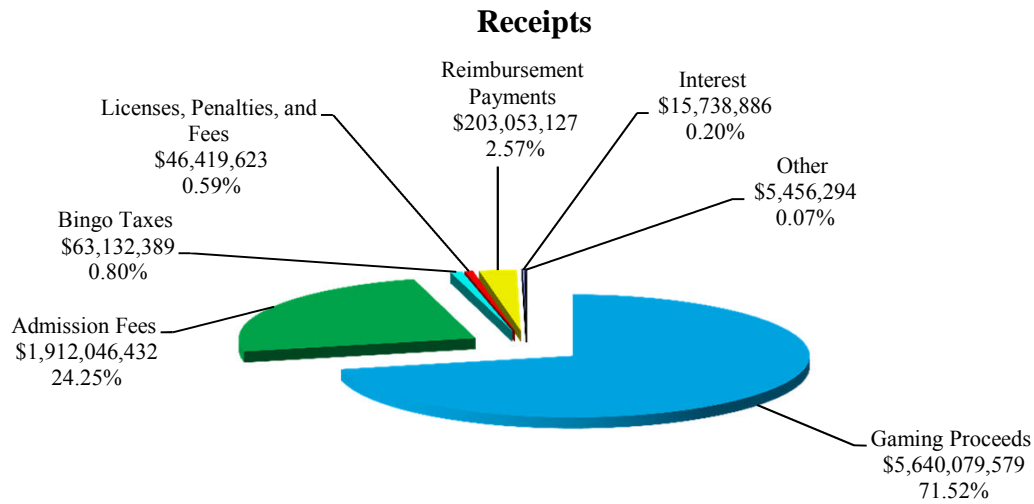
Appendix D

Missouri Gaming Commission Comparative Statement of Expenditures (from Appropriations)

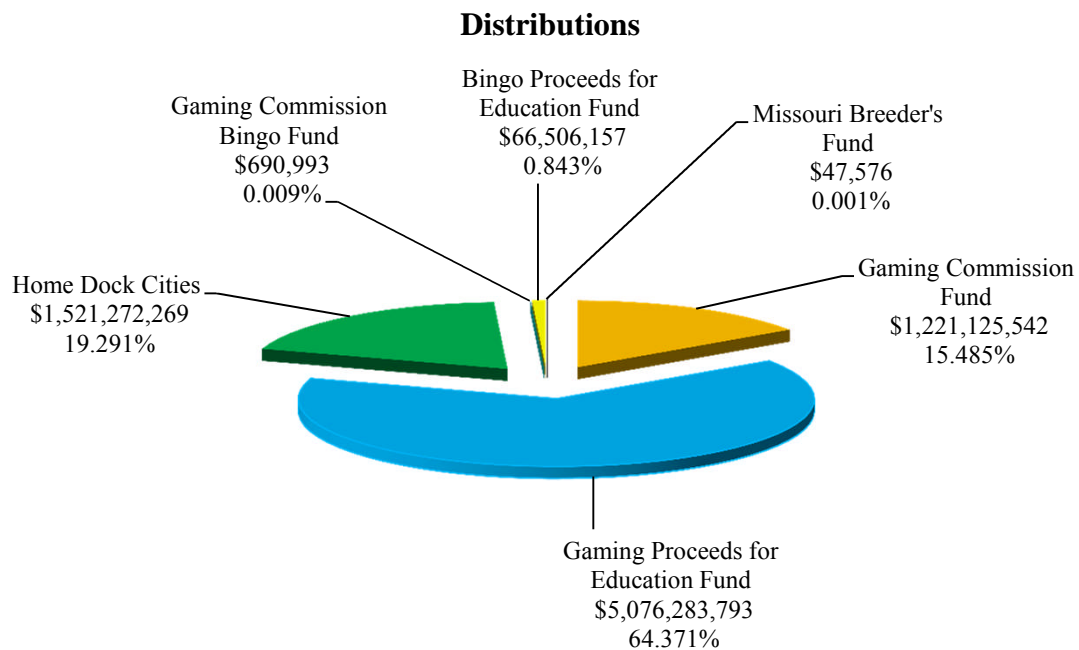
	Year Ended June 30,				
	2015	2014	2013	2012	2011
Personal services	\$ 13,818,787	13,296,848	12,716,216	12,153,018	12,197,262
Benefits	5,835,992	5,340,511	5,139,269	5,035,211	4,506,233
Travel, in-state	72,115	88,326	117,879	92,767	118,174
Travel, out-of-state	136,648	131,510	104,617	105,737	88,385
Fuel and utilities	0	0	35,418	34,038	35,195
Supplies	74,732	61,042	81,659	90,639	83,812
Professional development	58,063	61,023	67,735	55,212	55,771
Communication services and supplies	301,556	275,900	265,791	250,028	255,096
Professional services	262,311	269,922	333,359	269,601	383,136
Housekeeping and janitorial services	1,350	1,350	20,380	20,762	23,029
Maintenance and repair services	138,709	140,908	191,222	143,462	184,972
Computer equipment	232,342	245,611	268,744	206,774	261,671
Office equipment	15,876	6,039	12,924	19,445	18,194
Other equipment	1,450	27,629	34,563	6,472	7,320
Property and improvement	240	0	250	525	6,315
Building lease payments	750	1,252	311,701	317,502	404,559
Equipment rental and lease payments	1,025	600	447	455	568
Insurance and surety bond premiums	197,914	241,379	202,120	211,087	221,881
Miscellaneous expenditures	28,493	23,096	34,118	23,979	9,817
Refunds	150	0	1,000	95,200	27,850
Total Expenditures	<u>\$ 21,178,503</u>	<u>20,212,946</u>	<u>19,939,412</u>	<u>19,131,914</u>	<u>18,889,240</u>

Appendix E

Missouri Gaming Commission Receipt and Distribution Charts July 1, 1993 through June 30, 2015



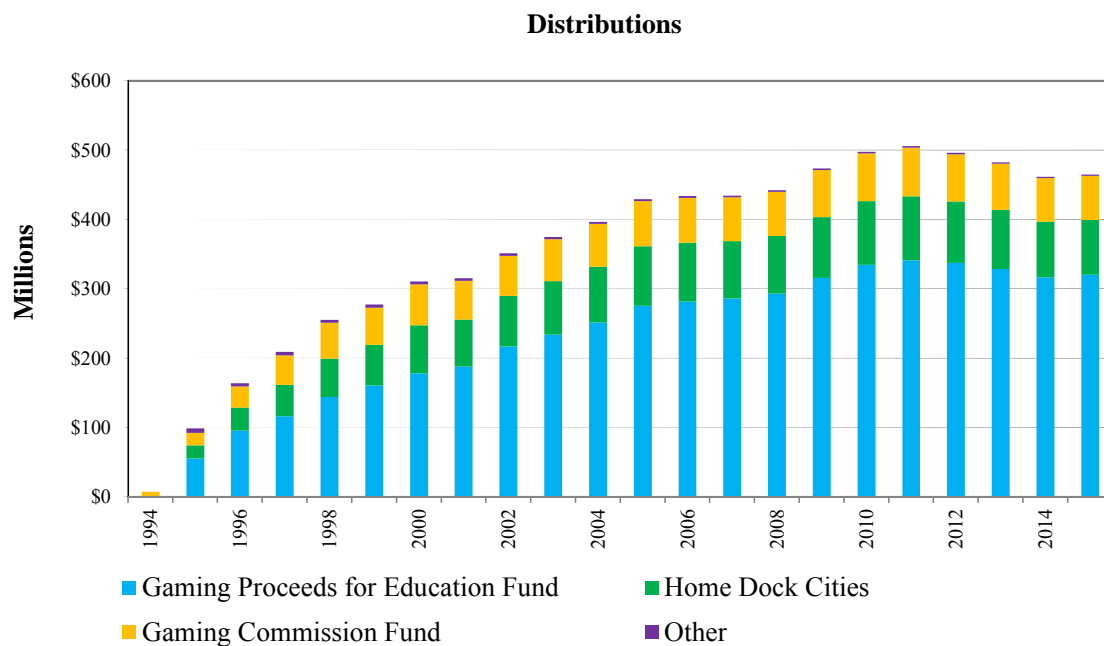
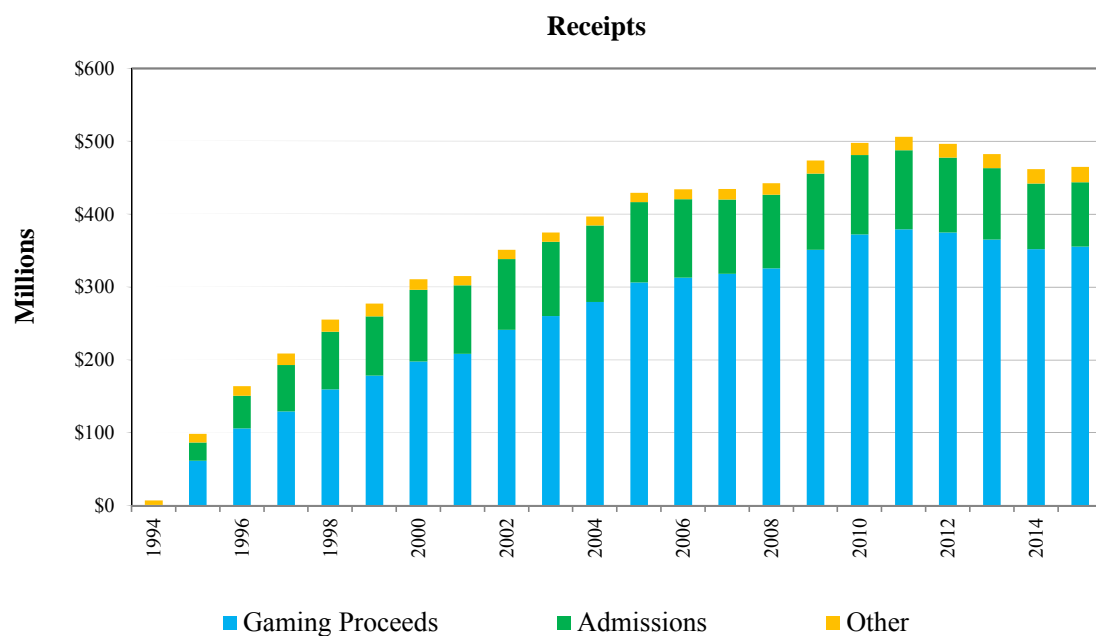
Total Receipts: \$7,885,926,330



Total Distributions: \$7,885,926,330

Appendix E (continued)

Missouri Gaming Commission
 Receipt and Distribution Charts
 July 1, 1993 through June 30, 2015





Nicole R. Galloway, CPA
Missouri State Auditor

Fenton Crossing Transportation Development District



October 2015

Report No. 2015-095

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Fenton Crossing Transportation Development District

Background	The Fenton Crossing Transportation Development District (TDD) is located in the City of Fenton. The district was organized in February 2000 by petition of the property owner within the proposed district. The Fenton Crossing TDD was formed for the purpose of road and bridge construction; including demolition, excavation, utility relocation, sidewalk installation, curb and gutter installation, storm water control, traffic signalization, and landscaping. The Missouri Department of Transportation and the city are the public entities with jurisdiction over the project and serve as the Local Transportation Authorities (LTAs). The project was completed and the LTAs accepted dedication of the project in November 2000. The city issued Tax Increment Financing (TIF) bonds to finance the project and the TDD approved the imposition of a 1-cent (1 percent) sales tax on all taxable transactions within the district. The TDD makes payments to the city to help repay a portion of the TIF bonds, after paying Economic Activity Taxes to the TIF district and paying administrative costs of the TDD.
Statutory Requirement	Section 238.275, RSMo, requires the State Auditor to determine the financial status of a TDD before it may be abolished. The law prohibits the abolition of a TDD while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets or while the TDD is insolvent, in receivership or under the jurisdiction of a bankruptcy court.
Excess Funds	The TDD has accumulated a significant excess of funds after repaying all obligations. The TDD's final bond payment was made on October 1, 2014, but the amount paid to the city was \$105,611 more than the balance on the obligation. The excess was refunded to the TDD in April 2015. The TDD notified the Department of Revenue in March 2015 to rescind the sales tax, which was effective as of July 1, 2015. Because final sales tax collections will not be remitted until sometime after the July 2015 rescission date, sales taxes will likely continue to accumulate. The TDD's cash balance had increased to approximately \$449,000 as of July 15, 2015. State law requires any accumulated cash balances be remitted to the LTAs once a vote to abolish has occurred.
Financial Status	The audit of the Fenton Crossing TDD indicates the financial condition of the district is such that it may be abolished.

Because of the limited objective of this audit, no overall rating is issued.

Fenton Crossing Transportation Development District

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
Financial Status	4
Excess Funds	5



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Nicholas Sansone, Chairman
and
Board of Directors
Fenton Crossing Transportation Development District
Fenton, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On February 24, 2015, the Board of Directors of the Fenton Crossing Transportation Development District approved a resolution of its intent to dissolve the district and request an audit as required by statute. The State Auditor was subsequently notified of this resolution.

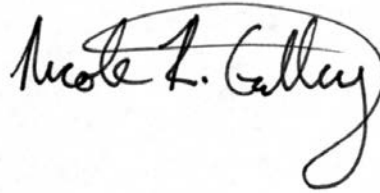
The district engaged Wade Stables, Certified Public Accountants to audit the district's financial statements for the year ended December 31, 2014. To minimize duplication of effort, we reviewed the report of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014, and the period from January 1 through May 31, 2015. The objectives of our audit were to evaluate the financial status of the district and determine whether it may be abolished pursuant to law.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The audit determined the district's Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo.

The accompanying Management Advisory Report presents our findings arising from our audit of the Fenton Crossing Transportation Development District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Wayne Kauffman, MBA

Fenton Crossing Transportation Development District Management Advisory Report State Auditor's Findings

Financial Status

Our audit of the Fenton Crossing Transportation Development District (TDD) indicates the financial condition of the district is such that it may be abolished pursuant to state law.

The Fenton Crossing TDD is located in the City of Fenton. The district was organized in February 2000 by petition of the property owner within the proposed TDD. The members of the Board of Directors are representatives of the property owner. The district has a fiscal year end of December 31 and obtained an independent audit for the year ended December 31, 2014.

In June 2000, the qualified voters of the Fenton Crossing TDD, in this case the property owner, approved the imposition of a 1-cent (1 percent) sales tax on all taxable transactions within the boundaries of the district. The Board of Directors subsequently passed a resolution formally establishing the sales tax rate to be effective July 7, 2000, until June 30, 2020, unless terminated sooner. The retail establishments within the district collected and remitted the sales tax to the Missouri Department of Revenue (DOR). In turn, the DOR disbursed the sales tax monies to the district.

The Fenton Crossing TDD was formed for the purpose of road and bridge construction; including demolition, excavation, utility relocation, sidewalk installation, curb and gutter installation, storm water control, traffic signalization, and landscaping. The Missouri Department of Transportation and the city are the public entities with jurisdiction over the project and serve as the Local Transportation Authorities (LTAs). The project was completed and the LTAs accepted dedication of the project in November 2000.

The city issued Tax Increment Financing (TIF) bonds for \$10,205,000 in November 2000, to finance the projects. The city issued refunding TIF bonds for \$4,395,000 in October, 2010. Sales taxes collected by DOR and remitted to the district were pledged to help repay a portion of the TIF debt. The trustee bank distributed amounts received, first for the payment of the district's share of Economic Activity Taxes (EATS) to the TIF district, next for administrative costs of the district, and any remaining amount to the city as rental payments for the TDD project. The EATS and rental payments to the city both served as sources to help retire the TIF bonds.

On February 24, 2015, the Fenton Crossing TDD Board approved resolutions formalizing its intent to dissolve the district and repealing its sales tax. In May 2015, the TDD Administrator advised the State Auditor's office (SAO) of the Board's intent to dissolve and requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo.

The SAO has performed an audit of the Fenton Crossing TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit



Fenton Transportation Development District Management Advisory Report - State Auditor's Findings

the district to determine its financial status, and determine whether it may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against it; if its liabilities exceed its assets; or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the Fenton Crossing TDD for the year ended December 31, 2014, and the period from January 1 through May 31, 2015.

	Period of January 1, 2015 to May 31, 2015	Year Ended December 31, 2014
RECEIPTS		
Sales taxes	\$ 151,038	406,435
Interest	5	6
Refund from LTA	105,611	0
Total Receipts	256,654	406,441
DISBURSEMENTS		
Legal	5,505	5,505
Administration	6,000	12,000
Miscellaneous	140	455
Accounting and auditing	0	2,500
Insurance	0	951
Debt service and Tax Increment Financing	0	310,416
Bank fees	310	465
Total Disbursements	11,955	332,292
RECEIPTS OVER (UNDER) DISBURSEMENTS	244,699	74,149
BEGINNING CASH	118,463	44,314
ENDING CASH	\$ 363,162	118,463

Based on our audit, the cash balance of the Fenton Crossing TDD at May 31, 2015, was \$363,162. The Board Chairman indicated there are no outstanding billings that represent an outstanding liability to the district.

Based on our audit, the Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.

Excess Funds

The TDD has accumulated a significant excess of funds after repaying the TDD's obligations. The TDD's final payment on the outstanding bonds was made by the trustee bank on October 1, 2014, but the amount paid to the city on that date was \$105,611 more than the balance on the obligation. The excess was refunded to the TDD in April 2015.

On November 4, 2014, the Board met and chose to not rescind the sales tax immediately, but to allow some time to consider whether additional transportation projects should be constructed. At its February 24, 2015, meeting the Board determined additional projects were unnecessary and passed a resolution to abolish the TDD. On March 13, 2015, a representative



Fenton Transportation Development District Management Advisory Report - State Auditor's Findings

of the TDD notified the DOR to rescind the TDD sales tax. Based on the date this request was received, DOR was unable to rescind the sales tax until July 1, 2015. Sales tax receipts and the refund of the overpayment accumulated to a cash balance of \$363,162 as of May 31, 2015. In addition, since final sales tax collections will not be remitted until sometime after the July 2015 rescission date, sales taxes will likely continue to accumulate. The TDD's cash balance had already increased to approximately \$449,000 as of July 15, 2015.

Section 238.275.5(1), RSMo, requires the TDD to transfer all real and personal property, including the accumulated cash balances and revenues due, to the LTA once the majority of those voting within the district have voted to abolish and the State Auditor has determined the district may be abolished.

Recommendation

The Board of Directors ensure the remaining funds are disbursed to the appropriate LTAs upon final abolishment of the TDD.

Auditee's Response

The Board of Directors will ensure that all remaining funds are disbursed to the appropriate local transportation authorities upon final abolishment of the TDD.



Nicole R. Galloway, CPA

Missouri State Auditor

Holt County



October 2015
Report No. 2015-096

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Holt County

Sheriff's Controls and Procedures	The Sheriff operates a jail and contracts with a vendor to provide a commissary for inmates to purchase snacks and personal items. The Sheriff also handles money received for concealed carry weapon permits, bonds posted for bail, and various other items. The Sheriff has not adequately segregated the duties related to handling money for the commissary account, and no supervisory review of accounting records is performed, putting the county at risk for potential mismanagement. A running balance is not maintained in the checkbook register for the fee account, which means bank balances can't be reconciled against the checkbook register. Monthly lists of amounts owed are also not prepared, so there is less assurance that available cash is sufficient to pay all liabilities.
Passwords	The County Commission has not established adequate password controls for county offices. Employees in the offices of the County Collector, Prosecuting Attorney, Ex Officio Recorder of Deeds, and County Assessor are not required to periodically change their passwords, putting accounts at risk for unauthorized access.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Holt County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Sheriff's Controls and Procedures4
Findings	2. Passwords5

Organization and Statistical	6
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Holt County

We have audited certain operations of Holt County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Holt County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

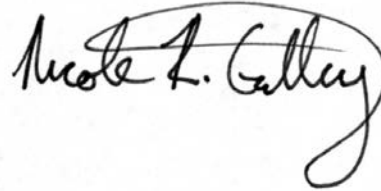
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Holt County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Keisha Williams

Holt County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Despite similar concerns noted in prior audits, weaknesses continue to exist in the Sheriff's accounting controls and procedures. The Sheriff operates a jail and contracts with a vendor to provide a commissary for inmates to purchase various snacks and personal items, in addition to handling money for bonds, conceal carry weapon permits, board bills, phone system commissions, and other miscellaneous receipts. Receipts for the fee account and commissary account totaled approximately \$58,000 and \$13,000, respectively for the year ended December 31, 2014.

1.1 Segregation of duties

The Sheriff has not adequately segregated the receipt and disbursement duties for the commissary account, and no supervisory review of the accounting records is performed. A jailer/dispatcher is primarily responsible for commissary accounting duties, including recording transactions, taking deposits to the bank, and disbursing funds. There is no independent and/or supervisory review of commissary accounting records over receipting, depositing, or disbursement procedures to ensure monies are properly and timely recorded, deposited, and disbursed.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement an adequate independent or supervisory review of accounting and bank records.

1.2 Bank reconciliations and liabilities

Bank reconciliations are not reconciled to the book balance of the fee account because a running balance is not maintained in the checkbook register. In addition, a monthly list of liabilities is not prepared and reconciled to the cash balance of the fee account. As of March 31, 2015, the reconciled bank balance for the fee account was \$5,003, and we identified \$2,438 in liabilities, resulting in an unidentified balance of \$2,565.

Maintaining running book balances in checkbook registers and performing monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the reconciled cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities. Further, various statutory provisions provide for the disposition of unidentified monies.

Recommendations

The Sheriff:

- 1.1 Adequately segregate accounting duties or ensure an independent or supervisory review of accounting and bank records is performed and documented.
- 1.2 Maintain a running balance in the checkbook register and reconcile the bank balance to the book balance monthly. In addition, ensure a



Holt County
Management Advisory Report - State Auditor's Findings

list of liabilities is prepared and reconciled to the cash balance monthly. Any differences should be promptly investigated. After sufficient efforts are made to resolve differences, any remaining unidentified monies should be disposed of in accordance with state law.

Auditee's Response

- 1.1 *I agree and will ensure a supervisory review of the accounting and bank records is performed and documented in the future.*
- 1.2 *This recommendation has been implemented. A running balance is now maintained and is reconciled to the bank account monthly. We are now preparing lists of liabilities monthly and the difference identified during the audit has been investigated and distributed to the County Treasurer.*

2. Passwords

The County Commission has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the offices of the County Collector, Prosecuting Attorney, Ex Officio Recorder of Deeds, and County Assessor are not required to periodically change their passwords.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords are not periodically changed by employees in these offices, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

Recommendation

The County Commission work with county officials to require employees periodically change their passwords to prevent unauthorized access to the county's computers and data.

Auditee's Response

We agree and will work with our elected officials and network providers to strengthen controls over passwords.

Holt County

Organization and Statistical Information

Holt County is a county-organized, third-class county. The county seat is Oregon, Missouri.

Holt County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 38 full-time employees and 12 part-time employees on December 31, 2014.

In addition, county operations include the Health Department, Emergency 911, Senior Citizens Board, drainage and levee districts established by the County Commission, neighborhood improvement districts, the Tax Increment Financing Commission, and the Johnson Grass Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Mark Sitherwood, Presiding Commissioner	\$	27,080
Bill Gordon, Associate Commissioner		25,080
David Carroll, Associate Commissioner		25,080
Vicki Book, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Kathy J. Holstine, County Clerk		38,000
Robert Shepherd, Prosecuting Attorney		45,000
Scott Wedlock, Sheriff		42,000
Gay Quick, County Treasurer (2)		40,343
Susan Lentz, County Coroner		11,000
Edward Meng, Public Administrator		20,000
Donna Cotton, County Collector (3), year ended February 28,	56,997	
LaDonna Jones, County Assessor, year ended August 31,		37,708

- (1) Compensation is paid by the state.
- (2) Includes \$2,343 of commissions earned as Treasurer for the levee districts.
- (3) Includes \$18,997 of commissions earned for collecting city, levee, drainage, and special road district property taxes.



Nicole R. Galloway, CPA
Missouri State Auditor

Summary of Local Government and Court Audit Findings - Information Security Controls



October 2015

Report No. 2015-097

<http://auditor.mo.gov>



CITIZENS SUMMARY

Summary of common cybersecurity mistakes

Background	This report examines local government and court compliance with some of the most basic data security practices. The State Auditor's Office examined audits released in fiscal year 2015 and this summary highlights the following five most common cybersecurity issues.
1. Passwords	Government employees and officials share computer system passwords, do not have to change their passwords regularly, or do not have passwords for some of their computer systems. In 20 audit reports, password issues were identified. The majority of these findings were due to the lack of a requirement for passwords to be changed or passwords being shared between users. Individual users should have their own unique passwords, which should be changed periodically to reduce the risk of unauthorized access to and use of systems and data. Without these controls, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.
2. Access	Employees and officials have access to more parts of government computer systems than they need to perform their jobs. In 15 audit reports, there were issues related to managing access to computer systems. Most of these issues related to access rights and privileges, which should be limited based on user needs and job responsibilities. Access rights and privileges are used to determine what a user can do after being allowed into the system. As an example, unrestricted access to a property tax system might allow unauthorized changes to property tax records.
3. System Locks	Government computer systems do not always have programs in place to lock access to the computer when an employee leaves the computer unattended or when someone tries to guess the employee's password. In seven reports, auditors identified inadequate security controls. In most cases, inactivity controls have not been implemented to lock a computer or system after a certain period of inactivity or after a specified number of unsuccessful logon attempts. To reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files, users should log off computers when unattended and an inactivity control should be implemented to lock a computer or terminate a user session after a certain period of inactivity. Logon attempt controls should also lock the capability to access a computer or system after a specified number of consecutive

unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer or system by guessing passwords.

4. Data Backups

Data is not being backed up on a regular basis in a secure off-site location and when the data is backed up, there are not regular tests to make sure the data can be restored in the system. In seven audit reports, data in various systems was not periodically backed up, tested, stored offsite or accounted for as part of a disaster recovery plan. In some cases, data was not regularly backed up. In others, data backups were conducted, but not stored at an offsite location to reduce the risk of loss in the event of a disaster or other disruptive incident. Preparation of backup data, preferably on a daily or at least weekly basis, provides reasonable assurance data could be recovered if necessary. In other cases, the data backups were not tested, which limits the assurance that backup systems will work properly when needed.

5. User Restrictions and Tracking

Government computer systems do not always have protections in place to prevent improper changes to information and do not have a way to track how changes were made. Data management was cited in four audit reports, which includes integrity controls to guard against the improper modification or destruction of data, and in the case of school districts, tracking mechanisms for school attendance records and changes. Data management controls lessen the risk for manipulation of data and provide additional information so changes can be traced back to a specific person.

Summary of Local Government and Court Audit Findings

Information Security Controls

Table of Contents

State Auditor's Report	2
------------------------	---

Audit Issues	
1. User Access Management	3
2. User Authentication.....	4
3. Security Controls	6
4. Backup and Recovery.....	7
5. Data Management.....	8

Appendix	
Audit Reports	10



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

This report was compiled using local government and court audit reports issued between July 2014 and June 2015 (report numbers 2014-047 through 2014-143 and 2015-001 through 2015-044). The objective of this report was to summarize recent information security control issues and recommendations.

The recommendations address a variety of topics including user access management, user authentication, security controls, backup and recovery, and data management. The Appendix lists the 33 reports with findings covering these topics.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: John Luetkemeyer, CPA
Director of Audits: Douglas J. Porting, CPA, CFE
Regina Pruitt, CPA
Audit Manager: Jeffrey Thelen, CPA, CISA

Summary of Local Government and Court Audit Findings

Information Security Controls

Audit Issues

1. User Access Management

1.1 Access rights and privileges

Access to certain systems is not adequately restricted. Access rights and privileges are used to determine what a user can do after being allowed into the system, such as read or write to a certain file. Unrestricted system access allows the capability to make unauthorized changes to records or to delete or void transactions after the transactions have been entered in the system. In addition, adequate supervisory reviews of users are not performed. Access should be limited based on user needs and job responsibilities.

Without adequate user access restrictions, there is an increased risk of unauthorized changes to data and records and of the loss, theft, or misuse of funds.

Recommendation

Ensure user access rights are limited to only what is necessary to perform job duties and responsibilities.

Report Source

2014-051 (First Judicial Circuit/Clark County)
2014-058 (Atchison County)
2014-060 (Fourth Judicial Circuit/Atchison County)
2014-061 (Twenty-Sixth Judicial Circuit/Laclede County)
2014-095 (Webster County)
2014-104 (Lewis County Collector and Property Tax System)
2014-109 (Miller County)
2014-113 (Howell County)
2014-120 (Iron County)
2014-123 (Seventeenth Judicial Circuit/Cass County)
2014-136 (Shannon County)
2015-025 (Butler County Collector and Property Tax System)
2015-044 (Second Judicial Circuit/Adair County)

1.2 Access request forms

Access request forms or other written documentation is not used for requesting and approving access to information assets. To control access, a standardized form should be used showing documented authorizations of access rights for all users.

Without documented approvals of user access rights, there is an increased risk of unauthorized access.

Recommendation

Ensure a standard form for requesting and authorizing access to information assets is used.

Report Source

2015-002 (Jefferson College)



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

1.3 Terminated employees

The user access of former employees was not disabled timely.

Without effective procedures to remove access upon termination, former employees could continue to have access to critical or sensitive data and records, which increases the risk of the unauthorized use, modification, or destruction of data and information.

Recommendation

Ensure user access is promptly deleted following termination of employment to prevent unauthorized access to computer systems and data.

Report Source

2014-051 (First Judicial Circuit/Clark County)
2014-094 (Texas County)

**2. User
Authentication**

2.1 Passwords not changed

Passwords are not required to be changed on a periodic basis. As a result, there is less assurance passwords are effectively limiting access to computer systems and data files to only those individuals who need access to perform their job responsibilities. Passwords should be changed periodically to reduce the risk of unauthorized access to and use of systems and data.

Without requiring passwords to be periodically changed, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

Recommendation

Ensure passwords are periodically changed to prevent unauthorized access to computers and data.

Report Source

2014-052 (Livingston County Collector-Treasurer and Property Tax System)
2014-062 (Grandview C-4 School District)
2014-080 (Andrew County)
2014-094 (Texas County)
2014-113 (Howell County)
2014-119 (Clinton County)
2014-125 (Osage County)
2014-127 (Scott County)
2014-135 (Perry County)
2014-139 (City of Kimmswick)
2015-002 (Jefferson College)
2015-006 (St. Joseph School District)
2015-007 (City of Dixon)
2015-009 (Clinton County Collector and Property Tax System)
2015-017 (Twenty-Fifth Judicial Circuit/City of Dixon Municipal Division)
2015-021 (Hickory County)



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

2015-024 (Barry County)
2015-043 (Adair County)

2.2 Sharing passwords

User accounts and passwords for accessing computers and various systems are shared by users. The security of a password system is dependent upon keeping passwords confidential. By allowing users to share accounts and passwords, individual accountability for system activity could be lost and unauthorized system activity could occur.

Without strong user account and password controls, including maintaining the confidentiality of passwords, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

Recommendation

Ensure unique user accounts and passwords are required to access computers and data. In addition, ensure users understand the importance of maintaining the confidentiality of passwords.

Report Source

2014-051 (First Judicial Circuit/Clark County)
2014-094 (Texas County)
2014-113 (Howell County)
2014-119 (Clinton County)
2014-125 (Osage County)
2014-127 (Scott County)
2014-139 (City of Kimmswick)
2015-007 (City of Dixon)
2015-009 (Clinton County Collector and Property Tax System)
2015-024 (Barry County)
2015-037 (Schuyler County)

2.3 Password not required

A password is not required to logon and authenticate access to a computer.

Without requiring passwords to access a computer or system, there is no assurance the data or system is protected from unauthorized access and use.

Recommendation

Ensure passwords are required to authenticate access to computer systems and data.

Report Source

2014-135 (Perry County)



3. Security Controls

3.1 Inactivity control

Inactivity controls have not been implemented to lock a computer or system after a certain period of inactivity. To reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files, users should log off computers when unattended and an inactivity control should be implemented to lock a computer or terminate a user session after a certain period of inactivity.

Without an inactivity control, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendation

Ensure an inactivity control is implemented to lock a computer or system after a certain period of inactivity.

Report Source

2014-051 (First Judicial Circuit/Clark County)
2014-052 (Livingston County Collector-Treasurer and Property Tax System)
2014-062 (Grandview C-4 School District)
2014-125 (Osage County)
2014-135 (Perry County)
2015-007 (City of Dixon)

3.2 Unsuccessful logon attempts

Security controls have not been implemented to lock access to a computer or system after a specified number of unsuccessful logon attempts. Logon attempt controls lock the capability to access a computer or system after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer or system by guessing passwords.

Without effective controls to limit the number of consecutive unsuccessful logon attempts, there is less assurance sensitive data is effectively protected from unauthorized access.

Recommendation

Ensure a security control is implemented to lock access to a computer or system after multiple unsuccessful logon attempts.

Report Source

2014-052 (Livingston County Collector-Treasurer and Property Tax System)
2014-062 (Grandview C-4 School District)
2014-080 (Andrew County)
2014-125 (Osage County)
2015-007 (City of Dixon)



4. Backup and Recovery

4.1 Data backup

Data in various systems is not periodically backed up. Preparation of backup data, preferably on a daily or at least weekly basis, provides reasonable assurance data could be recovered if necessary.

Without regular data backups, there is an increased risk critical data will not be available for recovery should a disruptive incident occur.

Recommendation

Ensure data is regularly backed up.

Report Source

2014-109 (Miller County)
2015-017 (Twenty-Fifth Judicial Circuit/City of Dixon Municipal Division)
2015-037 (Schuyler County)

4.2 Offsite storage

Data backups are not stored at a secure off-site location. Data backups are performed, however, the backups are stored at the same location as the original data leaving the backup data susceptible to the same damage as the original data.

Without storing backup data at a secure off-site location, critical data may not be available for restoring systems following a disaster or other disruptive incident.

Recommendation

Ensure backup data is stored in a secure off-site location.

Report Source

2014-062 (Grandview C-4 School District)
2014-125 (Osage County)
2014-139 (City of Kimmswick)
2015-037 (Schuyler County)

4.3 Periodic testing

Periodic testing of backup data is not performed. Periodic testing of backups is necessary to ensure the backup process is functioning properly and to ensure all essential data can be recovered.

Without testing the full backups, management cannot be assured the entire system can be restored when necessary.

Recommendation

Ensure backup data is tested on a regular, predefined basis.

Report Source

2014-125 (Osage County)
2014-139 (City of Kimmswick)
2015-006 (St. Joseph School District)



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

4.4 Disaster recovery plan

Management has not developed a disaster recovery plan to ensure computer operations can be promptly restored in the event of a disaster or other disruptive incident. A comprehensive written disaster recovery plan should include plans for a variety of disaster situations and specify detailed recovery actions required to reestablish critical computer and network operations. Once a disaster recovery plan has been developed and approved, the plan should be periodically tested and reviewed.

Without an up-to-date and tested disaster recovery plan, management has limited assurance the organization's computer operations can be promptly restored after a disruptive incident.

Recommendation

Develop a comprehensive disaster recovery plan and periodically test and evaluate the plan.

Report Source

2015-006 (St. Joseph School District)

5. Data Management

5.1 Data integrity

Data integrity controls to guard against the improper modification or destruction of data and information have not been implemented. In addition, audit trail controls to provide evidence demonstrating how a specific transaction was initiated, processed, and recorded have not been established. As a result, critical systems, including accounting systems and property tax systems, do not prevent users from changing check numbers and check dates in the systems once checks have been printed and issued and do not prevent users from postdating or backdating receipts and checks without a transaction audit trail being recorded.

Without data integrity and audit trail controls, there is an increased risk of manipulation of data without detection and the loss, theft, or misuse of funds.

Recommendation

Ensure adequate data integrity and audit trail controls are in place to allow for the proper accountability of all transactions.

Report Source

2014-047 (Taney County)
2014-104 (Lewis County Collector and Property Tax System)

5.2 Student attendance data

The attendance system does not adequately track some changes made to attendance records, limit the time frame during which changes can be made, and there is no review by officials to ensure changes made to current school year attendance records are appropriate. In addition, an audit trail report of changes made is not generated and reviewed to ensure all changes made to attendance records are accurate and appropriate.



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

Without limiting the time frame during which changes can be made or reviewing changes made, the data is subject to erroneous changes that may significantly affect official attendance reports.

Recommendation

Ensure student attendance data is accurately recorded and reported, including restricting the time frame during which changes can be made and ensure an audit trail of changes made to attendance data be prepared and reviewed for accuracy.

Report Source

2015-012 (Joplin Schools)

5.3 Numerical sequence

The numerical sequence of transaction numbers assigned by the computerized accounting system is not accounted for.

Without adequate controls to account for the numerical sequence of transactions numbers, there is an increased risk of loss, theft, or misuse of funds.

Recommendation

Ensure adequate controls are in place to allow for proper accountability of all transactions numbers.

Report Source

2014-095 (Webster County)

Summary of Local Government and Court Audit Findings

Information Security Controls

Appendix - Audit Reports

Report Number	Title	Publication Date
2014-047	Taney County	July 2014
2014-051	First Judicial Circuit/Clark County	July 2014
2014-052	Livingston County Collector-Treasurer and Property Tax System	July 2014
2014-058	Atchison County	August 2014
2014-060	Fourth Judicial Circuit/Atchison County	August 2014
2014-061	Twenty-Sixth Judicial Circuit/Laclede County	August 2014
2014-062	Grandview C-4 School District	August 2014
2014-080	Andrew County	September 2014
2014-094	Texas County	October 2014
2014-095	Webster County	October 2014
2014-104	Lewis County Collector and Property Tax System	November 2014
2014-109	Miller County	November 2014
2014-113	Howell County	November 2014
2014-119	Clinton County	November 2014
2014-120	Iron County	December 2014
2014-123	Seventeenth Judicial Circuit/Cass County	December 2014
2014-125	Osage County	December 2014
2014-127	Scott County	December 2014
2014-135	Perry County	December 2014
2014-136	Shannon County	December 2014
2014-139	City of Kimmswick	December 2014
2015-002	Jefferson College	January 2015
2015-006	St. Joseph School District	February 2015
2015-007	City of Dixon	February 2015
2015-009	Clinton County Collector and Property Tax System	February 2015
2015-012	Joplin Schools	February 2015
2015-017	Twenty-Fifth Judicial Circuit/City of Dixon Municipal Division	April 2015
2015-021	Hickory County	April 2015
2015-024	Barry County	April 2015
2015-025	Butler County Collector and Property Tax System	April 2015
2015-037	Schuyler County	June 2015
2015-043	Adair County	June 2015
2015-044	Second Judicial Circuit/Adair County	June 2015



Nicole R. Galloway, CPA
Missouri State Auditor

Forty-Third Judicial Circuit

Clinton County



October 2015
Report No. 2015-098

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the 43rd Judicial Circuit Clinton County

Background	In 2005, the judges of the Forty-Third Judicial Circuit, which consists of Clinton County as well as Caldwell, Daviess, DeKalb, and Livingston counties, created an internal Court Services Program to provide misdemeanor probation and pre-trial/bond supervision services. In 2011, the judges decided to discontinue the Court Services Program and outsource these services to a not-for-profit entity.
Probation Services	<p>The judges of the Forty-Third Judicial Circuit participated in the formation of a not-for-profit entity established to provide misdemeanor probation supervision services and pre-trial/bond supervision services to the court and paid some start-up costs for this entity. To avoid the appearance that there is a relationship between the judges and the bidder for services, the circuit judges should not be involved with the appointment and startup costs of a potential bidder. In addition, the bid documents issued by the circuit court for the misdemeanor probation services contract appeared to give the not-for-profit an unfair advantage in the bidding process, and did not include important financial details that could have influenced the proposal process.</p> <p>Fees collected by the original, internal Court Services Program were held in a bank account outside the county treasury. In January 2012, this account had a balance of over \$400,000. Payments from this account were approved by the circuit judges and made by the Clinton County Circuit Clerk, instead of going through the normal county payment process, which requires most payments from the circuit courts to be paid out of the county treasury. Additionally, annual budgets were not prepared as required by state law.</p>
Accounting Controls and Procedures	The Clinton County Circuit Clerk does not timely complete the monthly general bank reconciliations, and does not adequately review cases with liabilities to ensure monies are disbursed timely. Garnishments receipts are not paid out within the required 10-day holding period. Furthermore, the Circuit Clerk is not reviewing costs owed to the court as required by the court's formal debt plan and thus, has not worked with the judges to evaluate if any accounts are uncollectible and need to be written off.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Forty-Third Judicial Circuit

Clinton County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Probation Services.....4
Findings	2. Accounting Controls and Procedures 13

Organization and Statistical	17
Information	



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Forty-Third Judicial Circuit
Clinton County, Missouri

We have audited certain operations of the Forty-Third Judicial Circuit, Clinton County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. The objectives of our audit were to:

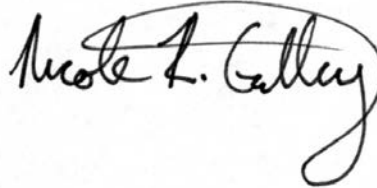
1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the court's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Clinton County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the Forty-Third Judicial Circuit, Clinton County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Kenneth Erfurth, MBA
Audit Staff:	Steven J. Barton
	Ruben Lara

Forty-Third Judicial Circuit

Clinton County

Management Advisory Report - State Auditor's Findings

1. Probation Services

We identified concerns with the transition from probation services provided by the Court Services Program operated by the Forty-Third Judicial Circuit (Circuit) to the services now provided through contracts with a not-for-profit entity (NFP).

Background

In July 2005, the Court Services Program was created to provide 2 different services; (1) misdemeanor probation supervision and (2) pre-trial/bond supervision. Fees collected were maintained in a bank account held by the Clinton County Circuit Clerk. The Court en Banc made a determination in 2011 to discontinue the Court Services Program and contract with a NFP for these services. The Court en Banc was involved with the formation of a pro forma NFP, the Association for the Friends of Justice of the 43rd Judicial Circuit (Friends), by appointing the Board of Directors. Friends was formally created through a court order in September 2011. The Court en Banc solicited proposals in December 2011 for the Circuit's misdemeanor probation supervision and received only a proposal from Friends. The Court en Banc awarded Friends the contract, effective in February 2012. Friends had previously been awarded a contract to provide pre-trial/bond supervision services of defendants in the Circuit in January 2012.

In 2010, at the former Presiding Judge's request, our office performed a limited review of the Court Services Program and issued a letter (dated July 22, 2010, and released as Report No. 2010-86) containing some concerns regarding the program. One item addressed in that review was the significant accumulated cash balance, approximately \$400,000 at December 31, 2009, and the need for a rate and cost analysis to support the fees charged to defendants. Our current audit determined a significant cash balance (approximately \$400,000) still remained in the account in January 2012, and no rate and cost analysis had been formally prepared. In addition, the Circuit was unable to provide statutory authority for maintaining the court services bank account outside the county treasury and had not adopted budgets to support the disbursement of those funds. Between January 2012 and September 2014, the majority of these funds were spent by the court and as of September 30, 2014, the balance of the account was \$101.

Due to the transition from the Circuit to the NFP in handling misdemeanor probation supervision and pre-trial/bond supervision, we evaluated the relationship between the Court en Banc and Friends and reviewed disbursements made by Friends to ensure judges in the Circuit were not benefiting improperly from this arrangement. We found no evidence that occurred. We also reviewed disbursements from the court services bank account.

1.1 Formation

The Court en Banc was involved with the formation of the NFP providing misdemeanor probation supervision and pre-trial/bond supervision services to the Circuit. The Board of Directors for Friends was appointed in 2011 by



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

the Court en Banc, prior to petitioning the court for formation. The Court en Banc filed a request with the Missouri Supreme Court for a temporary assignment of personnel in August 2011, and an Associate Judge from another county was assigned to hear the petition for the formation of Friends, which was approved in September 2011. Subsequent to the formation approval, the Court en Banc approved contracts with Friends to provide misdemeanor probation supervision and pre-trial/bond supervision services to the Circuit. The Articles of Agreement for Friends states each Associate Judge will nominate one member from their county and the 2 Circuit Judges will each nominate an at-large member, subject to approval by the Court en Banc. It also says vacancies on the Board are filled by the Court en Banc. In addition, a review of the disbursements from the court services bank account (see finding section 1.3) determined the Court en Banc approved some payments for costs associated with forming Friends and approved paying the filing fee charged by the Internal Revenue Service (IRS) for Friends to become a 501(c)3 corporation.

To ensure the appearance of an arm's length relationship with the NFP, the judges in the Circuit should not be involved with the appointment of Board members for Friends and the Court en Banc should not authorize county funds be used to pay costs for a contracted vendor.

1.2 Request for proposal

The request for proposals (RFP) on the contract for misdemeanor probation supervision services was worded in such a manner that it appeared to give Friends an unfair advantage in the bidding process. The RFP did not disclose essential financial details that could have impacted the proposal process.

In June 2011, the Court en Banc entered into a lease to rent 3,100 square feet of office space from the City of Hamilton at a building that was to be constructed in Hamilton. The contract covered a 10 year period with the rent set at \$1,500 per month, but the lease called for a lump sum prepayment of the rent, totaling \$180,000. The building was available for occupancy in February 2012 and in January 2012 the Circuit paid the \$180,000 rental cost from the court services bank account. The building currently houses the Juvenile Division of the Clinton County court, in addition to Friends. The lease specifically indicates the Circuit may not sublet any portion of the building, except to an NFP providing services to the court. Friends has a lease with the court for its portion of the building space, with the cost paid by Friends set at \$100 per year. The Presiding Judge indicated Friends uses approximately one-third of the leased space.

In December 2011, a RFP for misdemeanor probation supervision services was provided to each County Clerk in the Circuit for distribution to potential vendors, as well as advertised in 2 local papers in the Circuit. Our



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

review of the RFP and sole proposal submitted identified the following concerns:

- The RFP was limited by restricting bidders to only pro forma or statutorily formed not-for-profit corporations that are located within the counties of the Circuit.
- The RFP failed to disclose office space would be provided to the selected bidder for \$100 per year.
- Friends submitted the only proposal, and the organization's address listed on the proposal was the same address as the building leased by the court in June 2011. This gives the impression that the court had already made arrangements with this NFP to provide these services prior to soliciting proposals for these services. In fact, the court had already entered into a contract with Friends to provide other services, as discussed in the next paragraph.

Friends was awarded the contract for misdemeanor probation supervision services in February 2012. Previously, in January 2012, the court entered into a contract with Friends to provide pre-trial/bond supervision services to defendants for a one year period (2012). The balance of the court services bank account was almost \$400,000 at the time the pre-trial/bond supervision contract was entered into with Friends. The Court en Banc paid Friends \$100,000 from this account on the pre-trial/bond supervision contract in January 2012, even though the contract makes clear the actual services will be paid for by the defendants. In April 2013, the Circuit entered into an identical contract with Friends for pre-trial/bond supervision services for a 2 year term (2013 and 2014), and this second contract called for no payment by the Circuit. The Court en Banc was unable to provide documentation that any services were provided to the court to justify this payment, which was apparently start-up money for Friends. Proposals were not solicited for either of the pre-trial/bond supervision contracts.

Given that the Court en Banc was involved in the formation of the NFP, restricted the types of entities that could submit proposals, and did not properly disclose important financial terms in the invitation, the selected vendor could have received an unfair advantage over other potential vendors.

1.3 Disbursements

Fees collected by the Court Services Program, which handled misdemeanor probation and pre-trial/bond supervision services prior to January 2012, were deposited to a bank account maintained by the Clinton County Circuit Clerk outside the county treasury. In addition, disbursements from this account were approved by the Court en Banc and made by the Circuit Clerk



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

and did not go through the normal county disbursement process. Budgets were not prepared for this account, as required by state law.

In January 2012, the balance of this account was approximately \$400,000, and an additional \$27,650 was deposited in February 2012 for January fees collected by the court. The balance was \$101 by September 2014 and between January 2012 and September 2014, we noted the following payments made:

Purpose/Payee	Amount
Building Rent	\$180,000
Pre-Trial Services	100,000
Final Payroll	22,462
Security	12,399
Caldwell County	32,715
Clinton County	32,952
DeKalb County	19,571
Attorney and IRS Fees	11,572
Daviess County courthouse improvements	12,664

At least a portion of the attorney fees shown listed above related to costs associated with forming Friends, based on a review of legal invoices submitted to the court. There were other miscellaneous smaller dollar payments made for things like moving expenses (juvenile offices) and final expenses associated with shutting down the Court Services Program. In addition, the court made an \$850 payment to the IRS in January 2012 from this account. The payment was for Friends' 501(c)3 corporation filing fee. The Court en Banc had no documentation explaining how it determined the amounts paid to counties from this account.

Section 476.270, RSMo, states, "All expenditures accruing in the circuit courts, except salaries and clerk hire which is payable by the state, except all expenditures accruing in the municipal divisions of the circuit court, and except as otherwise provided by law, shall be paid out of the treasury of the county in which the court is held in the same manner as other demands." Chapter 50, RSMo, requires the preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds and activities, the County Commission is able to more effectively evaluate all county financial resources.

Recommendations

The Court en Banc:

- 1.1 Request the NFP providing services to the court amend its bylaws regarding appointments of Board members to remove the judges from that role.



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

- 1.2 Continue to periodically bid for probation services and ensure future invitations to bid are offered in a fair and competitive manner.
- 1.3 Turn over custody of the court services bank account to the County Treasurer.

Auditee's Response

Prior to 2005 misdemeanor probation could be supervised by the Court or by the Missouri Department of Probation and Parole. However, the Department of Probation and Parole discontinued misdemeanor probation supervision, leaving the Court to fill that gap in services. Recognizing that most courts did not have the time or personnel, the Legislature enacted laws permitting courts to utilize private entities, and other "court approved" entities to provide misdemeanor probation supervision.

The judges of the 43rd Circuit attempted to use private, for-profit, probation supervision, but soon determined that these companies were not effectively supervising their clients. In fact, these companies had adverse economic interests to the goals of supervision, in that the less effectively they supervised their clients, the less likely they were to report violations, and thus would have longer periods of supervision (and more fees). This resulted in probationers that were violating the law and/or using drugs; not maintaining employment or community service; and not paying court costs and fines.

In 2005, under the leadership of then Presiding Judge Stephen Griffin, the 43rd Judicial Circuit Court instituted its own misdemeanor probation supervision and bond (pretrial release) supervision program. The Court enacted Rule 67.11, which provided that the monies received for supervision services were to be received by the 43rd Circuit Court Services Program and to be used for supervision services and to provide other court services which the Court en Banc may authorize. The program was initially coordinated out of DeKalb County; but in January, 2008, the monies were transferred to the Clinton County Circuit Clerk. Bond and probation services were controlled and operated by the Court. In 2005, the Court received a statewide award from the Missouri Association of Counties for "Innovative Efforts to Serve Missouri Citizens" for its operation of supervision services.

From 2005 to 2009 supervision caseload increased rapidly. Throughout that same period the juvenile office caseload had also increased. The court services and juvenile offices had outgrown their current space; and their offices were not secure or centrally located.

In October 2009, after a lengthy bid process, and under the leadership of then Presiding Judge Warren McElwain, the Court accepted a bid from the City of Hamilton to build a facility and rent it to the Court for the juvenile office and supervision services. In 2011 the Court fulfilled its obligations



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

and leased the new office space. The juvenile office and court supervision services offices moved into the space in late 2011. Hamilton is the ideal location as it is almost dead center, geographically, of the entire circuit. The facility has greatly enhanced security measures (cameras, bullet proof glass, and metal detectors) and is connected to the Hamilton Police Department, providing for immediate law enforcement response when needed. A 3,100 square foot facility has been rented to the Court, with 960 square feet, or about one-third of the space, reserved for supervision service providers. The balance of the facility is occupied by the Circuit Marshall, the Juvenile Office, and common areas.

In 2010 the Court was advised that the operation of Court Services directly by the Court might unduly expose the Court (and thus its counties) to liability. As a result, and with advice of counsel, the Court determined that the best approach was to contract for supervision services with a not-for-profit corporation. The challenge facing the Circuit was the complete lack of a non-profit oriented professional group to undertake this mission. As establishing such a group would be a clear public benefit to both the Court and the citizens, the investment of Court Supervision dollars in that process appeared both lawful and appropriate. The Friends of Justice (dba Supervision Services), a not-for-profit corporation, was created to fill the complete void of a non-profit motivated provider of supervision services.

As the audit reveals, no judges have, or ever had, any financial interest in its operation; and received no financial benefit from its operation. It should also be noted that no tax dollars were expended in the formation or operation of the probation and bond services provided by the Friends of Justice or any other probation service utilized by the 43rd Circuit. All monies were derived from fees paid by persons being supervised on bond or probation. In other words, only those persons requiring the service paid for it.

- 1.1 The Auditor's comments regarding the formation of the Friends of Justice are duly noted. The Court did initially play a role in selecting its board members, however this involvement was done so only under the independent review of a disinterested judge appointed by the Missouri Supreme Court. This independent judge presided over the incorporation process. No judge, nor the Court en Banc, has ever attended any of the Friends of Justice board meetings. No judges have any financial interest in its operation; and have received no financial benefit from its operation. In any event, the Court requested Friends of Justice amend its bylaws divesting judges of any involvement in board appointments. That process has been completed.*
- 1.2 The Court appreciates the observations of the auditor, and will continue to strengthen and improve its solicitation and selection process. The 43rd Judicial Circuit is the only circuit in North*



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

Missouri, and perhaps the State, that went through the formal bidding process seeking entities to provide probation supervision services. Perhaps this is because formal bidding is not actually statutorily required under these circumstances. The Court, therefore, exceeded what is required at law, and certainly exceeded what other Courts have done in seeking supervision service proposals. That being said, the Court looks forward to continuing to adjust and improve that process in the future, and appreciates the recommendations provided.

With regard to the provision of office space, Friends of Justice was the only entity that responded to the bid. The Court had secured the space in Hamilton to support a variety of Court functions, and so use of that space by the new not-for-profit, instead of use by the previous Court-run system, seemed a natural fit. The current sublease is, in effect, a month to month lease, as it provides for termination by either party on thirty days' notice. The sublease further provides that the tenancy will automatically terminate in the event Friends of Justice no longer provides supervision services to the Court. Should another not-for-profit eventually assume duties to provide services, the space will be equally available to it.

The Auditor's comments regarding listing office space in future bid specifications are well taken, and will be incorporated into future bid packets. The Court is unaware of any other group that even considered submittal in prior requests, but to the extent this benefit of contracting can be made plain, it can only help to encourage a robust response. The Court would welcome additional entities that could provide services to participate in the process.

In an abundance of caution, the Court will make certain that future requests for proposals will indicate whether the Court will consider providing office space in Hamilton at a reduced rate of rent. In late 2014, the Court did request for proposals to contract for bond and misdemeanor supervision; and entered into 3-year term contracts for those services (1-1-15 through 12-31-17) with no payment being made by the Court for such services. The Court will review the supervision contracts and lease in December of each year, and will then also reevaluate the rent charges to determine whether to affirm, modify, or terminate any such agreements or leases.

As to the Auditor's comments regarding funding expenditures it should again be noted no tax dollars were expended in the formation or operation of the probation and bond services provided by the Friends of Justice. All monies expended were derived from fees paid by persons supervised on bond or probation and were, by local court rule, under the direct control of the Circuit Courts. The initial investment of these monies assured that probation services in



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

the circuit could continue, uninterrupted. Had another non-profit come forward with a proposal, payment of these monies would not have been necessary. As none did, it was essential to the transition of operations that the new organization receive funding until adequate receipts for supervision were available to support operations independently. As Section 559.604, RSMo, specifically prohibited the State or County from bearing these costs, these funds were the only available means to achieve continued supervision.

When the first year of the contract was completed, Friends indicated that it could renew the bond supervision agreement for two years and proceeded from that point forward on revenues generated from supervision fees. In December 2012, the Court en Banc chose to affirm the misdemeanor probation agreement (for the balance of the 2-year term); and to renew the bond supervision agreement. In January, 2014, the Court again chose to affirm the agreements, including the lease of space to Friends of Justice d/b/a Supervision Services.

The community (and therefore the Court) have benefited greatly from the execution of these agreements with Friends of Justice, as it is clearly worthwhile to have a non-profit agency, locally headquartered, to provide effective supervision services that are results-driven (as opposed to profit-driven). This could not have occurred without the initial \$100,000 payment to fund initial operations until supervision payments normalized. Since the initial startup, the Circuit has benefited from these services as follows:

- *Reports on offenders to the Court regarding adjustment to probation and their community*
- *Reduction in costs to each county by eliminating jail board expenses for pre-trial release offenders that are under supervision in lieu of being held*
- *Active alcohol and drug monitoring of those under supervision, and global positioning electronic monitoring to assist in elimination of absconders*
- *Collection of 95.9% of fines and costs for those under supervision*
- *89% employment rate for those under supervision as of June 2015*
- *Community service provided to over 30 community groups and services*
- *Employment programs with local employers*
- *Informational forums to schools and community agencies and groups*
- *Referral to appropriate treatment providers and programs for those under supervision*



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

The Court will ensure that any future payments made on contracts for probation or pretrial supervision services are reasonable. The Court is quite certain that tangible services have been provided. The Court will make certain those tangible services, which greatly benefit the Court and public, will continue to be provided. The Court will reevaluate the rent charges when considering whether to affirm the existing agreements at our en banc meeting in December of each year.

The Court appreciates the observations of the audit, and will continue to strengthen and improve its solicitation and selection process.

- 1.3 *The Court again appreciates the observations of the audit regarding disbursements. In 2010, the Court requested the then State Auditor review its Court Services Program for any recommendations in operations or organization. When completing the 2010 audit, all bank records were provided and it was clear the monies were being managed through the Clinton County Circuit Clerk's office in an account operated by the Circuit Clerk. That audit did not criticize the Court for maintaining these funds. There is no requirement in law that such funds be maintained by a county clerk; nor is there any prohibition that such funds be maintained by a circuit clerk.*

Section 476.270, RSMo, provides that expenditures for Court purposes need not go through any one County when expended for salaries, state clerk hire, or "as otherwise provided by law." As Section 559.600, RSMo, authorized creation of a "Court approved" entity for supervision services, the Court adopted Local Rule 67.11 to establish this program and administer the fees collected. Certainly the State Auditor referenced this provision in the 2010 letter addressed to the Court about this system and specifically described the 43rd Judicial Circuit's program as "allowed" by that statute.

Whatever the circumstances, this issue is now moot in that the Court no longer directly supervises the probation system and has no need to maintain this separate account. The funds have been used for their required purposes, and the small remaining balance will be transferred to the Clinton County Treasurer for provision of courtroom security. All prior funds that were on hand have been fully and accurately accounted for, and all have either been used directly for the benefit of the counties of the Circuit, or paid out to those counties, pro-rata, for use in support of Court operations.

Supervision services are now being adopted by other courts throughout the state, often at taxpayer expense. The 43rd Circuit began operating its own supervision program well ahead of its time



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

and without the need of county (taxpayer) funding. The Court has since used those surplus funds to provide a safe, secure, centrally located, state-of-the art facility for juvenile and probation offices; to fund an award-winning, results-driven, supervision program; and to provide improvements in all five courthouses of the 43rd Circuit. While the Court may not agree with each legal conclusion arrived at during this additional round of audit review, it certainly values the input, believes strongly in transparency of operations, and has no doubt that the contracted supervision services program will continue to strengthen and grow to the benefit of all citizens of the 43rd Judicial Circuit.

Auditor Comment

The State Auditor's office is not taking exception to the supervision programs being used in this Circuit, but rather the formation, selection process, and handling of the money. The lack of comment regarding the handling of the bank account in the State Auditor's office's 2010 limited review of the court services program does not eliminate the requirement for compliance with the law. Contrary to the judges' view, we believe Section 476.270, RSMo, requires funds of this nature to be held by the County Treasurer. The local rule, 67.11, cited by the judges only allows the court to control the spending of the fees generated, but does not grant the authority to physically maintain the account where the monies are held.

2. Accounting Controls and Procedures

Significant weaknesses exist with accounting controls and procedures. According to court records, receipts collected during the year ended December 31, 2013, totaled approximately \$2.5 million. Monies collected are recorded in the Judicial Information System (JIS), the Missouri Courts automated case management system, and deposited into the Circuit Clerk's general bank account by office personnel.

2.1 Bank reconciliations

The Circuit Clerk is not performing general bank account reconciliations timely. The December 31, 2013, bank reconciliation was not completed until April 15, 2014, and per the Circuit Clerk, the completion of bank reconciliations were still approximately 3 months behind as of December 2014.

Monthly bank reconciliations and routine investigation and follow up procedures for reconciling items are necessary to ensure all accounting records balance, transactions have been properly recorded, and errors and discrepancies are detected and corrected timely.

2.2 Liabilities

The Circuit Clerk did not adequately review cases with liabilities to ensure monies were disbursed timely. As of December 31, 2013, the court was holding \$26,493 on pending or suspended cases that have been disposed, including \$12,641 held for cases disposed of more than 5 years ago. In addition, \$66,880 was being held on 74 bonds where the case had been disposed as of December 31, 2013, with \$4,640 held for bonds over 5 years



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

old, some dating back to 2004. Amounts being held associated with a disposed case should be applied toward any unpaid costs on the case or refunded to the payee once costs are satisfied, unless otherwise specified by the judge.

Procedures to routinely investigate monies remaining on the liabilities list over a specific period of time are necessary to properly monitor and ensure monies are appropriately disbursed as provided by state law. In addition, the court should attempt to identify and distribute the funds held and dispose of any unclaimed or unidentified funds.

2.3 Garnishments

The Circuit Clerk has not disbursed garnishments timely. The court's procedure is to accumulate and disburse garnishment receipts after the garnishment period (ranging from 30 to 180 days) ends, rather than within the 10-day holding period as established by Supreme Court rule. As of December 31, 2013, the court had been holding garnishment monies totaling \$30,049 more than 10 days. As of December 31, 2014, that amount was \$23,131.

Supreme Court Rule 90.11 states garnishments paid shall be disbursed to the garnishor by the clerk, less costs, within 10 days and without an order of the court if the garnishee has not requested an allowance under Rule 90.12(a). Procedures should be established to ensure disbursement of garnishment payments are timely and in accordance with the Supreme Court rule.

2.4 Accrued case costs

The Circuit Clerk does not review accrued case costs owed to the court (court costs, incarceration costs, court-ordered restitution, and fines), as required by the court's formal plan for debt. Total accrued costs as of December 31, 2013, were approximately \$2.5 million. The court adopted a formal Administrative Plan for Collection of Court Debt, as required by Court Operating Rule 21.11. This plan calls for the court to review accounts receivable reports (accrued case costs) from the JIS and the debt collection vendor at least monthly and determine if any accounts should be deemed to be uncollectible and written off by court order; however, the plan does not document the specific criteria to be used in determining whether a debt is uncollectible. The court has not reviewed the required reports and thus, has not evaluated debts to determine if any accounts are uncollectible and need to be written off.

Recommendations

The Circuit Clerk:

- 2.1 Perform timely monthly bank reconciliations.
- 2.2 Establish procedures to review the status of liabilities monthly to determine the appropriate disposition of funds.



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

- 2.3 Establish procedures to ensure garnishment payments are disbursed timely and in accordance with the Supreme Court rule.
- 2.4 Develop procedures to review accrued costs at least monthly in compliance with the court's administrative plan and consider establishing specific criteria to identify accounts for possible write off. In addition, the Circuit Clerk should ensure any accounts written off are approved by the Judge with a court order as documentation.

Auditee's Response

- 2.1 *The bank statements are reconciled within a week that I receive them. They may not always balance but I do work on them continuously. Other duties of my office and the fact I don't have enough personnel interferes with this getting done on a timely basis. I will do what I can to get the statements to balance as soon as possible.*
- 2.2 *In 2005, my office was in the process of learning JIS plus the associate court and the circuit court were in the process of consolidating files, financial records, and personnel. It was a very involved process and took time to get procedures for my office in order. As of May 18, 2015 my office has gone paperless and started E-Filing. This has given my clerks and myself more time to spend on other duties of the office. I established procedures in May 2015 to review the status of the liabilities more and the appropriate disposition of funds.*
- 2.3 *I was instructed by the former Associate Judge to not pay out garnishments until 10 days after the return date. Procedures have now been established to disburse payments in a timely manner.*
- 2.4 *These accrued costs have accumulated over a period of 15 years. A vast majority of these accrued costs are on very old cases where a defendant has gone to prison and owes the State large sums on his board bills. Even though the State reimburses the county, the defendant is still responsible to repay the State for the portion of the board bill paid by the State. While the accrued costs remain on the books, Defendant's tax refunds may be intercepted and applied to pay these costs. Some costs are being paid by Defendants as a condition of their probation. Collection of costs from these criminal defendants may be difficult, but not impossible. Writing them off will mean that the costs will no longer be subject to collection. There is no cost to the Court to leave these accrued costs on the books. So, at least to date, the Court has not chosen to write off these accrued costs, because there is no financial benefit to do so. The Court has indicated to me that it will nevertheless review its collection plan*



Forty-Third Judicial Circuit
Clinton County
Management Advisory Report - State Auditor's Findings

each year to see if there are any possible circumstances where it would be beneficial to the Court, State, or counties to write off these costs; and will develop and amend its criteria accordingly. The Court has also indicated an intention to amend its collection plan such to require an annual, rather than monthly, review of cases to determine if they are uncollectible.

Auditor Comment

- 2.4 The State Auditor's office is not suggesting the court is required to write off receivable balances. Rather, the finding points out the court is not following its own adopted plan for the collection of debt. Also, Court Operating Rule 21.11, which requires courts to develop a formal administrative plan for collection of court debt, indicates the plans should address, among other topics, the review and write off of accounts receivables deemed uncollectible.

Forty-Third Judicial Circuit

Clinton County

Organization and Statistical Information

The Forty-Third Judicial Circuit consists of Clinton County as well as Caldwell, Daviess, DeKalb, and Livingston counties.

The Forty-Third Judicial Circuit consists of two circuit judges and five associate circuit judges. The circuit judges hear cases in Caldwell, Clinton, Daviess, DeKalb, and Livingston Counties. Of the five associate circuit judges, one is located in each county in the circuit, Caldwell, Clinton, Daviess, DeKalb, and Livingston Counties. Circuit personnel located in Caldwell, Daviess, DeKalb, and Livingston counties are not included in the scope of the audit.

Personnel

At December 31, 2013, the judges, Circuit Clerk, and Juvenile Officer of the Forty-Third Judicial Circuit, Clinton County, were as follows:

Title	Name
Circuit Judge, Division I	Thomas N. Chapman
Circuit Judge, Division II	R. Brent Elliott
Associate Circuit Judge	Paul T. Luckenbill, Jr.
Circuit Clerk	Molly Livingston
Juvenile Officer	Adrienne Lloyd

In addition, the Forty-Third Judicial Circuit, Clinton County, employed 7 full-time employees on December 31, 2013.

Financial Information

Receipts of the Forty-Third Judicial Circuit, Clinton County, were as follows:

	Year Ended December 31, 2013
Court deposits, fees, bonds, and other	\$2,494,808
Interest income	1,776
Total	\$2,496,584

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Forty-Third Judicial Circuit, Clinton County, were as follows:

	Year Ended June 30, 2013
Civil	1,094
Criminal	1,723
Juvenile	81
Probate	60
Total	2,958



Nicole R. Galloway, CPA
Missouri State Auditor

Ralls County



November 2015
Report No. 2015-099

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Ralls County

Property Tax System	The county has not adequately restricted property tax system access. The County Clerk and County Commission do not adequately monitor additions and abatements entered into the property tax system. Neither the County Commission nor the County Clerk adequately reviews the financial activities of the County Collector.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review. The method of payment is not recorded on receipt slips, and as a result, the composition of receipts is not reconciled to the composition of deposits, and checks are not restrictively endorsed immediately upon receipt. Sheriff's office personnel do not prepare a monthly list of liabilities to reconcile to the cash balance for the Sheriff's bank account. The Sheriff's office does not always reconcile invoices received from other political subdivisions for boarding county prisoners to supporting records to evaluate their accuracy before payment is made. In addition, written contracts with other political subdivisions do not include a daily rate for boarding county prisoners and signed copies of the contracts could not be located.
Vehicle and Fuel Use	The Sheriff's office does not maintain fuel logs for all patrol cars, and fuel logs and fuel receipts are not reconciled to fuel statements. The Road and Bridge Supervisor does not reconcile fuel use to fuel purchased.
Computer Controls	The County Commission has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the offices of the County Treasurer, Prosecuting Attorney, Ex Officio Recorder of Deeds, and Sheriff are not required to periodically change passwords, and employees in both the Prosecuting Attorney and the Ex Officio Recorder of Deeds share passwords within their respective offices. The Prosecuting Attorney and Ex Officio Recorder of Deeds do not have security controls in place to lock a computer after a specified number of incorrect logon attempts and do not perform periodic testing of backup data. Additionally, the Prosecuting Attorney does not store backups at an off-site location, and the Ex Officio Recorder of Deeds off-site backups are not encrypted or stored in a secure location.
Public Administrator's Undeposited Checks	The Public Administrator holds checks received on behalf of some wards for extended periods of time before depositing them to help wards retain Medicaid eligibility. The Public Administrator is a court appointed personal representative for the financial activity of 26 individuals.
Ex Officio Recorder of Deeds' Segregation of Duties	The Ex Officio Recorder of Deeds has not adequately segregated accounting duties and does not perform an adequate supervisory review.

Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Ralls County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Property Tax System4 2. Sheriff's Controls and Procedures6 3. Vehicle and Fuel Use8 4. Computer Controls10 5. Public Administrator's Undeposited Checks11 6. Ex Officio Recorder of Deeds' Segregation of Duties.....12
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	14
---------------------------------------------	----



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Ralls County

We have audited certain operations of Ralls County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Ralls County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

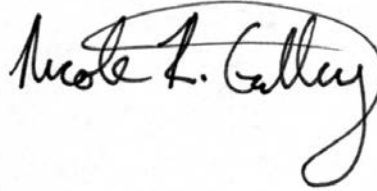
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Ralls County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Rachelle Thompson

Ralls County

Management Advisory Report

State Auditor's Findings

1. Property Tax System

Controls and procedures over the property tax system need improvement. For the year ended February 28, 2015, property taxes and other monies collected by the County Collector totaled approximately \$11 million.

1.1 Computer access

The county has not adequately restricted property tax system access. The County Collector has access rights in the property tax system that allows changes to be made to individual tax records throughout the tax year. Because the County Collector is responsible for collecting tax monies, good internal controls require the County Collector not have access rights allowing alteration or deletion of tax rates, assessed valuations, and property tax billing information.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion or alteration of data files and programs.

1.2 Additions and abatements

The County Clerk and County Commission do not adequately monitor additions and abatements entered into the property tax system. During the year ended February 28, 2015, property tax additions totaled approximately \$281,000 and abatements totaled approximately \$52,000.

The County Assessor prepares court orders for additions and abatements, and posts these changes to the property tax system. The County Commission does not review the individual court orders or a detailed listing of changes made to the property tax system. The County Commission only reviews and approves a summary total of monthly additions and abatements. In addition, as explained in section 1.1, a control weakness exists because the County Collector is responsible for collecting property taxes and also has system access to change tax records (including entering addition and abatement information). This control weakness is more significant because neither the County Commission nor the County Clerk performs reconciliations of the approved additions and abatements to the actual changes made in the property tax system. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored, and errors or irregularities could go undetected.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews and timely approvals of additions and abatements, along with an independent reconciliation of approved additions and abatements to corrections made to the property tax system, would help ensure changes are proper.



Ralls County
Management Advisory Report - State Auditor's Findings

1.3 Account book and annual settlements

Neither the County Commission nor the County Clerk adequately reviews the financial activities of the County Collector. The County Clerk's account book only includes additions and abatements made to the tax system. The account book does not include taxes charged, collected, or protested, and therefore, does not provide all information needed to perform adequate reviews of the County Collector's annual settlements. Without a complete account book, the County Clerk cannot adequately review the annual settlements. In addition, the County Commission does not perform an independent review of the County Collector's annual settlements.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Similar conditions
previously reported

A similar condition to section 1.1 was noted in our prior audit report, and similar conditions to sections 1.2 and 1.3 were noted in our prior 2 audit reports.

Recommendations

- 1.1 The County Commission ensure property tax system access is limited to only what is needed for the users to perform their job duties and responsibilities.
- 1.2 The County Commission and the County Clerk ensure all property tax additions and abatements are properly approved and monitored.
- 1.3 The County Clerk maintain a complete and accurate account book or other records summarizing the financial activity of the County Collector. In addition, the County Commission and the County Clerk should use the account book or other records to review the accuracy and completeness of annual settlements.

Auditee's Response

The County Commission provided the following responses:

- 1.1 *We will talk with the County Assessor about limiting access.*
- 1.2 *We have a new plan in place to review details of additions and abatements to monitor for anything unusual.*
- 1.3 *This is now being reviewed.*



Ralls County
Management Advisory Report - State Auditor's Findings

The County Clerk provided the following responses:

- 1.2 *I have set up a new spreadsheet to check the totals. The County Commission will sign off on the spreadsheet each month, after reviewing the County Collector's information and checking names and totals.*
- 1.3 *I will review the financial activities of the County Collector by maintaining an account book to review annual settlements.*

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office collected approximately \$65,000 in civil and criminal process fees, concealed carry weapon permits, bonds, and other miscellaneous receipts during the year ended December 31, 2014.

2.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review. The Administrative Assistant is primarily responsible for receipting, recording, depositing, and disbursing monies; and preparing month-end bank reconciliations for the Sheriff's bank account. In addition, the Administrative Assistant is an approved signer on the Sheriff's bank account, which only requires one signature on checks. The Sheriff's review of bank reconciliations and other accounting records is not documented and does not include a review of detailed receipt and disbursement records.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, and disbursing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

2.2 Receipts and deposits

The Sheriff's office controls and procedures over receipts and deposits need improvement. The method of payment (cash, check, or money order) is not recorded on receipt slips, and as a result, the composition of receipts is not reconciled to the composition of deposits. In addition, checks are not restrictively endorsed immediately upon receipt.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected and accounting records will contain errors.

2.3 Liabilities

Sheriff's office personnel do not prepare a monthly list of liabilities to reconcile to the cash balance for the Sheriff's bank account. At our request, a



Ralls County Management Advisory Report - State Auditor's Findings

list of liabilities was prepared as of December 31, 2014, which totaled \$13,452. The December 31, 2014, reconciled bank balance of \$14,798 exceeded the list of liabilities by \$1,346. According to the Sheriff's office, this difference includes \$1,275 in undistributed monies that remained in the Sheriff's bank account as of January 1, 2013, when the Sheriff took office. The Sheriff's office has been unable to determine to whom these monies and the remaining excess funds are owed.

To ensure records are in balance, identify errors timely, and ensure sufficient cash is available for payment of amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. Various statutory provisions address the disposal of unidentified monies.

2.4 Board bill invoices

The Sheriff's office does not always reconcile invoices received from other political subdivisions for boarding county prisoners to supporting records to evaluate their accuracy before payment is made. In addition, written contracts with other political subdivisions do not include a daily rate for boarding county prisoners and signed copies of the contracts could not be located. Although various counties were utilized for boarding prisoners, the majority of boarding costs were paid to 2 nearby counties. During the year ended December 31, 2014, the Sheriff's office paid approximately \$429,000 to other political subdivisions for boarding prisoners.

Without reconciling board bill invoices received to adequate supporting records, there is less assurance the amounts invoiced and paid are accurate. In addition, Section 432.070, RSMo, states all contracts entered into by the county shall be in writing and shall be signed by each of the parties or their agents. Written contracts are necessary to specify the services to be performed along with the compensation for those services, provide a means for the Sheriff's office to monitor compliance with the contract terms, and protect the county and the Sheriff's office in the event of a dispute over the terms of the agreement.

Similar conditions previously reported Recommendations

Similar conditions to sections 2.2, 2.3, and 2.4 were noted in our prior audit report.

The Sheriff:

- 2.1 Adequately segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 2.2 Ensure receipt slips are issued with the method of payment documented, the composition of receipt slips is reconciled to the



Ralls County
Management Advisory Report - State Auditor's Findings

composition of deposits, and checks are restrictively endorsed immediately upon receipt.

- 2.3 Prepare a list of liabilities monthly and compare the list to the available cash balance. Differences should be promptly investigated. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.
- 2.4 Ensure invoices received for boarding county prisoners are reconciled to supporting records before payment is made. In addition, the Sheriff and County Commission ensure written agreements for boarding county prisoners include compensation rates for those services and are signed by all applicable parties.

Auditee's Response

The Sheriff provided the following responses:

- 2.1 *The Sheriff now reviews accounts on a more frequent basis and reviews detailed accounting records periodically.*
- 2.2 *This is now being done.*
- 2.3 *This issue was discussed with the County Treasurer and balances will be zeroed out monthly.*
- 2.4 *We have met with and will continue to work with the County Clerk, County Commission, and Prosecuting Attorney to ensure board bills are accurate prior to making payment.*

The County Commission provided the following responses:

- 2.4 *We will try to get written agreements for boarding county prisoners.*

3. Vehicle and Fuel Use

The county lacks adequate procedures to account for vehicle and fuel use in the Sheriff's office and the Road and Bridge department. The Sheriff's office spent approximately \$50,000 and the Road and Bridge department spent approximately \$188,500 on fuel purchases during the year ended December 31, 2014, for 15 patrol cars and 28 Road and Bridge vehicles and equipment.

- The Sheriff's office does not maintain fuel logs for all patrol cars, and fuel logs and fuel receipts are not reconciled to fuel statements. Employees purchase fuel for patrol cars with fuel purchasing cards, and the county receives a monthly statement for these purchases. Employees are to obtain a receipt at the time of purchase, sign it, and turn it into the Administrative Assistant monthly, who reconciles the receipts to



Ralls County Management Advisory Report - State Auditor's Findings

monthly fuel statements. During our review of the June 2014 fuel statement, fuel receipts could not be located for 16 fuel transactions, totaling \$772, out of the 102 (15 percent) fuel transactions reviewed, and fuel logs maintained were not reconciled to the monthly statement. The Sheriff does not document his review of the fuel statements for reasonableness.

- The Road and Bridge Supervisor does not reconcile fuel use to fuel purchased. The county maintains three bulk fuel tanks for fueling road and bridge vehicles and equipment. Daily logs are maintained at the bulk fuel tanks to track fuel meter readings, the amount pumped, and the vehicle/equipment fueled. The Road and Bridge Supervisor reconciles receipts for bulk fuel purchases to monthly statements; however, a reconciliation of fuel use to fuel purchased is not completed. In addition, Road and Bridge employees also purchase fuel for county vehicles with fuel purchasing cards, and the county receives a monthly statement for these purchases. Mileage logs are maintained in each vehicle to record odometer readings, location, and quantity and cost of fuel purchased with fuel cards. The Road and Bridge Supervisor does not require submission of receipt slips for fuel purchases and mileage logs are not compared with monthly fuel statements. The Road and Bridge Supervisor indicated only diesel fuel vehicles and equipment use fuel from the bulk tanks.

Procedures for reviewing fuel use and reconciling use to fuel purchased are necessary to ensure the reasonableness and propriety of fuel use and disbursements. Also, mileage and fuel logs are necessary to document the appropriate use of vehicles and to support fuel charges. Failure to account for fuel purchases could result in loss, theft, and misuse going undetected.

A similar condition was noted in our prior 2 audit reports.

Recommendation

The County Commission and the Sheriff establish procedures to maintain adequate records to effectively monitor fuel use. In addition, ensure fuel purchases are reconciled to fuel use and fuel statements and investigate any significant differences.

Auditee's Response

The County Commission provided the following response:

We have a plan in place. We have talked with the Road and Bridge Supervisor and have put information on a spreadsheet so we can calculate miles by truck numbers.



Ralls County
Management Advisory Report - State Auditor's Findings

The Sheriff provided the following response:

Fuel logs are now kept for all patrol cars. Fuel receipts are requested for all fuel purchases to be checked against statements.

4. Computer Controls

Controls over county computers are not sufficient to prevent unauthorized access by requiring password changes and restricting logon attempts or to restore key systems in the event of a disaster or system failure. As a result, county records are not adequately protected and are susceptible to unauthorized access or damage.

4.1 Password controls

The County Commission has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the offices of the County Treasurer, Prosecuting Attorney, Ex Officio Recorder of Deeds, and Sheriff are not required to periodically change their passwords, and employees in both the Prosecuting Attorney and the Ex Officio Recorder of Deeds share passwords within their respective offices. In addition, the County Assessor's office maintains a list of all employees' passwords that is accessible by employees of that office.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords do not have to be periodically changed and are shared, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

4.2 Security controls

The Prosecuting Attorney and Ex Officio Recorder of Deeds do not have security controls in place to lock a computer after a specified number of incorrect logon attempts.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

4.3 Backup data

The Prosecuting Attorney and the Ex Officio Recorder of Deeds do not perform periodic testing of backup data. Additionally, the Prosecuting Attorney does not store backups at an off-site location, and the Ex Officio Recorder of Deeds off-site backups are not encrypted or stored in a secure location. Failure to store computer backup data at a secure off-site location results in the backup data being susceptible to the same damage as the data



Ralls County Management Advisory Report - State Auditor's Findings

on the computer, and there is an increased risk of unauthorized access to data on unencrypted backups.

To help prevent loss of information and ensure all essential county information and computer systems can be recovered, backups should be tested on a periodic basis, and stored at a secure off-site location or encrypted.

Recommendations

The County Commission work with other county officials to:

- 4.1 Require unique passwords for each employee that are confidential and periodically changed to prevent unauthorized access to the county's computers and data.
- 4.2 Require each county computer to have security controls in place to lock the computer after a specified number of incorrect logon attempts.
- 4.3 Ensure backup data is tested on a regular, predefined basis, and stored in a secure off-site location or encrypted.

Auditee's Response

- 4.1 &
- 4.2 *We will try to work with other county officials to require unique passwords for each employee and lock out security controls on computers.*
- 4.3 *We will talk with elected officials about backup and storing backups at a secure off-site location.*

5. Public Administrator's Undeposited Checks

The Public Administrator holds checks received on behalf of some wards for extended periods of time before depositing them to help wards retain Medicaid eligibility. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and is responsible for the financial activity of 26 individuals.

For one ward reviewed, the Public Administrator submitted an inaccurate Medicaid eligibility form to the state in August 2014. The eligibility form listed a bank balance of \$800; however, this balance could not be supported and the form did not include a property tax credit check of \$577 received in February 2014. This check was deposited into the ward's bank account in September 2014, after submission of the Medicaid eligibility form to the state. According to the Public Administrator, she does not deposit some checks for possibly 3 wards to ensure the wards' assets remain below Medicaid eligibility limits.



Ralls County
Management Advisory Report - State Auditor's Findings

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be deposited timely. When initially applying for or re-determining eligibility for Medicaid through the Missouri Department of Social Services (DSS), Family Support Division, the Public Administrator is required to report all assets for each ward that may be in the form of cash, property, or other assets on the program application or eligibility review form. In addition, Section 208.210.1, RSMo, requires recipients to notify county welfare offices if they possess property that affects their right to receive benefits. Further, Section 208.210.2, RSMo, provides that if it is found that a recipient or spouse possessed income in excess of the amount reported that would affect his/her right to receive benefits, the amount of benefits may be recovered as a debt due to the state.

Recommendation

The Public Administrator discontinue the practice of holding checks and report accurate asset information for wards to the DSS, Family Support Division. In addition, monies should be deposited timely. Also, the Public Administrator should contact the DSS, Family Support Division, to determine whether any monies are due to the state.

Auditee's Response

I agree with the recommendation and will discontinue holding checks in the future. I have spoken with the DSS, Family Support Division to discuss the situation, and the change in assets on this case would not have impacted eligibility after all. I agree to report all assets as required on future Medicaid eligibility forms.

6. Ex Officio Recorder of Deeds' Segregation of Duties

The Ex Officio Recorder of Deeds has not adequately segregated accounting duties and does not perform an adequate supervisory review. The Ex Officio Recorder of Deeds collects various fees for recording documents such as deeds and marriage licenses. During the year ended December 31, 2014, receipts totaled approximately \$73,000.

The Deputy Recorder is primarily responsible for receipting, recording, and depositing monies and the Ex Officio Recorder of Deeds performs bank reconciliations and signs checks. The Ex Officio Recorder of Deeds does not perform a supervisory review of detailed accounting records or a comparison of monies received to those deposited.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, and disbursing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records are essential and should include comparing daily receipt activity to deposits.



Ralls County
Management Advisory Report - State Auditor's Findings

Recommendation

The Ex Officio Recorder of Deeds adequately segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.

Auditee's Response

Complete segregation of duties is not possible or efficient with the staff of one Deputy Recorder and myself (who also serves as Circuit Clerk). I will make an attempt to randomly review and document such review of monies received and deposited, in addition to the monthly reconciliation (which is documented) on the bank statement which I am currently doing at this time.

Ralls County

Organization and Statistical Information

Ralls County is a county-organized, third-class county. The county seat is New London.

Ralls County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 38 full-time employees and 17 part-time employees on December 31, 2014.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Robert L. See, Presiding Commissioner	\$	29,390
R.C. Harlow, Associate Commissioner		27,390
Steven H. Whitaker, Associate Commissioner		27,390
Gina Jameson, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Ernie Duckworth, County Clerk		41,500
Rodney J. Rodenbaugh, Prosecuting Attorney		51,000
Gerry Dinwiddie, Sheriff		46,000
Jena L. Epperson, County Treasurer		41,500
Denise. Goodwin, County Coroner		14,000
Paula Evans, Public Administrator		41,500
Connie L. Berry, County Collector, year ended February 28,	41,500	
Thomas E. Ruhl, County Assessor, year ended August 31,		41,500
Marty Wasson, County Surveyor (2)		

(1) Compensation is paid by the state.

(2) Compensation on a fee basis.



Nicole R. Galloway, CPA
Missouri State Auditor

Warren County



November 2015
Report No. 2015-100

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Warren County

Fuel Use	The county does not maintain mileage and fuel use logs for the road and bridge department's gasoline-powered vehicles and equipment and fuel use is not reviewed or reconciled to fuel purchases.
Cybersecurity	Separate user identifications (ID) and passwords are not required for all employees. The Planning and Zoning Administrator uses the same user ID and password as the person who previously held the position. Employees in several county offices are not required to periodically change their passwords.
Developmental Disabilities Board's Closed Meetings	The Developmental Disabilities Board does not always follow Sunshine Law requirements relating to closed meetings. The Board, which is responsible for development and operation of services for individuals with developmental disabilities, held 3 closed meetings in 2014. In these meetings, the Board did not cite a specific section of the law as the reason for entering into closed session and some topics were discussed in closed session that are not allowable by law.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Warren County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Fuel Use.....	4
2. Password Controls.....	4
3. Developmental Disabilities Board's Closed Meetings	5

Organization and Statistical	7
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Warren County

We have audited certain operations of Warren County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, was engaged to audit the financial statements of Warren County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

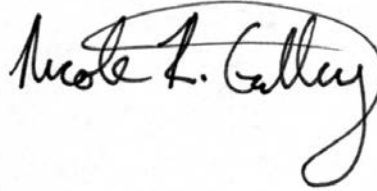
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Warren County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	David Olson
Audit Staff:	Devin Jackson
	Margie Freeman, CPA

Warren County Management Advisory Report State Auditor's Findings

1. Fuel Use

The county does not maintain mileage and fuel use logs for the road and bridge department's gasoline-powered vehicles and equipment and their fuel use is not reviewed or reconciled to fuel purchases. During the year ended December 31, 2014, the county incurred gasoline costs of approximately \$13,000 for the road and bridge department.

Maintenance and review of vehicle and equipment mileage and fuel use logs and comparison of log information and inventory records to fuel purchases, are necessary to ensure vehicles and equipment are properly utilized, to prevent paying vendors for improper billing amounts, and to decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor vehicle and equipment use and fuel costs.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission require mileage and fuel use logs for all vehicles and equipment and review the logs for reasonableness. In addition, the County Commission should ensure fuel use is reconciled to fuel purchases, and any significant discrepancies are investigated.

Auditee's Response

We are in the process of implementing this recommendation.

2. Password Controls

Separate user identifications (ID) and passwords are not required for all employees. The Planning and Zoning Administrator uses the same user ID and password as the previous Planning and Zoning Administrator to access that department's computer. In addition, employees in the offices of the Recorder of Deeds, County Assessor, Sheriff, and the Sanitarian are not required to change their passwords periodically.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords are not changed periodically, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission work with other county officials and employees to require unique user identifications and passwords for each employee that are confidential and periodically change passwords to prevent unauthorized access to the county's computers and data.



Warren County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission provided the following response:

We will work with the other officials and employees to implement the recommendation.

The Planning and Zoning Administrator provided the following response:

I will speak to our IT staff regarding the need to have a user ID and password specific to myself set up on the planning and zoning computer system.

The Recorder of Deeds provided the following response:

I will discuss with the software company about changing passwords periodically.

The County Assessor provided the following response:

I will work with the IT director to implement a policy change within the County Assessor's office, to change passwords on a quarterly basis, per the Auditor's recommendation.

The Sheriff provided the following response:

I will require a periodic forced password change.

3. Developmental Disabilities Board's Closed Meetings

The Developmental Disabilities Board (Board) does not always follow Sunshine Law requirements relating to closed meetings. The Board is responsible for development and operation of services for individuals with developmental disabilities. The Board held 3 closed meetings during the year ended December 31, 2014. We noted the following problems during our review of minutes for these meetings.

- The Board did not cite a specific section of the law as the reason for entering into closed session or document the vote of each member approving to enter into the closed session.
- The Board discussed some topics in closed sessions that are not allowable by state law. The Board discussed employee issues such as the mileage reimbursement rate, combining annual and sick leave, approval of overtime for certain employees, health insurance options, and salary increases. In addition, the roll call votes for 2 motions made in the October 21, 2014, closed meeting were not documented in the closed minutes.



Warren County
Management Advisory Report - State Auditor's Findings

Section 610.022, RSMo, provides that the question of holding a closed meeting and the reason for the closed meeting be voted on during the open meeting. Section 610.021, RSMo, indicates that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law. Section 610.015, RSMo, requires roll call votes for any votes taken during a closed meeting.

Recommendation

The Developmental Disabilities Board cite the specific reasons for holding the closed meeting and document the roll call vote taken during open meetings to close any meeting. In addition, the Board should ensure only allowable topics are discussed in a closed meeting and also ensure roll call votes taken in a closed meeting are recorded.

Auditee's Response

The Board accepts the auditor's recommendation to cite the specific reasons for holding a closed meeting and to document the roll call vote taken during open meetings to close any meetings. The Board will ensure that only allowable topics are discussed in a closed meeting and that roll call votes taken in a closed meeting are recorded.

Warren County

Organization and Statistical Information

Warren County is a county-organized, third-class county. The county seat is Warrenton.

Warren County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 117 full-time employees and 13 part-time employees on December 31, 2014.

In addition, county operations include the Developmental Disabilities Board, the county health department, and Planning and Zoning Commission.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Arden Engelage, Presiding Commissioner	\$	34,670
Daniel Hampson, Associate Commissioner		32,670
Hubert Kluesner, Associate Commissioner		32,670
Deborah Engemann, Recorder of Deeds		49,500
Barbara Daly, County Clerk		49,500
Michael S. Wright, Prosecuting Attorney (1)		7,044
Jennifer Bartlett, Prosecuting Attorney (2)		92,992
Kelly King, Prosecuting Attorney (3)		13,225
Kevin Harrison, Sheriff		57,200
Gene Cornell, County Treasurer		49,500
Roger R. Mauzy Sr., County Coroner		17,600
Jeffrey Hoelscher, Public Administrator		20,000
Linda K. Stude, County Collector, year ended February 28,	49,500	
Wendy Nordwald, County Assessor, year ended August 31,		49,500
Robert L. Lewis, County Surveyor (4)		

(1) Resigned January 23, 2014.

(2) Appointed February 3, 2014, and resigned October 31, 2014.

(3) Appointed November 1, 2014.

(4) Compensation on a fee basis.



Nicole R. Galloway, CPA
Missouri State Auditor

Missouri Veterans Commission

Capital Improvement Trust Fund



November 2015
Report No. 2015-101

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri Veterans Capital Improvement Trust Fund

Background	The Missouri Veterans Commission Capital Improvement Trust Fund supports the construction, maintenance, and equipment needs of veterans' homes and cemeteries in the state. It also pays for medals and certificates issued in honor of Missouri veterans. This audit is required under RSMo 42.300 and is limited in scope to review expenditure compliance with the law.
Findings	The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures as they relate to the fund. No findings resulted from this audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Missouri Veterans Commission Capital Improvement Trust Fund

Table of Contents

State Auditor's Report	2
------------------------	---

Organization and Statistical Information	4
------------------------------------------	---

Appendixes

A	Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments, 2 Years Ended June 30, 2014.....	6
B	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2014.....	7
C	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2014.....	8
D	Statement of Changes in General Capital Assets, 2 Years Ended June 30, 2014.....	9



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Lane Roberts, Director
Department of Public Safety
and
Larry D. Kay, Director
Missouri Veterans Commission
Jefferson City, Missouri

We have audited the Missouri Veterans Commission Capital Improvement Trust Fund, as required by Section 42.300.4, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014 and 2013. The objectives of our audit were to:

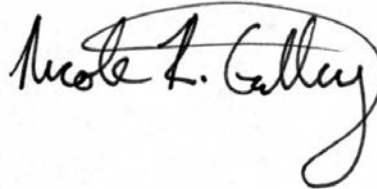
1. Evaluate internal controls over significant management and financial functions related to the fund.
2. Evaluate compliance with certain legal provisions related to the fund.
3. Evaluate the economy and efficiency of certain management practices and operations related to the fund, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agencies that administer the fund; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Missouri Veterans Commission's management and was not subjected to the procedures applied in our audit of the fund.

For the areas audited, we identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Missouri Veterans Commission Capital Improvement Trust Fund.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Wayne Kauffman, MBA
Audit Staff:	Nancy McDowell
	Anh Nguyen

Missouri Veterans Commission Capital Improvement Trust Fund Organization and Statistical Information

The Missouri Veterans Commission Capital Improvement Trust Fund was established by Section 42.300, RSMo. The fund receives monies transferred from the Gaming Commission Fund as authorized by Section 313.835, RSMo, and is used for the construction, maintenance, renovation, or equipment needs of homes; construction, maintenance, renovation, equipment needs and operation of cemeteries; and fund transfers to the Missouri Veterans Homes Fund to maintain the solvency of that fund. In 2012, state law was amended to include the administration of the Missouri Veterans Commission as an authorized use of the fund. It also funds the medallion recognition programs.

The Missouri Veterans Commission is composed of nine members. Two members shall be members of the Senate, one appointed by the President Pro Tem of the Senate and one appointed by the Senate Minority Floor Leader, two members shall be members of the House of Representatives, one appointed by the Speaker of the House of Representatives and one appointed by the House Minority Floor Leader, and in appointing such members, preference shall be given to current or former members of the military and their spouses, parents, and children. Members appointed from the House of Representatives and the Senate shall be appointed for a 2-year term or until a successor is appointed and may be reappointed to the Commission. Five members, who shall be veterans, are appointed by the Governor, with the advice and consent of the Senate, for a 4-year term; except that initial appointments to the Commission shall consist of two veterans to serve 4-year terms, two veterans to serve 3-year terms, and one veteran to serve a 2-year term. In addition, the chair of the Missouri Military Preparedness and Enhancement Commission or the chair's designee shall be an ex officio member of the Commission.

At June 30, 2014, the Commission was composed of three veterans, appointed for 3-year terms and one veteran appointed to a 4-year term by the Governor and confirmed by the Senate, two members of the Senate, and two members of the House of Representatives. There was one vacant Commission seat as of June 30, 2014.

Commission Members at June 30, 2014

Commissioner	Term Expires
Paul E. Connors (1)	November 2, 2012
Scott C. Englund (1)	November 2, 2013
Nancy M. Nelson (1)	March 17, 2013
Charles R. Wooten	November 2, 2015
Senator David Pearce (1)	August 4, 2011
Senator Scott Sifton	January 22, 2015
Representative Denny Hoskins	January 23, 2015
Representative Michael Frame	June 30, 2016

(1) Commissioners continue to serve until a successor is appointed.



Missouri Veterans Commission Capital Improvement Trust Fund Organization and Statistical Information

The Commission appoints an executive director who implements policies and is responsible for the statewide management of veterans programs. The executive director reports regularly to the Commission concerning all aspects of program operations through quarterly Commission meetings. Larry Kay has served as Executive Director since August 2008.

The Office of Administration also receives appropriations which are expended on behalf of the Commission for the design, construction, and leasing of Commission facilities and cemeteries.

Appendix A

Veterans Commission Capital Improvement Trust Fund

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2014	2013
RECEIPTS		
Federal receipts	\$ 817,076	1,729,075
Other	5,083	12,077
Interest	109,490	112,281
Total Receipts	<u>931,649</u>	<u>1,853,433</u>
DISBURSEMENTS		
Salaries and wages	3,407,303	3,300,566
Travel	142,080	126,772
Supplies	557,811	558,908
Professional development	10,066	5,506
Communication services and supplies	104,325	95,951
Professional services	47,840	58,438
Equipment	170,419	348,882
Property and improvements	981,889	3,347,301
Building lease payments	2,987,495	2,740,362
Equipment rental and lease payments	9,765	6,938
Maintenance and repair services	32,177	27,125
Housekeeping and janitor services	13,469	11,399
Fuel and utilities	10,201	8,165
Other	6,699	9,093
Program distributions	1,382,856	1,405,525
Total Disbursements	<u>9,864,395</u>	<u>12,050,931</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		
BEFORE TRANSFERS	(8,932,746)	(10,197,498)
TRANSFERS FROM:		
Gaming Commission Fund	26,792,691	29,900,000
Federal Stimulus - DPS MVC Fund	0	561,387
Proceeds of Surplus Property Fund	4,887	333
TRANSFERS TO:		
Missouri Veterans Homes	(7,600,000)	(16,000,000)
Missouri Consolidated Health Care Plan	(728,435)	(715,309)
Retirement System	(596,840)	(497,923)
Old Age, Survivors, Disability and Health Insurance Program	(244,739)	(237,360)
OA-Cost Allocation Plan	(1,218)	(69,778)
OA-Workers' Compensation	(381)	(39,485)
Total Transfers	<u>17,625,965</u>	<u>12,901,865</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND		
TRANSFERS	8,693,219	2,704,367
CASH AND INVESTMENTS, JULY 1	21,644,528	18,940,161
CASH AND INVESTMENTS, JUNE 30	<u>\$ 30,337,747</u>	<u>21,644,528</u>

Appendix B

Veterans Commission Capital Improvement Trust Fund
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
MISSOURI VETERANS COMMISSION						
Veterans Homes - Personal Service	\$ 28,610	24,099	4,511	28,337	26,411	1,926
Veterans Recognition Program - Expense and Equipment (1)	136,732	6,662	130,070	538,840	42,012	496,828
Administration and Service to Veterans - Personal Service	3,498,093	3,305,921	192,172	3,469,057	3,197,393	271,664
Administration and Service to Veterans - Expense and Equipment	1,307,855	1,061,216	246,639	1,307,855	1,158,782	149,073
Veterans Service Officer Program	1,600,000	1,382,206	217,794	1,600,000	1,403,838	196,162
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, operational maintenance and repair, and improvements at facilities statewide (1)	0	0	0	26,375	7,875	18,500
Emergency generators at various veterans homes (1)	0	0	0	4,294,717	5,945	4,288,772
Sprinkler installation at the St. James Veterans Home (1)	0	0	0	1,546,549	0	1,546,549
Roof replacement at the St. James Veterans Home (1)	0	0	0	781,255	0	781,255
Construction of a solarium at the Warrensburg Veterans Home (1)	0	0	0	102,779	0	102,779
Construction of a new chapel and renovation of the existing chapel for conference/training room space at the Warrensburg Veterans Home (1)	0	0	0	686,838	0	686,838
Construction of a new columbarium wall and spoils area at the Higginsville Veterans Cemetery (1)	0	0	0	2,179,353	21,160	2,158,193
Construction of a new columbarium wall at the Springfield Veterans Cemetery (1)	0	0	0	1,383,405	25,394	1,358,011
Construction of a new columbarium wall at the Springfield Veterans Cemetery (1)	0	0	0	52,795	0	52,795
Construction of a new chapel and renovation of the existing chapel for conference/training room space at the Cameron Veterans Home (1)	0	0	0	635,784	0	635,784
Veterans Recognition Program - Personal Service (1)	91,715	77,286	14,429	90,891	76,761	14,130
Operation of institutional facilities, utilities, systems furniture, and structural modifications (1)	2,786,011	2,786,011	0	2,547,527	2,547,527	0
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, operational maintenance and repair, and improvements at facilities statewide (1)	107,662	107,662	0 (2)	502,664	502,664	0
Construction, renovations, and improvements at state veterans homes (1)	1,535,136	712,677	822,459 (2)	2,783,991	2,783,990	1
Payment of real property leases, utilities, systems furniture, and structural modifications (1)	124,913	101,230	23,683	181,775	86,740	95,035
Operation of state-owned facilities, utilities, systems furniture, and structural modifications (1)	116,783	116,783	0 (2)	116,383	116,382	1
Design and construction of a storage building at the St. Louis Veterans Home (1)	1,076,625	0	1,076,625 (2)	0	0	0
Installation of electronic medical records at veterans homes statewide (1)	2,362,500	0	2,362,500 (2)	0	0	0
Maintenance, repairs, replacements, and improvements at facilities statewide (1)	1,000,000	52,202	947,798 (2)	0	0	0
Repairs, replacements, and improvement at the Cameron Veterans Home (1)	524,300	0	524,300 (2)	0	0	0
Repairs, replacements, and improvements at the Cape Girardeau Veterans Home (1)	3,966,030	0	3,966,030 (2)	0	0	0
Repairs, replacements, and improvement at the Mexico Veterans Home (1)	791,350	0	791,350 (2)	0	0	0
Repairs, replacements, and improvements at the St. James Veterans Home (1)	6,202,980	0	6,202,980 (2)	0	0	0
Repairs, replacements, and improvements at the Warrensburg Veterans Home (1)	1,460,249	0	1,460,249 (2)	0	0	0
Installation of anti-wander systems at veterans homes statewide (1)	2,362,500	85,485	2,277,015 (2)	0	0	0
Installation of electronic medical records at veterans homes statewide	2,362,500	0	2,362,500	0	0	0
Total Missouri Veterans Commission	33,442,544	9,819,440	23,623,104	24,857,170	12,002,874	12,854,296
OFFICE OF ADMINISTRATION						
Information Technology Services Division - Expense and Equipment	44,980	44,305	675	46,395	46,370	25
Reimbursing the Division of Employment Security benefit account for claims paid to former state employees for unemployment insurance coverage and for related professional services	5,017	650	4,367	5,017	1,687	3,330
Total Office of Administration	49,997	44,955	5,042	51,412	48,057	3,355
Total Veterans Commission Capital Improvement Fund	\$ 33,492,541	9,864,395	23,628,146	24,908,582	12,050,931	12,857,651

(1) The amounts include Office of Administration appropriations which were expended on behalf of the Missouri Veterans Commission (MVC) for design and construction and leasing of MVC facilities and cemeteries and Adjutant General appropriations which were expended on behalf of the MVC for the Veterans Recognition Program.

(2) Biennial appropriations set up in 2014 are re-appropriations to fiscal year 2015. After the fiscal year-end processing has been completed, the unexpended fiscal year 2014 appropriation balance for a biennial appropriation is established in fiscal year 2015. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2014.

Appendix C

Veterans Commission Capital Improvement Trust Fund Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2014	2013	2012	2011	2010
Salaries and wages	\$	3,407,304	3,300,566	1,430,244	1,480,704	1,359,178
Travel, in-state		140,136	125,733	22,325	28,695	29,674
Travel, out-of-state		1,944	1,039	1,922	4,125	4,576
Fuel and utilities		10,201	8,165	0	0	0
Supplies		557,811	558,908	448,593	306,776	210,919
Professional development		10,066	5,506	4,459	4,249	3,257
Communication service and supplies		104,325	95,951	60,452	59,511	55,712
Services:						
Professional		47,840	58,438	84,006	253,495	299,285
Housekeeping and janitorial		13,469	11,399	7,297	17,465	8,609
Maintenance and repair		32,177	27,125	19,689	58,494	54,043
Equipment:						
Computer equipment		0	1,008	3,123	859	27,936
Motorized equipment		114,031	290,469	284,318	186,137	210,951
Office equipment		35,300	28,823	12,438	25,857	20,150
Other equipment		21,087	28,582	43,942	85,271	94,740
Property and improvements		981,889	3,347,301	2,427,401	3,045,138	3,508,545
Building lease payments		2,987,495	2,740,362	57,442	57,858	43,595
Equipment rental and leases		9,765	6,938	4,363	2,833	694
Miscellaneous expenses		6,699	9,093	4,272	5,234	3,346
Program distributions		1,382,856	1,405,525	1,505,974	1,020,453	1,005,017
Total Expenditures	\$	<u>9,864,395</u>	<u>12,050,931</u>	<u>6,422,260</u>	<u>6,643,154</u>	<u>6,940,227</u>

Appendix D

Veterans Commission Capital Improvement Trust Fund Statement of Changes in General Capital Assets

	Land	Land Improvements	Buildings	Equipment	Construction in Progress	Total General Capital Assets
Balance, July 1, 2012	\$ 30,000	561,966	70,812,665	2,898,882	8,464,331	82,767,844
Additions	0	23,900	2,712,685	317,323	3,334,267	6,388,175
Dispositions	0	0	0	(75,311)	(2,712,243)	(2,787,554)
Balance, June 30, 2013	30,000	585,866	73,525,350	3,140,894	9,086,355	86,368,465
Additions	2,066,412	0	24,426	135,798	803,137	3,029,773
Dispositions	0	0	0	(53,532)	0	(53,532)
Balance, June 30, 2014	\$ 2,096,412	585,866	73,549,776	3,223,160	9,889,492	89,344,706



Nicole R. Galloway, CPA
Missouri State Auditor

Village of Luray



November 2015
Report No. 2015-102

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Luray

Internal Controls, Records, and Procedures

The Board of Trustees has not segregated accounting duties and there is not adequate independent oversight of the work performed by the village clerk. The village does not maintain a current fund ledger showing the beginning balance, monthly receipts by source and disbursements by type, and ending balance. Additionally, the village has not established separate accounting for motor vehicle-related revenues received from the state, and does not monitor the use of these funds to ensure compliance with state law. The village clerk does not perform bank reconciliations for the village's general, wastewater and ballpark accounts and does not maintain cumulative book balances for these accounts. The village has not prohibited the practice of making checks payable to cash. No records of ballpark concession stand purchases, sales or inventories are maintained, and no reconciliations of concession stand purchases to the amount sold are performed. The village clerk is not bonded, as required by state law.

Disbursements

The board's review and approval of disbursements was not adequately documented. The village did not maintain adequate supporting documentation for some disbursements. The village does not have a written contract with the wastewater manager. The village did not file a 1099-MISC form with the Internal Revenue Service for payments made to the wastewater manager in 2014.

Wastewater System Controls and Procedures

Wastewater receipts were not always properly recorded and the method of payment was not always documented as cash or check on the wastewater ledger. The village does not have a written policy regarding partial payments by customers who have delinquent accounts, and customers are allowed to make partial payments without board approval. The village does not perform monthly reconciliations of total billings, payments received and amounts remaining unpaid for wastewater services. The village does not have a way to discontinue wastewater services, as the water lines are currently limited to one shut-off valve, which limits the recourse the village has to address delinquent accounts. Accounting records documenting wastewater receipts prior to October 2014, were not adequately retained.

Budgets and Financial Reporting

The village does not prepare annual budgets for village funds as required by state law. The village does not publish or post semiannual financial statements, file annual financial reports with the State Auditor's Office or obtain annual audits of its sewer system, as required by state law.

Ordinances and Sunshine Law
Issues

Minutes for some board meetings were not prepared or had not been retained, and there is no evidence a public hearing on the village's proposed property tax rate was held in 2014 or the board approved the tax rate. The village has not adopted a written policy regarding public access to village records as required by state law. In addition, village ordinances are not complete or up to date.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Village of Luray

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Internal Controls, Records, and Procedures4 2. Disbursements7 3. Wastewater System Controls and Procedures8 4. Budgets and Financial Reporting12 5. Ordinances and Sunshine Law Issues.....13
-------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	16
---------------------------------------------	----



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Chairperson
and
Members of the Board of Trustees
Village of Luray, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Luray. We have audited certain operations of the village in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

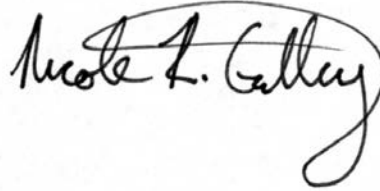
1. Evaluate the village's internal controls over significant management and financial functions.
2. Evaluate the village's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the village; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Luray.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Terri Erwin, MBA, CGAP

Village of Luray

Management Advisory Report

State Auditor's Findings

1. Internal Controls, Records, and Procedures

There are significant weaknesses in village internal controls, records, and procedures.

1.1 Segregation and oversight

The Board of Trustees (Board) has not segregated accounting duties and there is not adequate independent oversight of the work performed by the Village Clerk. A Village Clerk is appointed by the Board and is compensated \$35 per month for the duties performed. Two people held the position of Village Clerk during the year ended December 31, 2014.

The Village Clerk is responsible for all record-keeping and accounting functions for the general, wastewater, and ballpark accounts. The clerk's duties include receiving and depositing monies, recording receipts and disbursements, preparing and distributing checks, preparing customer wastewater billings, and tracking wastewater account balances. Adequate independent reviews of this work are not performed.

One person performing all record-keeping and accounting functions does not allow the segregation of duties necessary for a proper evaluation and review of financial transactions. The current procedures jeopardize the system of independent checks and balances needed for good internal control. If segregation of duties is not possible, periodic independent or supervisory reviews, including a comparison of accounting records to bank records, should be performed and documented.

1.2 Accounting records

The village does not maintain a current fund ledger showing the beginning balance, monthly receipts by source and disbursements by type, and ending balance.

Additionally, the village has not established a separate fund or separate accounting for motor vehicle-related revenues received from the state, and does not monitor the use of these funds to ensure compliance with state law. During the year ended December 31, 2014, the village received \$3,733 in motor vehicle-related revenues.

Article IV, Sections 30(a) and 30(b), Missouri Constitution requires that motor vehicle-related revenues apportioned by the state of Missouri be expended on street-related purposes, including construction, maintenance, repair, policing, signing, lighting, and cleaning of roads and streets.

Fund ledgers and summary reports of receipts by source and disbursement by type should be prepared for each fund on a monthly basis and used for comparison to budgeted amounts and overall review of village operations. Receipts and disbursements associated with restricted usage should be



Village of Luray Management Advisory Report - State Auditor's Findings

recorded in a fund established to account for this usage and ensure compliance with state laws. Complete and accurate financial records are necessary for the Board to make informed decisions and provide a basis for monitoring financial activity.

1.3 Bank reconciliations

The Village Clerk does not perform bank reconciliations for the village's general, wastewater, and ballpark accounts and does not maintain cumulative book balances for these accounts.

Monthly bank reconciliations help ensure bank and book balances are in agreement and errors are detected and corrected timely. Maintaining a book balance for each account would also aid in preparing the monthly bank reconciliations and monitoring the bank balances.

1.4 Check procedures

The village has not prohibited the practice of making checks payable to cash. We noted a check payable to cash for \$750 written in August 2014 from the ballpark account. The current Village Clerk (who was appointed in April 2015) could not explain the purpose of this check nor provide supporting documentation regarding how or where these monies were used.

To reduce the risk of misuse of monies, the practice of writing checks payable to cash should be prohibited.

1.5 Concession stand inventory

No records of ballpark concession stand purchases, sales, or inventories are maintained, and no reconciliations of concession stand purchases to the amount sold are performed. As a result, the Board has no assurance of proper handling of inventory items or monies generated through concession sales.

To ensure proper handling of inventory items and monies generated through concession sales, the village should maintain adequate records of concession stand purchases, sales, and inventories; and a reconciliation of concession inventory purchased to the amount sold and on hand should be performed on a periodic basis by an independent person.

1.6 Bond

The Village Clerk is not bonded, as required by state law. Section 80.250, RSMo, requires village officials be bonded for not less than \$1,000. Failure to properly bond village officials exposes the village to risk of loss.

Recommendations

The Board of Trustees:

- 1.1 Segregate accounting duties to the extent possible and ensure documented supervisory reviews of the accounting records and bank records are performed.



Village of Luray
Management Advisory Report - State Auditor's Findings

- 1.2 Ensure a complete financial accounting system is established. Summary financial reports should be prepared documenting monthly receipt sources and disbursement types. This information should be used to compare to budget estimates and monitor village operations. Additionally, the Board should establish a separate fund or a separate accounting of restricted monies.
- 1.3 Ensure monthly bank reconciliations are prepared for all bank accounts and cumulative book balances are maintained.
- 1.4 Prohibit the practice of making checks payable to cash.
- 1.5 Ensure adequate records of concession stand purchases, sales, and inventories are maintained, and a reconciliation of concession inventory purchases to the amount sold and on hand is performed periodically.
- 1.6 Require appropriate bond coverage for all village officials.

Auditee's Response

- 1.1 *The Board is in the process of developing a system for Trustees to perform supervisory reviews over accounting records and bank records on a regular basis, and will include documentation of these reviews occurring.*
- 1.2 *The Board is in the process of starting a financial accounting ledger, which will include a separate fund for restricted monies. Also, a financial statement has been developed and is handed out at each monthly meeting for Board approval that includes all monies coming in and going out.*
- 1.3 *The Board is in the process of developing a system for Trustees to review and compare bank statements to the ledger on a regular basis that will include documentation of this review occurring.*
- 1.4 *This has not occurred with the current Board, but it will be added to the policies and procedures to make sure it will not occur in the future.*
- 1.5 *The current Board has been checking the concession purchases, sales, and inventories on a regular basis, but has not been documenting reviews performed. The Board is going to start documenting these reviews.*
- 1.6 *Implemented. The Village Clerk has been bonded since September 15, 2015.*



Village of Luray
Management Advisory Report - State Auditor's Findings

2. Disbursements

Significant weaknesses exist in the controls and procedures over disbursements.

2.1 Disbursement review and approval

The Board's review and approval of disbursements was not adequately documented. Although Board minutes documented discussion of pending payments, the approval of disbursements was generally not documented. In addition, invoices were not signed or initialed by the Board, and a list of all disbursements approved for payment by the Board was not prepared to accompany the minutes.

To adequately document the Board's review and approval of all disbursements, a complete and detailed listing of disbursements should be prepared, signed or initialed by the Board members to denote their approval, and retained with the official minutes. In addition, supporting documentation should be reviewed by the Board or someone independent of the disbursement process before payment is made. Failure to properly review all invoices and supporting documentation, and to document authorizations, increases the possibility of inappropriate disbursements occurring.

2.2 Supporting documentation

The village did not maintain adequate supporting documentation for some disbursements. For example, there was no supporting documentation for 2 payments of \$350 made to a Board member in February and March 2014 for snow removal.

All disbursements should include proper supporting documentation to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

2.3 Service contract

The village does not have a written contract with the Wastewater Manager. Per village officials, a contract had been signed annually until a few years ago, but no current contract is in place, nor could a copy of a past contract be provided. During the year ended December 31, 2014, the Wastewater Manager was paid \$5,700 for her services.

The village should obtain written contracts, as needed, which specify the services to be rendered and the manner and amount of compensation to be paid. Furthermore, Section 432.070, RSMo, requires contracts of political subdivisions be in writing. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties. Additionally, the village should retain its written contracts.

2.4 IRS reporting

The village did not file a 1099-MISC form with the Internal Revenue Service for payments totaling \$5,700 made to the Wastewater Manager for the year ended December 31, 2014. Sections 6041 to 6050W of the Internal



Village of Luray
Management Advisory Report - State Auditor's Findings

Revenue Code require non-wage payments of at least \$600 in one year to an individual be reported to the federal government on a 1099-MISC form.

Recommendations

The Board of Trustees:

- 2.1 Review and document approval of all disbursements and supporting documentation.
- 2.2 Require adequate, detailed supporting documentation be obtained and retained for all disbursements.
- 2.3 Obtain and retain written contracts for services which specify the services to be rendered and the manner and amount of compensation to be paid.
- 2.4 Ensure 1099-MISC forms are issued in accordance with IRS regulations.

Auditee's Response

- 2.1 *The minutes now show that we approve all bills, payroll, and disbursements. The Village Clerk has been preparing a list of all payments to go out for the current month and hands it out to the Board at each meeting to get approved, but has not been having the members sign the list. The Board is going to start documenting that this is being approved each month in the minutes and sign the list.*
- 2.2 *The Board has started approving disbursements at each meeting by a vote and supporting documentation of the disbursements will be reviewed and maintained.*
- 2.3 *The Board is in the process of developing a contract for the Wastewater Manager and will include duties, responsibilities, and amount of compensation.*
- 2.4 *The Board is in the process of consulting with the Village Attorney to see if a 1099-MISC needs to be done.*

3. Wastewater System Controls and Procedures

There are significant weaknesses in village operations related to the wastewater system. The village provided wastewater services to 45 customers according to the December 2014 ledger. The village collected approximately \$11,300 in wastewater fees during the year ended December 31, 2014.

3.1 Wastewater receipts

Wastewater receipts were not always properly recorded and the method of payment (cash or check) was not always documented on the wastewater ledger. As a result, the composition of receipts cannot be reconciled to the



Village of Luray Management Advisory Report - State Auditor's Findings

composition of deposits. Additionally, Board members will accept wastewater payments at their homes, even though payments can be made by mail or via a locked drop box.

Of 5 receipts selected for testing from the fourth quarter 2014 wastewater ledger, the only ledger that could be located, 2 receipts received in October 2014, were not properly recorded. When comparing the billing payment stub listing the amount paid with the wastewater ledger, we noted one receipt for \$63 per the payment stub was recorded in the ledger as \$30, and the other receipt of \$60 per the payment stub was recorded in the ledger as \$63. Had the wastewater ledger been reconciled to deposits, these errors would have been detected.

Accurately recording all receipts, along with the method of payment, allows the composition of monies received to be reconciled to the composition of deposits, and ensures all monies are properly recorded and deposited intact. Also, to minimize the risk of loss, theft, or misuse, Board members should discontinue accepting wastewater payments at their homes.

3.2 Partial payments policy

The village does not have a written policy regarding partial payments by customers who have delinquent accounts, and customers are allowed to make partial payments without Board approval. Customers making partial payments are not required to sign an agreement for the payment arrangements.

To ensure all customers are treated equitably, a written policy should be established documenting the process to determine when payment plans are allowed, how the payment amount is to be established, and the approval process for these arrangements. In addition, a signed written payment agreement is necessary to indicate the intent of the customer to pay the outstanding balance and to aid in accounting for and collecting the amounts due to the village.

3.3 Delinquent accounts

The village does not perform monthly reconciliations of total billings, payments received, and amounts remaining unpaid for wastewater services. Although delinquent amounts are recorded by customer in the wastewater ledger, a summary of delinquent amounts is not prepared. We prepared a list of delinquent accounts and noted of the 45 customer accounts as of December 31, 2014, 21 (47 percent) had delinquent balances, totaling approximately \$5,300. Also, of the 21 delinquent accounts, 4 (19 percent) were accounts of current or former village officials.

The village also does not have a written policy regarding the assessment of late payment fees on delinquent accounts. Customers are informed that a 10 percent late fee will be assessed. We noted during the fourth quarter 2014, late fees were not calculated correctly or consistently.



Village of Luray Management Advisory Report - State Auditor's Findings

To ensure adequate follow-up procedures are performed, a listing of all delinquent amounts should be maintained and periodically reviewed by the Board. In addition, monthly reconciliations are necessary to ensure that all accounting records balance, transactions have been properly recorded, any errors or discrepancies are detected timely. The village should also establish a written policy regarding assessing late payment fees on delinquent accounts and discontinue allowing village officials to carry delinquent wastewater balances.

3.4 Collection efforts

The village needs to continue its efforts to ensure all users are paying for the wastewater services provided. Currently, the village does not have a way to discontinue wastewater services. The water lines are currently limited to one shut-off valve, which limits the recourse the village has to address delinquent accounts. The Board's efforts to resolve delinquent customer accounts have included sending delinquent customer account holders certified letters to request payment, pricing how much it would cost the village to place separate shut-off valves for the wastewater, and discussing other collection alternatives with legal counsel.

Allowing customers to receive service without payment reduces the incentive to make payments, results in loss of village revenue, and could impact the wastewater rates for other paying customers. The Board should continue efforts to collect on delinquent accounts.

3.5 Record retention

Accounting records documenting wastewater receipts prior to October 2014, were not adequately retained, and thus, we were unable to determine if wastewater receipts were accounted for properly. The Village Clerk could only locate the wastewater ledger for the fourth quarter of 2014.

Record retention is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, indicates all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law.

Recommendations

The Board of Trustees:

- 3.1 Require recording the method of payment and reconciliation of the composition of receipts to the composition of deposits. In addition, the Board should ensure wastewater payments are only accepted via mail or drop box.
- 3.2 Establish a written policy regarding partial payments for delinquent accounts, and ensure signed written agreements are prepared to support partial payment arrangements.



Village of Luray
Management Advisory Report - State Auditor's Findings

- 3.3 Require monthly reconciliations be performed of the amounts billed to amounts collected and delinquent accounts, and review a listing of delinquent accounts periodically. Establish a written policy regarding assessing late payment fees on delinquent accounts. In addition, the Board should discontinue the practice of allowing village officials to carry delinquent wastewater balances.
- 3.4 Continue efforts to ensure all users are paying for wastewater services provided.
- 3.5 Ensure accounting records are properly retained.

Auditee's Response

- 3.1 *The Village Clerk has been keeping a record of all payments received that include the name, date, payment source (check number, money order number, or cash) and amount paid each month. The Chairman or his designate is going to start reviewing this list and reconcile it with bank records and document their review. Board members will no longer accept payments at their homes.*
- 3.2 *The Board is in the process of having this added to the new ordinances, bylaws, and policies and procedures that the Village Attorney is developing.*
- 3.3 *The Board is in the process of starting to have a form made each month that includes amount billed and amount received for the month and handed out at each meeting for approval and documented review. The Village Clerk has also started to hand out a delinquent account list at each meeting, and this will start to be documented each month. The Board is in the process of adding a late fee amount of 10 percent of total delinquent amount each month to the policies and procedures that the Village Attorney is developing. Finally, the Board agrees that village officials should not carry delinquent wastewater balances. In the future no office holder will be allowed to have a delinquent account.*
- 3.4 *The Board is also working with the Village Attorney to collect all delinquent amounts and developing a policy for the accounts to not get so far behind.*
- 3.5 *The Village Clerk is currently developing binders for all accounts to keep all records maintained and organized.*



Village of Luray
Management Advisory Report - State Auditor's Findings

4. Budgets and Financial Reporting

Annual budgets are not prepared for village funds and significant improvement is needed in financial reporting practices.

4.1 Budgets

The village does not prepare annual budgets for village funds as required by state law.

Section 67.010, RSMo, requires the preparation of an annual budget that shall represent a complete financial plan for the ensuing budget year, and also sets specific requirements for information to be included in the budget. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in a budget.

A complete and well-planned budget, in addition to meeting statutory requirements, serves as a means to manage village resources, assists in setting tax levies, and informs the public about village operations and current finances.

4.2 Published financial statements

The village does not publish or post semiannual financial statements as required by state law. As a result, information regarding the village's financial activity and condition is not available to citizens.

Section 80.210, RSMo, requires the Board prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village.

4.3 Financial reporting

The village does not file annual financial reports with the State Auditor's Office as required by state law. The village last submitted a financial report in January 2003 for the year ending December 31, 2001.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office.

4.4 Audits

The village has not obtained annual audits of its sewer system as required by state law. Section 250.150, RSMo, requires the village obtain annual audits of the sewer system and the cost be paid from revenues received from the system.

Recommendations

The Board of Trustees:

- 4.1 Prepare annual budgets that include all information required by state law, and ensure the budget is formally approved and the approval is documented in the Board minutes.



Village of Luray
Management Advisory Report - State Auditor's Findings

- 4.2 Publish or post semiannual financial statements as required by state law.
- 4.3 File annual financial reports with the State Auditor's Office as required by state law.
- 4.4 Obtain annual audits of the sewer system as required by state law.

Auditee's Response

- 4.1 *The Board is including in the policies and procedures to have an annual budget to be developed and documented. We anticipate having a budget in place for 2016. Approval of the budget will be documented in the minutes.*
- 4.2 *The Board is including in the policies and procedures to have a semiannual financial statement published or posted as required by law. We plan to publish the first semiannual statement as of December 31, 2015.*
- 4.3 *The Board is in the process of adding to the policies and procedures that a financial report is to be sent to the State Auditor's Office annually. We will provide this information to the State Auditor's Office in 2016.*
- 4.4 *The Board is in the process of checking with the Village Attorney about making this a policy, and will obtain an annual audit of the sewer system.*

5. Ordinances and Sunshine Law Issues

Minutes for some Board meetings were not prepared or had not been retained, there is no evidence a public hearing on the village's proposed property tax rate was held in 2014 or the Board approved the tax rate, and the village has not adopted a written policy regarding public access to village records as required by state law. In addition, village ordinances are not complete or up to date.

5.1 Meeting minutes

Minutes for the January 2014, March 2014, July 2014, February 2015, and March 2015 monthly Board meetings could not be located. While minutes were provided for other meetings, it could not be determined if the minutes for these meetings had not been prepared, or just could not be located. In addition, for the minutes provided, they were neither signed by the Village Clerk as the preparer, nor subsequently approved by the Board.

Section 610.020, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of board actions and decisions. The meeting minutes should be signed by the Village Clerk as preparer and subsequently approved by the Board to provide an independent



Village of Luray Management Advisory Report - State Auditor's Findings

attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.

5.2 Tax rate hearing

There is no evidence a public hearing on the village's proposed property tax rate was held in 2014 or that the tax rate was formally approved by the Board. None of the available Board meeting minutes included discussion or approval of the village's property tax rate, and no other records were available to support the established rate or demonstrate a public hearing had been held.

Section 67.110, RSMo, requires each governing body to hold at least one public hearing, at which citizens may be heard, prior to approval of the proposed tax rate. The tax rate should be established in an ordinance as provided in Section 80.090, RSMo.

5.3 Public access policy

The village has not adopted a written policy regarding public access to village records as required by state law. A written policy regarding public access to village records would establish guidelines for the village to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees which may be assessed for providing copies of public records.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the village to charge fees for providing access to and/or copies of public records and provides requirements related to fees.

5.4 Ordinances

Village ordinances are not complete or up to date. According to village officials, many ordinances are old and no longer relevant but have not been rescinded by the Board.

Also, the village has not adopted an ordinance for the Village Clerk's job responsibilities, work hours, compensation, etc. Section 80.240, RSMo, provides that the Board may appoint certain officials, prescribe their duties, and fix their compensation. Compensation should be set by ordinance.

In addition, the village has not adopted ordinances to address operations of the wastewater system, including acceptance of partial payments, collection and write-off of delinquent accounts, and assessment of late payment fees.

Because ordinances passed by the Board to govern the village and its residents have the force and effect of law, it is important ordinances be current, complete, and organized. In addition to meeting statutory requirements, ordinances documenting approved salary amounts and wastewater system procedures help ensure equitable treatment and prevent misunderstandings.



Village of Luray
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Trustees:

- 5.1 Maintain complete and accurate minutes for all meetings and ensure meeting minutes are signed by the preparer and approved by the Board.
- 5.2 Hold a public hearing each year to determine and set the tax levy.
- 5.3 Develop written policies regarding procedures to obtain access to, or copies of, public records.
- 5.4 Ensure ordinances are maintained in a complete, well-organized, and up-to-date manner, new ordinances are passed when appropriate, and an index of all ordinances passed and rescinded is established. The Board should also establish, by ordinance, the Village Clerk's duties and compensation, and address the wastewater system procedures.

Auditee's Response

- 5.1 *The Village Clerk has developed a binder to keep all minutes in and the Board will start having all minutes signed by the Village Clerk as preparer and minutes will be approved by the Board at the next Board meeting.*
- 5.2 *The Board is in the process of including in the policies and procedures to hold a public hearing annually to determine and set the tax levy. We plan to implement the recommendation in 2016.*
- 5.3 *The Board is in the process of including in the policies and procedures that the public can obtain access to or copies of public records and will include the costs.*
- 5.4 *The Board is in the process of developing new ordinances, bylaws, and policies and procedures with the Village Attorney. When completed, they will be passed, approved, and maintained according to state law. Included in these will be the Village Clerk's duties within all accounts and compensation, and they will also address the wastewater system procedures.*

Village of Luray

Organization and Statistical Information

The Village of Luray is located in Clark County. The village was incorporated in 1886. The village employs no full-time employees, but has appointed a part-time Village Clerk.

Village operations include wastewater services, street maintenance, planning and zoning, and recreational facilities (village park and a ballpark).

Chairperson and Board of Trustees

The village government consists of a five-member board of trustees. The members are elected for 2-year terms. The chairperson is appointed by the board from the trustees. The members of the Board of Trustees at December 31, 2014, are identified below. The Chairman is paid \$35 per month and the Trustees are paid \$25 per month.

Robert Smith, Chairperson
Vernon Hopp
Rodney Nichols
Chris Moeller
Dennis Smith

Financial Activity

A summary of the village's financial activity for the year ended December 31, 2014, follows:

Village of Luray
Schedule of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended December 31, 2014

	General Account	Wastewater Account	Ballpark Account	Total
RECEIPTS				
Property taxes	\$ 1,357	0	0	1,357
Franchise taxes	2,321	0	0	2,321
Motor fuel and vehicle fees	3,733	0	0	3,733
Interest	93	0	0	93
Wastewater revenues	0	11,336	0	11,336
Entry fees	0	0	2,500	2,500
Concession stand proceeds	0	0	1,237	1,237
Miscellaneous	488	0	1,879	2,367
Total Receipts	<u>7,992</u>	<u>11,336</u>	<u>5,616</u>	<u>24,944</u>
DISBURSEMENTS				
Personal service	1,975	5,700	0	7,675
Utilities	3,782	2,959	867	7,608
Loan payment	711	711	711	2,133
Snow removal	700	0	0	700
Election costs	282	0	0	282
Expense and equipment	0	1,114	203	1,317
Wastewater testing	0	455	0	455
Concession stand inventory	0	0	716	716
Miscellaneous	505	528	1,029	2,062
Total Disbursements	<u>7,955</u>	<u>11,467</u>	<u>3,526</u>	<u>22,948</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	37	(131)	2,090	1,996
CASH AND INVESTMENTS, JANUARY 1, 2014	<u>27,306</u>	<u>13,604</u>	<u>1,014</u>	<u>41,924</u>
CASH AND INVESTMENTS, DECEMBER 31, 2014	<u>\$ 27,343</u>	<u>13,473</u>	<u>3,104</u>	<u>43,920</u>



Nicole R. Galloway, CPA
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Butler County Collector And Property Tax System



November 2015
Report No. 2015-103

<http://auditor.mo.gov>

Butler County Collector and Property Tax System Follow-Up Report on Audit Findings Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings

1.	Property Tax System Controls and Procedures	3
2.	Drainage District and City Taxes.....	5
3.	County Collector Controls and Procedures	7



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
County Collector
Butler County Missouri

We have conducted follow-up work on audit report findings contained in Report No. 2015-025, *Butler County Collector and Property Tax System* (rated as Poor), issued in April 2015, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed documentation provided by county officials and held discussions with the officials to verify the status of implementation for the recommendations. Documentation provided by the county included bank statements and reconciliations, monthly settlements, receipt and disbursement records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during August and September 2015.

Nicole R. Galloway, CPA
State Auditor

Butler County Collector and Property Tax System

Follow-Up Report on Prior Audit Findings

Status of Findings

1. Property Tax System Controls and Procedures Significant weaknesses existed in controls and procedures over the property tax system.

1.1 Tax system access Access to the property tax system was not adequately restricted. The County Collector and office personnel could make changes to individual tax records, including processing additions and abatements, and could void receipt transactions after they were completed. Voided transactions were not periodically reviewed or compared to supporting documentation. Voided transactions were included in reports that could be generated from the property tax system including the daily report of collections or a refunds report. Personnel did not maintain adequate documentation to support voided transactions, other than copies of checks to support transactions voided due to insufficient funds.

Recommendation The County Commission and the County Clerk ensure property tax system access is restricted to only allow officials and personnel to access functions necessary for their duties. In addition, the County Collector should maintain documentation of all voided transactions and periodically review reports of voided transactions and compare report information to supporting documentation.

Status **Partially Implemented**

County officials indicated they contacted the property tax system vendor to make necessary system changes. The County Assessor and the County Collector indicated that all additions and abatements are now processed by the County Assessor's office. However, access to the property tax system has not been restricted to prevent County Collector's office staff from being able to process additions and abatements. In August 2015, a clerk in that office processed both an addition and an abatement at our request. The County Collector plans to contact the vendor to ensure the system is properly restricted.

The County Collector's office now maintains adequate supporting documentation for voided transactions. Each transaction that voids a prior transaction is printed and maintained. In addition, notes are entered into the property tax system to indicate the reason the transaction was voided. However, the County Collector does not compare a report of voided transactions to the supporting documentation and believes maintaining supporting documentation and adding notes in the property tax system is sufficient. We reviewed voided transactions processed in July 2015 and observed notes entered into the system and documentation printed and maintained for each transaction.

1.2 Review of activity Neither the County Clerk nor the County Commission adequately reviewed the financial activities of the County Collector. The account book and annual disbursement reconciliation maintained by the County Clerk was not



Butler County Collector and Property Tax System
Follow-up Report on Prior Audit Findings
Status of Findings

complete, did not track all taxes charged to the County Collector, and did not agree to the annual settlements submitted by the County Collector. In addition, the County Clerk and County Commission did not adequately review and approve the County Collector's annual settlement.

Recommendation

The County Clerk maintain an accurate and complete account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Status

In Progress

The County Clerk uses reports from the property tax system and addition and abatement reports approved by the County Commission to reconcile with the County Collector's monthly settlements. The County Clerk updated her account book to track forest crop land payments, payments in lieu of taxes, and railroad and utilities tax collections and plans to account for remaining unrecorded items when the County Collector provides the additional necessary reports. We reviewed the County Clerk's account book and the County Collector's monthly settlement for July 2015 and noted no discrepancies. In addition, the County Clerk and County Commission plan to use the County Clerk's account book to review the completeness and accuracy of the County Collector's annual settlements.

1.3 Tax books

The County Clerk did not prepare or verify the accuracy of the current or delinquent tax books prepared by the property tax system vendor.

Recommendation

The County Clerk prepare the current and delinquent tax books, or verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts.

Status

Implemented

The County Clerk now verifies that levies were correctly entered into the property tax system by the software vendor. The County Clerk haphazardly selects tax bills from the electronic tax books and recalculates the tax bills to ensure tax levies are accurate. In addition, the County Clerk maintains a record of all tax bills and the corresponding levies reviewed.

1.4 Assessment withholdings

The County Collector did not monitor or subsequently reduce the percentage used to calculate amounts withheld from tax collections for the Assessment Fund.

Recommendation

The County Collector recalculate assessment withholdings for current and prior years and disburse amounts owed to the taxing authorities from the Assessment Fund. The County Collector should also ensure the percentage



Butler County Collector and Property Tax System
Follow-up Report on Prior Audit Findings
Status of Findings

to be deducted from property taxes for the Assessment Fund is properly reduced in future years once the \$75,000 limit is reached.

Status

Partially Implemented

The County Collector has not recalculated excess assessment withholdings for current and prior years to disburse the amounts to taxing authorities. The County Collector indicated she has not had time to review this issue, but plans to do so in the future and will monitor Assessment Fund withholdings to limit the amount withheld.

1.5 Collection of delinquent taxes Former County Collector Fox's office did not apply tax payments to the oldest delinquent taxes first, in violation of state law.

Recommendation

The County Collector apply all property tax payments to the oldest taxes due as required by state law.

Status

Implemented

The County Collector now applies all property tax payments to the oldest taxes due first. We reviewed five delinquent tax payments received in July 2015 and noted all payments were applied to the oldest taxes due. We also observed the property tax system and noted the system now prevents taxes from being paid if older amounts are still due.

2. Drainage District and City Taxes Significant weaknesses existed in handling of property tax collections for drainage districts and we identified issues with the payment of personal commissions for drainage district and city taxes.

2.1 Drainage district tax book preparation Former County Collector Fox performed and billed drainage districts for services not allowed by state law.

Recommendation

The County Collector discontinue the practice of preparing tax books for drainage districts.

Status

In Progress

All drainage district taxes owed are maintained in the county's computerized property tax system. The County Collector indicated she plans to work with the County Assessor's office to segregate the preparation of printed drainage district tax books from the county's property tax system when the 2015 tax books are printed and no fees will be charged.

2.2 Drainage district commissions and fees Former County Collector Fox charged and personally retained additional commissions and fees for delinquent drainage district tax collections that were not authorized by state law.



Butler County Collector and Property Tax System
Follow-up Report on Prior Audit Findings
Status of Findings

Recommendation The County Collector discontinue assessing commissions and fees not authorized by state law.

Status

Implemented

The County Collector no longer assesses commissions and fees not authorized by state law. The property tax system vendor has updated the system to prevent charging clerk fees and collector commissions on drainage district taxes. We reviewed the drainage district collection reports from July 2015 and noted no additional fees and commissions were assessed.

2.3 Drainage district distributions

The County Collector did not have adequate procedures in place to ensure drainage district collections were fully disbursed and ensure disbursements were processed timely.

Recommendation

The County Collector improve controls and procedures to ensure completeness of the tax distributions to the drainage districts and ensure all drainage district tax collections are distributed timely.

Status

Implemented

The County Collector now distributes all drainage district collections monthly. We reviewed the July 2015 drainage district collections and distributions documentation and noted distributions were complete and timely. In addition, the County Collector opened a separate bank account to account for drainage district collections and two signatures are required for all disbursements from the account.

2.4 Payment of personal commissions

Additional commissions may have been owed to former County Collector Fox's estate, but the county had not determined the proper disposition of those monies. Additionally, County Collector Michel declined to accept personal commissions for collection of drainage district taxes and had instead withheld and transmitted those commissions to the County Treasurer, in violation of state law.

Recommendation

The County Clerk and County Commission work with the County Collector to determine the proper disposition of city and drainage commissions earned by former County Collector Fox. Additionally, the County Collector and County Commission should comply with state law regarding payment of personal commissions.

Status

Implemented

The County Clerk and County Commission have properly distributed commissions to the estate of former County Collector Fox and County Collector Michel. Based on the guidance received from the Prosecuting



Butler County Collector and Property Tax System
Follow-up Report on Prior Audit Findings
Status of Findings

Attorney, the County Commission disbursed drainage district commissions of \$174 held by the County Treasurer to former County Collector Fox's estate and refunded commissions of \$9,212 to County Collector Michel in April 2015. City commissions earned by former County Collector Fox of \$806 were paid by the City of Poplar Bluff to the former County Collector's Fox's estate in May 2015. The current County Collector and County Commission indicated they plan to comply with all state laws regarding the payment of personal commissions. We reviewed drainage district commissions withheld by the County Collector for July 2015 drainage district collections and noted commissions were appropriately withheld by the County Collector. The County Collector indicated she will disburse the commissions to herself and not to the County Treasurer.

3. County Collector
Controls and Procedures

Weaknesses existed in the County Collector's controls and procedures.

3.1 Partial payments

The County Collector did not deposit most monies received for partial payments, did not always issue receipt slips for partial payments timely, did not always post the partial payments to the partial payment ledger timely, and did not periodically reconcile the partial payment ledger to amounts on hand or in the bank account.

Recommendation

The County Collector implement procedures to ensure partial payments are receipted, posted to the ledger, and deposited timely. Additionally, the County Collector should periodically reconcile the partial payment ledger to total partial payments on hand or held in the bank account.

Status

Implemented

The current County Collector no longer accepts partial payments from taxpayers. Office staff deposited all partial payments on hand and are currently refunding this money. Office staff sent letters to notify taxpayers of the need to claim funds, and have contacted individuals to ensure all partial payments are returned to the proper owners. We reviewed the July 2015 bank statement, check register, and partial payments ledger for the bank account used to hold partial payments and noted the reconciled cash balance agreed with the ledger.

3.2 Liabilities

The County Collector did not prepare a monthly list of liabilities for the main bank account and did not compare the reconciled bank balances to existing liabilities for the other 2 bank accounts.

Recommendation

The County Collector prepare monthly lists of liabilities, reconcile the lists to the reconciled bank balance, and promptly investigate any differences.



Butler County Collector and Property Tax System
Follow-up Report on Prior Audit Findings
Status of Findings

Status

Implemented

The County Collector now prepares monthly lists of liabilities for all bank accounts and reconciles the lists to the reconciled bank balances. We reviewed the July 2015 bank statements, bank reconciliations, and lists of liabilities for all office bank accounts and noted liabilities were reconciled to the reconciled bank balances and differences investigated.

3.3 Segregation of duties

The County Collector had not adequately segregated accounting duties and independent or supervisory reviews of accounting records were not performed.

Recommendation

The County Collector segregate accounting duties to the extent possible or ensure adequate independent or supervisory review of accounting and bank records are performed and documented.

Status

Implemented

Accounting duties within the County Collector's office are now adequately segregated. One office clerk is responsible for performing monthly bank reconciliations and another clerk prepares the daily deposit. The County Collector is responsible for all monthly reporting.

3.4 Protested interest

Former County Collector Fox did not distribute the applicable amount of interest earned on protested taxes to the taxing authorities upon resolution of the taxes and also did not maintain documentation supporting interest distributed to a taxpayer upon resolution of protested taxes.

Recommendation

The County Collector adopt procedures to ensure future interest allocations and distributions are accurate and comply with state law.

Status

In Progress

No protested taxes have been refunded or applied by the County Collector's office since issuance of the audit report in April 2015. The County Collector indicated current procedures include tracking interest in total for all protested taxes held. The County Collector indicated additional procedures will be developed to properly allocate interest once a payout is necessary.



Nicole R. Galloway, CPA
Missouri State Auditor

CONSERVATION

Department of Conservation



November 2015
Report No. 2015-104

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Conservation

Clothing and Uniform Allowances	The Missouri Department of Conservation (MDC) does not report clothing allowances provided to department employees for most general use clothing items as taxable benefits as required by the United States Internal Revenue Code (IRC) and Internal Revenue Service (IRS) regulations. The MDC does not adequately review uniform allowance certification reports for compliance with MDC policy and IRC and IRS regulations, and various errors and instances of noncompliance were not detected.
Meals	The MDC paid for group meals for commissioners, employees, and others that did not appear necessary to the operation of the department or reasonable use of state funds. Our review noted meal costs which appeared excessive, meals provided to employees not on travel status and non-employees, meals provided when no business was conducted, and a lack of documentation supporting the business purpose of the meals as required by state regulations and departmental policy. Additionally, the MDC has not adopted limits for employee meal purchases while traveling as required by executive order, and some meal costs exceeded the Office of Administration established per diem rates.
Grant Administration	The MDC does not always follow grant requirements when awarding and reimbursing grantees through the Tree Resource Improvement and Maintenance grant program and the Landowner Assistance Program. Some grantees were overpaid.
Advertising Contract	The MDC did not comply with some contractual requirements when contracting with an advertising agency to develop a statewide advertising campaign. Although required by contract terms, MDC officials could provide no documentation to show they provided the advertising agency a maximum budget amount for the project. In addition, the budgets provided by the advertising agency only included total costs by type of service, and did not specify the number of hours and hourly rates of personnel.
Sunshine Law	The Conservation Commission approved four legal settlements totaling \$67,900 in closed meetings, but did not make public in an open meeting the final disposition of legal matters.
Previous Audit Findings - State Flight Operations	In January 2015, the Office of the State Auditor issued Report No. 2015-003, <i>State Flight Operations</i> , which included findings related to the MDC. The state paid for charter flights for MDC commission members, former commission members, and employees when state-owned planes were available. The MDC spent approximately \$117,000 flying commission members to commission meetings, when commission members of state boards other than the Missouri Department of Transportation and the MDC typically receive motor vehicle mileage reimbursement for travel costs. The MDC did not document supervisory reviews of passenger flight reports.

Additional Comments

The MDC's responses to the audit findings indicate approximately half the recommendations will be implemented. For the other half, the responses indicate disagreement or no intent to implement the findings.

In the areas audited, the overall performance of this entity was Good .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Department of Conservation

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Clothing and Uniform Allowances.....4 2. Meals7 3. Grant Administration.....9 4. Advertising Contract12 5. Sunshine Law14 6. Previous Audit Findings - State Flight Operations.....15
-------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	16
---------------------------------------------	----

Appendixes

A	Comparative Statement of Receipts, Disbursements, Other Financing Uses, and Changes in Cash and Investments, 2 Years Ended June 30, 2014.....	17
B	Comparative Statement of Appropriations and Expenditures 2 Years Ended June 30, 2014.....	18
C	Comparative Statement of Expenditures (From Appropriations) 5 Years Ended June 30, 2014.....	19
D	Statement of Changes in General Capital Assets 2 Years Ended June 30, 2014.....	20



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Conservation Commission
and
Robert L. Ziehmer, Director
Department of Conservation
Jefferson City, Missouri

We have audited certain operations of the Department of Conservation, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014 and 2013. The objectives of our audit were to:

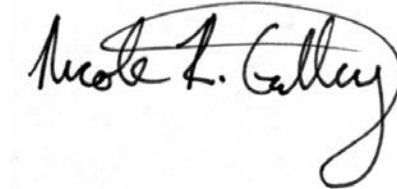
1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Conservation.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Director of Audits:	Kim Spraggs, CPA
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Department of Conservation

Management Advisory Report

State Auditor's Findings

1. Clothing and Uniform Allowances

The Missouri Department of Conservation (MDC) does not report some clothing allowances provided to department employees as taxable benefits as required by the United States Internal Revenue Code (IRC) and Internal Revenue Service (IRS) regulations. In addition, the MDC does not adequately review uniform allowance certification reports for compliance with MDC policy and IRC and IRS regulations.

Most MDC employees receive annual clothing or uniform allowances. The MDC provides certain Protection Division employees (primarily conservation agents) an annual uniform allowance. The MDC provides certain employees of other divisions an annual clothing allowance to purchase various clothing items they are required to wear for their position and job duties. The MDC paid about \$646,000 for clothing and uniform allowances during fiscal year 2014, and about \$617,000 during fiscal year 2013.

1.1 Clothing allowances

The MDC does not report most general use clothing items provided to employees as taxable benefits as required by the IRC and IRS regulations.

Annual clothing allowances range from \$100 to \$500 per employee. Clothing items purchased include items with the MDC logo, such as shirts, jackets, and hats; and other items such as shorts, pants, jeans, skirts, overalls, belts, and boots that do not have the MDC logo. The MDC contracts with a vendor for most clothing items. Employees order department-approved items from the vendor, and the vendor bills the MDC for the items and tracks each employees' allowance balances. Employees can also purchase similar items from other vendors with their clothing allowance, and be reimbursed by the MDC.

MDC officials only report certain clothing items provided to employees (boots and items purchased from other vendors) on employee W-2 forms as taxable benefits. Prior to December 2007, the MDC reported non-logo clothing items as taxable employee benefits, and considered logo clothing as non-taxable. In an effort to minimize employee tax liability, beginning in December 2007, the MDC instructed the contracted vendor to apply a small permanent MDC ink stamp to the inside of non-logo clothing items, except boots, and stopped reporting these items on employee W-2 forms. MDC officials indicated these clothing items are no longer considered general use items once the stamp is applied; however, they could provide no legal support for this position. Our review of clothing purchases from the contracted vendor during calendar year 2014 identified non-logo clothing purchases, except boots, totaling at least \$103,000 that were not reported as taxable benefits.

The IRC and IRS regulations provide that clothing allowances can be excluded from wages if they are for clothing that (1) is specifically required as a condition of employment, (2) cannot be adaptable to general use as ordinary clothing, and (3) is not actually worn as ordinary clothing. The



Department of Conservation
Management Advisory Report - State Auditor's Findings

application of a small ink stamp, that is not readily visible, to the inside of clothing does not appear to prevent such items from being adaptable to general use as ordinary clothing or taxable to the employee. The failure to properly report all taxable benefits and withhold taxes could result in the MDC being assessed penalties and fines.

1.2 Uniform allowances

Some uniform allowance certification reports submitted by conservation agents were not adequately reviewed; as a result, MDC personnel did not detect various errors and instances of noncompliance with MDC policy and IRC and IRS regulations.

Annual uniform allowances for purchase and maintenance of uniforms range from \$500 to \$1,000 per employee, with most agents receiving a \$1,000 allowance. The MDC disburses uniform allowance payments to employees semiannually, in January and July. At the end of each calendar year, employees submit a certification report detailing the items purchased, whether the items were taxable or non-taxable, and any unspent allowance amounts. Employees are required to attach receipts, invoices, or other documentation supporting each purchase and a payment to the MDC for any unspent amounts. The Protection Division's uniform policy lists allowable clothing items and whether or not each item is taxable. For items classified as taxable, the MDC reports amounts on employee W-2 forms as taxable benefits and withholds payroll taxes. District and regional supervisors are required to review the reports and supporting documentation.

Our review of 16 certification reports supporting calendar year 2013 and 2014 uniform allowances noted 6 (38 percent) reports containing various errors. While each of these certification reports was reviewed and approved by the employee's direct supervisor, the supervisor did not detect these errors.

- When one agent left employment in 2014, he did not submit a certification report supporting the \$500 uniform allowance received in January 2014, or return any unspent monies. The uniform policy requires employees that terminate employment submit a certification report and return any unspent monies to the MDC.
- One agent submitted the same 2013 purchase on both his 2013 and 2014 certification reports; resulting in unspent funds of \$28 that were not returned. The uniform policy requires agents to report purchases in the year they occurred.
- One agent incorrectly classified a purchase of running shoes and insoles totaling about \$82 as non-taxable. The uniform policy requires that certain general use items, including running shoes, be reported as taxable benefits.



Department of Conservation
Management Advisory Report - State Auditor's Findings

- Agents incorrectly calculated total purchases and unspent allowance amounts on three certification reports.

The IRC and IRS regulations require that employees substantiate uniform allowance expenses to the employer and return any unspent funds in a reasonable period of time. The MDC should strengthen controls to ensure uniform allowances comply with MDC policy and IRC and IRS requirements.

Recommendations

The MDC:

- 1.1 Perform a comprehensive review of clothing policies and procedures, and revise them as necessary to ensure consistency with the IRC and IRS regulations. The value of clothing items provided to employees deemed to be taxable should be recorded as taxable benefits on employee W-2 forms.
- 1.2 Ensure uniform allowance certification reports are filed and adequately reviewed for accuracy and compliance with MDC policy and IRC and IRS requirements.

Auditee's Response

- 1.1 *The Department will review its Clothing Standards Policy to determine if any changes are necessary, however, the Department believes its Clothing Standards Policy, revised August 1, 2015, complies with the Internal Revenue Code and Internal Revenue Service regulations. Department policy clearly defines the staff required to wear uniform clothing and states that all uniform clothing is for work purposes only. Uniform clothing purchased from the Department's vendor is not worn or adaptable to general usage as ordinary clothing. Finally, uniform clothing purchased from the vendor (other than boots) contains Department identification and so it is properly considered a nontaxable fringe benefit.*
- 1.2 *The Department will ensure uniform allowance certification reports are filed and adequately reviewed for accuracy and will make efforts to collect any uniform funds that should be refunded by current or former conservation agents.*

Auditor's Comment

- 1.1 For many clothing items, MDC clothing policies and procedures appear to meet two of three IRC and IRS requirements for non-taxable clothing allowances, but do not meet the requirement that clothing cannot be adaptable to general use as ordinary clothing. Ordinary clothing items, only stamped on the inside, are adaptable for general wear, can be worn as ordinary clothing outside of work, and are taxable fringe benefits. The Department should review the clothing policy and procedures for compliance with IRC and IRS



Department of Conservation
Management Advisory Report - State Auditor's Findings

regulations, and document the legal basis for policy decisions regarding taxing clothing allowances.

2. Meals

Some meals provided to the Commission, MDC employees, and others do not appear necessary and reasonable. In addition, the MDC has not established limits for employee meal purchases while traveling as required by executive order.

2.1 Commission meeting meals

The MDC paid for group meals for commissioners, employees, and others that did not appear necessary to the operation of the department or reasonable use of state funds.

Commissioners travel to attend approximately 8 commission meetings held each year in Jefferson City or other locations throughout the state. The MDC typically provides a group meal to the four commissioners and several MDC executive staff and managers during the evening following the closed session meeting and before the open session meeting held the following day. While providing meals to commissioners and employees on travel status is reasonable, some meals were provided to employees not on travel status and non-employees, and meal costs reviewed appeared excessive. Our review of three of these meals held at restaurants in central Missouri noted the following:

- In July 2013, the MDC hosted a banquet event in Columbia, Missouri, to commemorate the Commission's 75th anniversary. The MDC paid \$2,450 for 61 attendees, including current and former commissioners and their spouses and MDC staff (spouses of MDC staff paid the cost of their meal). The costs paid by the MDC, including food and vendor service charges, totaled about \$40 per person.
- The MDC hosted dinners at a winery near Jefferson City in August 2013 and April 2014. The 4 commissioners and 7 MDC staff attended the August 2013 dinner, which cost \$667. The costs including food, room rental, service charges, and gratuity totaled about \$61 per person. Twenty MDC staff and 3 commissioners attended the April 2014 dinner, which cost \$1,313, or \$57 per person.

While no department business was conducted, MDC officials indicated these dinners provided additional opportunities for employees to network and build working relationships with the commissioners and recognize them for their public service. The MDC maintained no documentation supporting the business purpose of the dinners and it is questionable whether the meal expenses were necessary to provide such networking opportunities. State regulation, 1 CSR 10-3.010(1), requires that state payment of goods and services have a clear business relationship to the agency work program; and the state agency provided food policy (SP-5) and the MDC's Purchasing, Bidding, Contracting, and Invoicing Policy require a description of the state business conducted be documented for meals provided. The MDC should



Department of Conservation
Management Advisory Report - State Auditor's Findings

ensure meal expenses are limited to those that are reasonable and necessary to department operations and the business purpose is documented in accordance with state and department policies.

2.2 Travel meals

The MDC has not adopted limits for employee meal purchases while traveling and some meal costs exceeded the Office of Administration (OA) established per diem rates.

Employees pay for most travel expenses, including meals for themselves and other employees, with department issued procurement cards. Receipts supporting each meal purchase are attached to monthly procurement card statements and reviewed by the employee's supervisor and Administrative Services division personnel prior to payment. Expenditures for employee meals while on travel status totaled about \$417,000 during fiscal year 2014 and about \$387,000 during fiscal year 2013.

The MDC's travel policy states travel expenses should be reasonable and necessary and comply with current State of Missouri Travel Regulations. State travel regulation, 1 CSR 10-11.010(4), provides that department policies shall not grant expenses that are not allowed under the state travel regulations or OA policies. The state travel policy (SP-6) issued by the OA establishes standard policies and limits for state employee meal purchases while on travel status. The policy allows agencies to (1) pay the statewide meal per diem established by OA; (2) pay a meal per diem that is lower than the statewide meal per diem; or (3) reimburse the employee for the actual meal expenses incurred, not to exceed the statewide meal per diem. However, the MDC has not adopted any of these options, and allows employees to purchase meals without any limits.

MDC officials indicated a recent internal review shows the department saves costs by paying actual meal costs rather than paying employees the statewide meal per diem rates; however, the review looked at total costs per trip rather than per meal, and such savings would only occur when employees spend less than the per diem rate on average. For 5 of 6 (83 percent) individual and group meal purchases reviewed, statewide per diem rates were exceeded by \$3 to \$14 per person.

Executive Order No. 92-6 requires all state boards and commissions to maintain a policy governing travel rules and regulations equivalent to or substantially equivalent to rules established by the OA. Limits for meal expenses while traveling, such as state per diem rates, could help ensure such payments are reasonable, control costs, and ensure compliance with Executive Order No. 92-6.

Recommendations

The MDC:

- 2.1 Ensure meal expenses are reasonable and necessary to department operations and the business purpose is documented.



Department of Conservation
Management Advisory Report - State Auditor's Findings

	2.2 Establish employee travel meal policies that are substantially equivalent to those for state agencies as required by Executive Order No. 92-6.
Auditee's Response	<p>2.1 <i>The Department respectfully disagrees with this finding because meals involving the Commission and Department staff serve a valuable business purpose of developing and perpetuating the working relationship between the Commission and staff.</i></p> <p>2.2 <i>The Department will review its Travel Reimbursement Policy based upon the Auditor's recommendation. The Department will make necessary revisions to reflect the Department's intent to comply with State of Missouri Travel Regulations except for the per diem rate. The Department's current policy and practices associated with reviewing and reimbursing employees for actual expenses, particularly with respect to use of purchasing cards, ensure that that meal expenses are reasonable and necessary for employees on travel status.</i></p>
Auditor's Comment	2.2 The response provided by MDC officials indicates they do not intend to comply with the State of Missouri Travel Regulations regarding per diem rates. The travel regulations provide for meal limits at or below the per diem rates, depending on the option chosen by the department. Without meal limits, there is a risk that meal purchase amounts will continue to exceed maximums allowed by state travel regulations, supervisors will have differing views on what is reasonable and necessary, and the MDC will not comply with Executive Order No. 92-6.

3. Grant Administration

3.1 TRIM grants

The MDC's procedures for awarding and processing payments for the Tree Resource Improvement and Maintenance grant program and the Landowner Assistance Program need improvement. The MDC overpaid some grantees.

The MDC does not always follow grant requirements when awarding and reimbursing grantees through the Tree Resource Improvement and Maintenance (TRIM) grant program.

The Forestry Division awards TRIM grants on a competitive basis to government entities, including public schools, and not-for-profit entities to provide financial assistance for the management, improvement, or conservation of community forests. The MDC reimburses grantees 60 percent of approved actual project costs and awards bonus reimbursement rates of 15 and/or 5 percent to certain grantees based on established criteria. The TRIM cost-share application and grant agreement outline the award and reimbursement guidelines for the program. The guidelines provide that reimbursements be based on documentation submitted by the grantees supporting actual costs incurred. The MDC paid TRIM grant award



Department of Conservation
Management Advisory Report - State Auditor's Findings

recipients about \$324,000 during fiscal year 2014 and about \$304,000 during fiscal year 2013.

Our review of 16 TRIM grant awards and related payments noted the following:

- The MDC awarded a school district a 5 percent bonus (\$569) not allowed per TRIM guidelines. The approved grant application indicated the bonus was for the Missouri Arbor Award of Excellence; however, the school district did not receive this award. MDC officials indicated the bonus was awarded because the city where the school district is located had received a Citation of Merit award; however, the TRIM guidelines do not provide for bonuses for Citation of Merit awards or awards received by other entities. Additionally, the MDC did not document the reasons for granting an exception to the TRIM guidelines and awarding this bonus.
- The MDC also overpaid this school district an additional \$557. Based on documentation submitted by the school district supporting actual costs, the MDC reimbursed the school district \$557 more than it should have. MDC officials could not explain the cause for this overpayment.
- For a grant awarded to a city for seven city employees and board members to attend a forestry conference, the MDC reimbursed the registration costs of one board member who did not attend the conference. The city requested reimbursement for six conference registrations, but the MDC paid for seven. MDC officials indicated the unused conference registration was paid because the conference typically does not issue refunds for participants that do not attend.

To ensure the equitable treatment of grantees and proper administration of grant funds, the MDC should establish procedures to ensure TRIM grants are awarded and paid in accordance with grant guidelines. The reasons supporting any exceptions to the guidelines should be documented.

3.2 Landowner Assistance Program

The MDC does not always follow grant policies and agreements when awarding and reimbursing grantees through the Landowner Assistance Program (LAP).

The LAP is administered by the Private Land Services (PLS) Division. The LAP provides technical and financial assistance to Missouri private landowners, including governmental entities, to improve wildlife habitats on privately owned land. PLS staff work with landowners to identify needs and create a management plan and application for LAP funding. Once approved, the landowner and the MDC enter into a cost-share agreement. After improvements are complete, PLS staff inspect the project, the landowner submits documentation supporting actual costs, and the MDC reimburses the landowner based on actual costs of the items/services listed in the agreement. The LAP cost-share docket outlines the award and



Department of Conservation
Management Advisory Report - State Auditor's Findings

reimbursement guidelines for each management practice. Some practices are awarded at flat rates, regardless of actual costs incurred, while others are reimbursed a percentage of actual cost. Through the LAP, the MDC paid approximately \$1.1 million to 564 Missouri landowners during fiscal year 2014, and approximately \$1.1 million to 592 Missouri landowners during fiscal year 2013.

Our review of 20 LAP grant awards and related payments noted problems with the following 4 (20 percent) projects:

- The MDC reimbursed a landowner the cost of seed mix at 90 percent instead of 50 percent as required by policy. The LAP cost-share docket allowed for reimbursement at 90 percent of actual costs only if at least 75 percent of the total seed volume for the project was "yellow-tag" seed (Missouri source seed). The blended seed mix used for this project did not meet the 75 percent threshold, but the landowner was reimbursed at 90 percent, or \$700 more than allowed. MDC officials indicated the seed was reimbursed at 90 percent because the cost estimate included in the agreement provided for a sufficient level of yellow-tag seed, but the landowner was unable to purchase that level due to a shortage. However, these circumstances were not documented.
- The MDC paid a landowner based on the original cost estimate, instead of actual costs. The original cost estimate was \$742, but actual reimbursable costs totaled only \$671, an overpayment of \$71.
- The MDC reimbursed a landowner for seed for four acres while seed for only three acres was approved in the agreement. MDC officials indicated PLS staff approved additional seed for the project, but this approval was not documented.
- The LAP agreement was signed by an individual who was not the landowner, and the MDC had not obtained a power-of-attorney form supporting that the individual could legally represent the landowner. The signature of the individual(s) who has sole legal ownership of the property, or an individual who can legally represent the landowner(s), is required on the agreement to attest that landowner understands and accepts all program requirements.

In an effort to reduce errors and increase consistency, in August 2014 MDC officials implemented an electronic payment calculator (spreadsheet). The PLS employees are required to use the calculator when processing and authorizing LAP payment reimbursements. Additionally, effective in fiscal year 2016, the MDC revised the cost-share docket and the payment calculator regarding reimbursements for seed. These new procedures may prevent some, but not all, of the errors identified above.

To ensure the equitable treatment of grantees and proper administration of grant funds, the MDC should establish procedures to ensure LAP grants are



Department of Conservation
Management Advisory Report - State Auditor's Findings

awarded and paid in accordance with LAP policies and grant agreements. The reasons supporting any exceptions to the policies and agreements should be documented. To ensure the MDC can enforce requirements of the LAP, the MDC should ensure grant agreements are signed by the landowner or a legally authorized representative, and a power of attorney form is received from the landowner's representative if necessary.

Recommendations

The MDC:

- 3.1 Ensure TRIM grants are awarded and paid in accordance with grant guidelines. The reasons supporting any exceptions made to the guidelines should be documented. Additionally, the MDC should attempt to recover overpayments to TRIM grantees.
- 3.2 Ensure LAP grants are awarded and paid in accordance with program policies and grant agreements. The reasons supporting any exceptions made to the policies and agreements should be documented. Additionally, the MDC should attempt to recover overpayments to landowners.

Auditee's Response

- 3.1 *The Department will ensure Tree Resource Improvement and Maintenance grants are awarded and paid in accordance with grant guidelines. Any exceptions to the guidelines will be documented. The Department will implement a spreadsheet program to calculate grant awards to avoid mathematical errors on the grant awards. The Department agrees that in the future it will attempt to identify and collect any overpayments.*
- 3.2 *As acknowledged in the report, the Department has implemented changes to the program to ensure Landowner Assistance Program grants are awarded and paid in accordance with department policies and grant agreements. Any exceptions to the policies and agreements will be documented. The Department agrees that in the future it will attempt to identify and collect any overpayments.*

4. Advertising Contract

The MDC did not comply with some contractual requirements when contracting with an advertising agency to develop a statewide advertising campaign.

In March 2013, the MDC contracted with an advertising agency, through statewide contract, to implement an integrated statewide advertising campaign. Sometime after October 2013, the MDC ended the engagement with the agency and continued to implement the campaign in-house, using the market research and strategy developed by the advertising agency to guide advertising decisions. MDC payments to the advertising agency totaled about \$156,000 in fiscal year 2014 and about \$69,000 in fiscal year 2013. These payments were for work performed on the statewide



Department of Conservation
Management Advisory Report - State Auditor's Findings

advertising engagement, as well as various other advertising services performed on an as-needed basis.

Although required by contract terms, MDC officials could provide no documentation to show they provided the advertising agency a maximum budget amount for the project. In addition, the budgets provided by the advertising agency in March and October 2013 only included total costs by type of service, and did not specify the number of hours and hourly rates of personnel. The budget submitted by the advertising agency and approved by the MDC in March 2013, included at least \$251,000 to the advertising agency and between \$350,000 and \$600,000 for media purchases for the initial 6-month period. The budget submitted by the advertising agency in October 2013 proposed media purchase costs of \$900,000 for a 1-year period.

The OA statewide contract terms and conditions specify when the contractor provides project services, the contractor's activity plan must be designed for the maximum budget amount specified by the state agency as available for the project and include a detailed line item budget using hourly prices and percentages specified in the contract. Establishing and communicating budget maximums at the beginning of the project is necessary to guide both the department and the advertising agency in developing campaign components within spending limitations, prevent misunderstandings, and ensure unnecessary costs are not incurred. Project budgets should be adequately detailed to demonstrate compliance with statewide contract pricing, and help manage project costs.

Recommendation

The MDC ensure advertising engagements are supported by budgets that are within established spending limits and comply with contractual requirements. Communication of the maximum budget amounts and/or spending limits for each engagement should be documented.

Auditee's Response

The Department has and will comply with all Office of Administration and other required contract requirements and procedures for advertising and marketing activities. This will include but not be limited to establishing and communicating budget maximums at the beginning of advertising and marketing projects, which will guide both the Department and the advertising/marketing agency in developing campaign components within spending limitations, prevent misunderstandings, and ensure unnecessary costs are not incurred. Advertising and marketing project budgets will be adequately detailed to demonstrate compliance with statewide contract pricing and include but not be limited to: a maximum budget amount for the project; inclusion of number of hours and hourly rates of advertising/marketing agency personnel; and a detailed line-item budget using hourly prices and percentages specified in the contract.

Department staff monitored this specific marketing contract throughout the process, including making sure that project scope and costs remained within



Department of Conservation
Management Advisory Report - State Auditor's Findings

the allotted budget. Specific deliverables were delivered to the Department and follow-up decisions were made to inform and educate Missouri citizens and enhance their understanding of conservation.

5. Sunshine Law

The Commission does not always make public in an open meeting the final disposition of legal matters discussed in closed meetings.

Our review of closed meeting minutes from March 2013 through April 2015 noted four legal settlements totaling \$67,900 were approved by the Commission during closed session. MDC personnel indicated final decisions involving legal settlements made during closed session are considered public record and made available to the public upon request. However, the public may not be aware of such decisions since they were never documented in open session minutes.

Missouri's Sunshine Law, Chapter 610, RSMo, provides for transparency and openness of government. Section 610.011(1), RSMo, states "it is the public policy of this state that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless otherwise provided by law." Section 610.021(1), RSMo, requires any minutes, vote or settlement agreement relating to legal actions, causes of action or litigation involving the commission or any agent or entity representing its interests or acting on its behalf or with its authority, including any insurance company acting on behalf of a public government body as its insured, shall be made public upon final disposition of the matter voted upon or upon the signing by the parties of the settlement agreement, including the terms of the settlements.

Recommendation

The MDC make public in an open meeting the final disposition of legal matters discussed at closed meetings.

Auditee's Response

In the interest of open and transparent government and full accountability to Missouri citizens, the Department will evaluate its current practices in light of the SAO's comments. Nonetheless, the Department of Conservation disagrees with your office's legal conclusion that the Missouri Sunshine Law requires the final disposition of legal settlements discussed at closed meetings be announced in an open meeting. Section 610.021(1) RSMo, of the Sunshine Law requires that legal settlements "be made public upon final disposition of the matter voted upon or upon the signing by the parties of the settlement agreement." This language is in contrast to language in the same section that requires votes involving the exercise of eminent domain "shall be announced or become public" immediately following the vote. Based upon the contrasting statutory language used in the same paragraph, there is clearly a distinction between the terms "made public" and "announced." There is no requirement to "announce" legal settlements, only to make them available as open records. The Department has complied with this



Department of Conservation
Management Advisory Report - State Auditor's Findings

requirement by treating all final legal settlements as open records and providing them to the public upon request.

Auditor's Comment

The Missouri Sunshine Law does not require the MDC to make public in an open meeting the final disposition of legal matters discussed in closed meetings. However, doing so would provide for transparency and openness regarding these matters. Because the MDC is using taxpayer money to settle lawsuits, it should err on the side of full disclosure once all parties agree to and finalize a settlement.

6. Previous Audit Findings - State Flight Operations

In January 2015, the Office of the State Auditor issued Report No. 2015-003, *State Flight Operations*. The report communicated the results of our audit performed to determine if flights were managed in a cost effective, efficient, and consistent manner.

The audit concluded the state airplane fleet is larger than necessary, there is duplication of efforts between agencies, and despite the low utilization of state aircraft, state agencies incur unnecessary costs for chartered flights. In addition, there were specific concerns related to the MDC, as follows:

- During the 2 years ended December 31, 2013, the Missouri Department of Transportation (MoDOT) and the MDC chartered 67 flights totaling \$170,755 (45 by the MoDOT and 22 by the MDC), primarily to provide transportation to MoDOT and MDC commission members, former commission members, and employees. These flights were chartered even though state-owned pressurized passenger planes were available on 67 percent of the days charter flights were used, resulting in approximately \$122,000 in unnecessary costs.
- During the 2 years ended June 30, 2013, the MDC spent approximately \$117,000 flying governor-appointed commission members to commission meetings held across the state, when commission members of state boards other than the MoDOT and the MDC typically receive motor vehicle mileage for reimbursement of travel costs. We estimate the MDC could have saved \$83,000 during the 2-year audit period by providing commissioners mileage reimbursement instead of plane transportation.
- The MDC did not document supervisory reviews of passenger flight reports.

Complete findings, recommendations, and auditee responses are contained in the *State Flight Operations* report.

Department of Conservation

Organization and Statistical Information

The Department of Conservation is constitutionally created pursuant to Article IV, Sections 40(a) and 46. The general functions of the department are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. At June 30, 2014, the department owned 799,007 acres and leased or managed another 204,024 acres of land in the state.

The department is headed by a four-member bipartisan commission, appointed by the Governor with the advice and consent of the Senate. They serve without compensation for staggered 6-year terms.

Commission Members at June 30, 2014

Commissioner	Term Expires
Don C. Bedell	July 1, 2015
James T. Blair, IV	July 1, 2017
Marilynn J. Bradford	July 1, 2019
David W. Murphy	July 1, 2019

During the 2 years ended June 30, 2014, Don R. Johnson, Becky L. Plattner, and Tim E. Dollar also served on the Commission. The Commission appoints a director who serves as the administrative officer of the Department of Conservation. The director appoints other employees and is assisted by 2 deputy directors with programs carried out by the divisions of fisheries, forestry, wildlife, protection, private land services, resource sciences, outreach and education, design and development, administrative services, and human resources.

Robert L. Ziehmer was appointed Director effective January 15, 2010. At June 30, 2014, the department had 1,389 salaried employees and 483 hourly employees.

Appendix A

Department of Conservation
Conservation Commission Fund
Comparative Statement of Receipts, Disbursements, Other Financing Uses,
and Changes in Cash and Investments

	Year Ended June 30,	
	2014	2013
RECEIPTS		
Sales and use tax	\$ 107,146,851	102,620,395
Permit sales	33,044,440	31,979,931
Sales, rentals and leases	10,304,086	8,692,430
Federal reimbursements	27,945,766	26,543,555
Interest	384,769	389,987
Donations, refunds and miscellaneous	2,710,739	2,556,997
Total Receipts	<u>181,536,651</u>	<u>172,783,295</u>
DISBURSEMENTS		
Personal service	66,967,992	65,273,589
Employee fringe benefits	26,905,607	24,452,204
Operations	69,734,329	62,631,893
Capital improvements and acquisitions	9,565,492	9,736,562
Total Disbursements	<u>173,173,420</u>	<u>162,094,248</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	<u>8,363,231</u>	<u>10,689,047</u>
OTHER FINANCING USES		
Appropriations exercised by other state agencies		
OA - Insurance and legal expense	723,247	1,072,277
OA - Worker's compensation	49,740	30,716
OA - Unemployment insurance	97,160	125,516
Office of the State Auditor	46,761	46,439
Department of Revenue	533,678	507,502
Total	<u>1,450,586</u>	<u>1,782,450</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	<u>6,912,645</u>	<u>8,906,597</u>
CASH AND INVESTMENTS, JULY 1	<u>60,725,161</u>	<u>51,818,564</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 67,637,806</u>	<u>60,725,161</u>

Appendix B

Department of Conservation

Comparative Statement of Appropriations and Expenditures

	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
CONSERVATION COMMISSION FUND						
Conservation Programs	\$ 147,339,487	143,315,763	4,023,724	146,827,160	133,839,219	12,987,941
Statewide Construction	66,000,000	14,219,482	51,780,518 *	49,092,711	14,478,617	34,614,094
Total Conservation Commission Fund	\$ 213,339,487	157,535,245	55,804,242	195,919,871	148,317,836	47,602,035

- * Biennial appropriations set up in fiscal year 2014 are re-appropriations to fiscal year 2015. After the fiscal year-end processing has been completed, the unexpended fiscal year 2014 appropriation balance for a biennial appropriation is established in fiscal year 2015. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2014.

Appendix C

Department of Conservation Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	\$ 66,391,506	64,723,567	62,410,100	62,852,203	67,995,877
Benefits	11,293,882	10,691,037	9,943,744	9,174,857	10,786,377
Travel, in-state	1,396,197	1,306,011	1,337,865	1,171,278	1,355,333
Travel, out-of-state	256,707	274,754	249,204	177,500	227,026
Fuel and utilities	2,196,458	2,015,001	1,888,316	2,028,161	1,882,350
Supplies	22,834,725	21,376,610	21,369,752	18,228,477	17,332,235
Professional development	806,960	640,749	513,644	587,584	585,176
Communication service and supplies	1,793,946	1,726,689	1,533,094	1,484,852	1,459,002
Services:					
Professional	11,500,153	9,570,484	10,508,100	9,253,191	8,173,714
Housekeeping and janitorial	1,160,366	1,028,493	1,020,679	985,109	981,669
Maintenance and repair	3,181,003	3,219,034	2,958,997	2,607,558	2,417,044
Equipment:					
Computer	1,986,424	1,237,239	2,832,650	1,697,738	1,853,299
Motorized	6,587,289	5,484,212	6,638,608	2,060,546	3,450,951
Office	197,398	127,424	422,598	131,147	71,459
Other	2,607,127	1,975,452	1,133,920	1,052,663	984,005
Property and improvements	9,565,492	9,736,562	12,112,625	12,541,649	12,377,777
Building lease payments	452,666	451,643	435,921	499,026	534,615
Equipment rental and leases	1,763,541	1,838,413	1,672,948	1,488,392	1,847,248
Miscellaneous expenses	1,750,909	1,664,789	1,689,330	1,558,641	1,965,719
Refunds	242,579	212,763	192,470	180,347	160,188
Program distributions	9,569,917	9,016,910	8,357,492	11,643,475	7,361,014
Total Expenditures	\$ <u>157,535,245</u>	<u>148,317,836</u>	<u>149,222,057</u>	<u>141,404,394</u>	<u>143,802,078</u>

Appendix D

Department of Conservation Statement of Changes in General Capital Assets

		<u>Equipment</u>	<u>Buildings</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Software and Misc. Intangible Assets</u>	<u>Total General Capital Assets</u>
BALANCE, July 1, 2012	\$	91,124,001	120,599,495	337,854,737	6,381,221	1,125,219 (5)	557,084,673
Adjustments		384,770 (1)	89,000 (2)	0	378,359 (3)	0	852,129
Additions		7,699,987	3,851,526	4,930,608	494,340	1,143,792	18,120,253
Dispositions		<u>(5,847,435)</u>	<u>(410,973)</u>	<u>(158,297)</u>	<u>(3,843,026)</u>	<u>0</u>	<u>(10,259,731)</u>
BALANCE, June 30, 2013		93,361,323	124,129,048	342,627,048	3,410,894	2,269,011	565,797,324
Adjustments		0	0	0	(411,895) (4)	0	(411,895)
Additions		10,335,120	1,075,169	4,172,308	1,755,152	803,534	18,141,283
Dispositions		<u>(5,861,742)</u>	<u>(3,814,579)</u>	<u>(252,949) (6)</u>	<u>(1,581,599)</u>	<u>0</u>	<u>(11,510,869)</u>
BALANCE, June 30, 2014	\$	<u>97,834,701</u>	<u>121,389,638</u>	<u>346,546,407</u>	<u>3,172,552</u>	<u>3,072,545</u>	<u>572,015,843</u>

(1) Adjustment to correct vehicle preparation costs and additional equipment

(2) Adjustment to correct capital improvement costs and building valuations

(3) Adjustment for increase in construction costs

(4) Adjustments for projects no longer scheduled, projects not owned by department, and projects involving like-kind replacements

(5) Amount differs from SAO report 2013-136 due to a prior period adjustment

(6) Amount differs from the amount reported to the Office of Administration (OA) for fiscal year 2014, due to an error on the report submitted to the OA



Nicole R. Galloway, CPA
Missouri State Auditor

REVENUE

Carthage Contract License Office



November 2015
Report No. 2015-105

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Carthage Contract License Office

Background	The Department of Revenue (DOR) has appointed 178 contract agents to operate contract license offices across the state. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the state auditor may audit contract license offices.
Prepayment Void Transactions	Prepayment void transactions occur when transactions are voided before payment is made, such as when the customer lacks sufficient funds or the entry has incorrect information. DOR procedures require a documented reason for voiding a transaction and customer acknowledgement if a new transaction is not completed or is for a lesser amount. License office personnel did not maintain any documentation for 3 of 12 (25 percent) prepayment void transactions that occurred from March 11 to March 13, 2015. License office personnel did not document the reasons for voiding these transactions or obtain customer acknowledgment for 1 applicable transaction.
Accounting Controls and Procedures	The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. The composition of receipts did not match the composition of deposits for 1 deposit reviewed, including a credit card overpayment refunded to the customer in cash.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Department of Revenue

Carthage Contract License Office

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Prepayment Void Transactions.....4
Findings	2. Accounting Controls and Procedures4

Organization and Statistical	6
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Nia Ray, Director
Department of Revenue
Jefferson City, Missouri
and
License Office Services, LLC, Contract Agent
Carthage Contract License Office
Carthage, Missouri

We have audited certain operations maintained and established by the Carthage Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objectives of our audit were to:

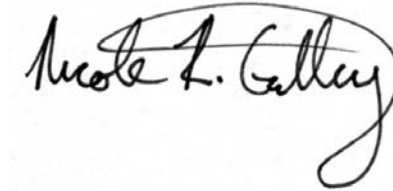
1. Evaluate the office's internal controls related to handling of various fees and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with contractual or statutory provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Carthage Contract License Office.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written in a smaller, more compact script between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Joshua Shope, M.Acct. Hunter O'Donnell, M.Acct.

Department of Revenue

Carthage Contract License Office

Management Advisory Report - State Auditor's Findings

1. Prepayment Void Transactions

License office personnel did not maintain any documentation for 3 of 12 (25 percent) prepayment void transactions that occurred from March 11 to March 13, 2015. License office personnel did not document the reasons for voiding these transactions or customer acknowledgement for 1 applicable transaction.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System but is voided before payment is made. Valid reasons for prepayment void transactions include when customers lack sufficient funds to pay for the transaction, and entries with incorrect information.

Department of Revenue (DOR) official procedures require documentation be maintained of all void reports and related receipt slips. DOR official procedures also require a documented reason for voiding a transaction, and customer acknowledgement of a void transaction if a new one is not completed or is for a lesser amount. Maintaining appropriate documentation, including documenting the reason for voiding a transaction and obtaining customer acknowledgement help ensure the transaction was voided for a valid reason.

Recommendation

The license office ensure all prepayment void documentation is maintained, including the reason for the void transaction and customer acknowledgment, when applicable.

Auditee's Response

We will ensure all clerks make notations on the prepayment void transaction as to why they voided the transaction. Also if the transaction was reprocessed, attach a copy of the corrected transaction to the prepayment void. We will have the customer sign prepayment void as needed.

2. Accounting Controls and Procedures

The license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2015, the office collected and remitted to the DOR approximately \$9.3 million in taxes and fees.

The license office did not always accurately record the method of payment (cash, check, or credit card) in the accounting records, reconcile the composition of monies received to deposits, or make deposits intact. For example, the composition of deposits did not agree to the composition of receipts recorded for the deposit made for March 12, 2015. A review of the deposit identified a motor vehicle check payment recorded as a credit card payment, and an erroneous motor vehicle credit card overpayment refunded to the customer in cash instead of voiding the transaction and reprocessing it.

DOR official procedures for license offices indicate the composition of monies received should be reconciled to the accounting records and to



Department of Revenue
Carthage Contract License Office
Management Advisory Report - State Auditor's Findings

deposits. Any differences identified as part of this work should be reviewed to ensure proper handling of monies received. DOR official procedures also require motor vehicle transactions with erroneous overpayments to be voided and reprocessed for the correct amount. This process helps ensure the composition of receipts agrees to the composition of deposits and allows for depositing receipts intact.

Recommendation

The license office ensure the correct method of payment is recorded in the accounting records and the composition of monies received is reconciled to the accounting records and to deposits, and differences identified from the reconciliation process are appropriately reviewed. In addition, erroneous overpayment transactions should be voided and reprocessed in accordance with DOR procedures and all deposits should be made intact.

Auditee's Response

All clerks will be more aware of how a customer is paying. If an error in payment occurs, the clerk will make a notation on the audit copy and on their cashier's report at the end of the day. If there is an incorrect payment on a credit/debit card, the clerk will void the transaction and reprocess the transaction. All monies will be reconciled to accounting reports and deposits and the differences will be identified and reviewed.

Department of Revenue

Carthage Contract License Office

Organization and Statistical Information

Pursuant to Section 136.030(2), RSMo, the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 178 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Prior to August 2013, contracts typically ran for a year, with three 1-year renewal periods. From August 2013 until January 2014, contracts typically ran for a 4-year period. Starting in January 2014, contracts are typically for a period of 5 years. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program, World War I memorial fund, and/or blindness awareness fund. Customers may also register with Selective Service, add endorsements or restrictions to licenses, and register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue
Carthage Contract License Office
Organization and Statistical Information

In January 2014, the DOR solicited bids for the Carthage Contract License Office. The office was awarded to License Office Services, LLC, effective April 28, 2014.

For the year ended June 30, 2015, the office collected and remitted to the DOR \$9,325,317, and retained processing fees totaling \$223,345. Additionally, as part of the bidding process, the office agreed to return 1 percent of its processing fees to the state. For the year ended June 30, 2015, the office returned to the state processing fees totaling \$2,246.

Personnel

At June 30, 2015, key office personnel were as follows:

Faye Williams, Contract Manager
Stephanie Agan, Office Manager



Nicole R. Galloway, CPA
Missouri State Auditor

REVENUE

Kirksville Contract License Office



November 2015
Report No. 2015-106

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Kirksville Contract License Office

Background	The Department of Revenue (DOR) has appointed 178 contract agents to operate contract license offices across the state. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the state auditor may audit contract license offices.
Prepayment Void Transactions	Prepayment void transactions occur when transactions are voided before payment is made, such as when the customer lacks sufficient funds or the entry has incorrect information. DOR procedures require a documented reason for voiding a transaction and customer acknowledgement if a new transaction is not completed or is for a lesser amount. License office personnel did not document the reason for voiding 4 of 10 (40 percent) prepayment void transactions that occurred from February 23 to February 26, 2015, and license office personnel did not obtain customer acknowledgment for 3 of these 4 transactions.
Accounting Controls and Procedures	The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. The composition of receipts did not match the composition of deposits for 3 February 2015 deposits reviewed, and both manual receipt slips on hand during a June 2015 cash count did not include the method of payment.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Department of Revenue

Kirksville Contract License Office

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Prepayment Void Transactions.....4
Findings	2. Accounting Controls and Procedures4

Organization and Statistical	6
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor

and

Nia Ray, Director

Department of Revenue

Jefferson City, Missouri

and

Judy J. Albin, Contract Agent

Kirksville Contract License Office

Kirksville, Missouri

We have audited certain operations maintained and established by the Kirksville Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objectives of our audit were to:

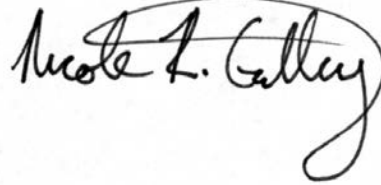
1. Evaluate the office's internal controls related to handling of various fees and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with contractual or statutory provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Kirksville Contract License Office.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Joshua Shope, M.Acct. Hunter O'Donnell, M.Acct.

Department of Revenue

Kirksville Contract License Office

Management Advisory Report - State Auditor's Findings

1. Prepayment Void Transactions

License office personnel did not document the reason for voiding 4 of 10 (40 percent) prepayment void transactions that occurred from February 23 to February 26, 2015. In addition, license office personnel did not obtain customer acknowledgment for 3 of these 4 transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System (TRIPS) but is voided before payment is made. Valid reasons for prepayment void transactions include when customers lack sufficient funds to pay for the transaction, and entries with incorrect information.

Department of Revenue (DOR) official procedures require a documented reason for voiding a transaction, and customer acknowledgment of a void transaction if a new one is not completed or is for a lesser amount. In addition, documenting the reason for voiding a transaction and obtaining customer acknowledgment help ensure the transaction was voided for a valid reason.

Recommendation

The license office ensure all prepayment void transactions are supported by a documented reason for the void transaction and customer acknowledgment, when applicable.

Auditee's Response

The Kirksville License Office has implemented a more strict procedure in regards to prepayment voids. Contract or office manager must sign off on void before the customer departs office. This will ensure that the void is for a valid reason and all documents are properly signed.

2. Accounting Controls and Procedures

The license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2015, the office collected and remitted to the DOR approximately \$5.1 million in taxes and fees.

The license office did not always accurately record the method of payment (cash, check, or credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from February 23 to February 25, 2015. A review of these deposits identified check payments recorded as cash payments. In addition, the license office did not record the method of payment on either of the 2 manual receipt slips issued for driving record purchases on hand during our cash count on June 15, 2015. The license office must issue manual receipt slips for these transactions because they are processed outside of the computerized system.

DOR official procedures for license offices indicate the composition of monies received should be reconciled to the accounting records and to



Department of Revenue
Kirksville Contract License Office
Management Advisory Report - State Auditor's Findings

deposits. Any differences identified as part of this work should be reviewed to ensure proper handling of monies received.

During February 2013, the DOR's Compliance and Investigation Bureau performed a review of the license office and noted the same concerns with method of payment recording errors.

Recommendation

The license office ensure the correct method of payment is recorded in the accounting records and the composition of monies received is reconciled to the accounting records and to deposits, and differences identified from the reconciliation process are appropriately reviewed. In addition, the license office should ensure the method of payment is recorded on all manual receipt slips.

Auditee's Response

We have met with staff about accurately recording method of payment that a customer makes. When customer approaches counter, the clerk is not only to make sure that the customer has all paperwork needed for the transaction, but also method of payment. If using a debit / credit card, the importance of explaining the courtesy fee attached. We have urged staff to be more diligent about selecting the correct method of payment on the payment screen. If clerk notices a mistake after customer departs the office, we've urged them to put correct method of payment on TRIPS office audit copy. When preparing the daily deposit, the composition of money is reconciled to the accounting records and to the deposit. If differences are found, we verify that the correct documentation is on the TRIPS audit copy receipt. We also require the clerks to record this same information on their individual TRIPS cashier report at checkout time. Driving record receipts are audited daily to make sure correct payment method has been entered. Both the office manager and I feel this issue has been corrected.

Department of Revenue

Kirksville Contract License Office

Organization and Statistical Information

Pursuant to Section 136.030(2), RSMo, the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 178 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Prior to August 2013, contracts typically ran for a year, with three 1-year renewal periods. From August 2013 until January 2014, contracts typically ran for a 4-year period. Starting in January 2014, contracts are typically for a period of 5 years. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program, World War I memorial fund, and/or blindness awareness fund. Customers may also register with Selective Service, add endorsements or restrictions to licenses, and register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue
Kirksville Contract License Office
Organization and Statistical Information

In October 2013, the DOR solicited bids for the Kirksville Contract License Office. The office was awarded to Judy J. Albin, effective January 19, 2014.

For the year ended June 30, 2015, the office collected and remitted to the DOR \$5,110,255, and retained processing fees totaling \$145,618. Additionally, as part of the bidding process, the office agreed to return 2 percent of its processing fees to the state. For the year ended June 30, 2015, the office returned to the state processing fees totaling \$2,936.

Personnel

At June 30, 2015, key office personnel were as follows:

Judy J. Albin, Contract Manager
Peggy Moots, Office Manager



Nicole R. Galloway, CPA
Missouri State Auditor

REVENUE

Monroe City Contract License Office



November 2015
Report No. 2015-107

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Monroe City Contract License Office

Background	The Department of Revenue (DOR) has appointed 178 contract agents to operate contract license offices across the state. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the state auditor may audit contract license offices.
Sales Tax Transactions	Contract license offices collect sales and use taxes based upon the purchase price of the vehicle being titled, less any applicable credits. DOR procedures require the offices to retain documentation to support the net purchase price and requires office staff to use a DOR approved source to determine the estimated fair market value if the documentation is not sufficient or the purchase price is questionably low. License office personnel determine the sales tax rate to be charged based on the taxpayer's address. License office personnel did not retain sufficient documentation to support the purchase price for 3 of 23 (13 percent) transactions reviewed. For 1 of 19 (5 percent) transactions reviewed that had addresses in the Department of Revenue computer system, license office staff charged a lower tax rate (Ralls County rate) than required (City of O'Fallon rate), based on the taxpayer's address.
Segregation of Duties	The license office does not have adequate segregation of duties and there is no documented oversight by the contract agent. The office has 1 main employee who is responsible for multiple duties, including receiving monies, recording receipts and transactions in the accounting system, reconciling the bank account to the accounting records, and maintaining the inventory. There is no evidence that the contract agent reviews this work, which increases the risk of loss or misuse of funds.
Prepayment Void Transactions	Prepayment void transactions occur when transactions are voided before payment is made, such as when the customer lacks sufficient funds or the entry has incorrect information. DOR procedures require a supervisory review of voided transactions and customer acknowledgement if a new transaction is not completed or is for a lesser amount. The license office contract manager or contract agent did not document approval for all 10 prepayment void transactions that occurred from March 12 to March 26, 2015, and license office personnel did not obtain customer acknowledgment for 3 applicable transactions.

Accounting Controls and
Procedures

The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. The composition of receipts did not match the composition of deposits for 5 deposits reviewed. In addition, the license office did not maintain manual receipt slips for driving record purchases, which are processed outside of the computer system.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Department of Revenue

Monroe City Contract License Office

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Sales Tax Transactions	4
2. Segregation of Duties	6
3. Prepayment Void Transactions.....	6
4. Accounting Controls and Procedures	7

Organization and Statistical	9
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Nia Ray, Director
Department of Revenue
Jefferson City, Missouri
and
City of Monroe City, Contract Agent
Monroe City Contract License Office
Monroe City, Missouri

We have audited certain operations maintained and established by the Monroe City Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objectives of our audit were to:

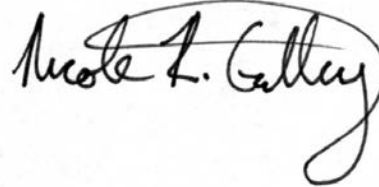
1. Evaluate the office's internal controls related to handling of various fees and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with contractual or statutory provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Monroe City Contract License Office.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Joshua Shope, M.Acct. Hunter O'Donnell, M.Acct.

Department of Revenue

Monroe City Contract License Office

Management Advisory Report - State Auditor's Findings

1. Sales Tax Transactions

The license office does not always retain adequate documentation to support purchase price amounts on vehicle sales tax transactions, and the license office does not always charge the correct sales tax rate.

Contract license offices collect sales and use taxes from taxpayers who are titling a vehicle. These taxes are based on the purchase price of the vehicle less any applicable credits, such as for selling or trading in another vehicle. Department of Revenue (DOR) official procedures require the retention of documentation to support the net purchase price for all sales and use tax transactions. If the documentation is not sufficient to support the purchase price or the purchase price is questionably low, DOR official procedures require license office staff to use a DOR approved source to determine the estimated fair market value. If the estimated fair market value is not similar to the price claimed by the taxpayer, a notarized bill of sale from the seller is required or the estimated fair market value must be used by license office staff to calculate sales tax due.

License office personnel determine the sales tax rate to be charged based on the taxpayer's address. Most addresses are listed in the DOR's computerized system, which recommends a tax rate for each transaction based on the address. If the system is unable to provide a tax rate, DOR official procedures require the clerk to ask the taxpayer if he or she lives within city limits and then confirm this declaration. Ways to confirm the declaration include a property tax receipt or letter from the tax jurisdiction.

We reviewed sales and use tax transactions processed in the license office from March 11 to March 13, 2015, and noted the following concerns:

Purchase prices

License office personnel did not retain sufficient documentation to support the purchase price for 3 of 23 transactions (13 percent) reviewed. For these 3 transactions, the purchase price used was questionably low, but license office staff did not obtain a notarized bill of sale to support the purchase price. We obtained the estimated fair market values from DOR personnel and determined the reported purchase prices for the 3 transactions totaled \$7,167 lower than the estimated fair market values, resulting in a \$543 reduction in taxes collected.

When we brought these transactions to the DOR's attention, the DOR sent additional tax due letters to the 3 taxpayers. As of October 2015, no action had been taken by the taxpayers to pay the additional amounts due or to protest these additional assessments.

Sales tax rates

For 1 of the 19 (5 percent) transactions reviewed that had addresses in the DOR computerized system, license office staff charged a lower tax rate than required. License office staff charged the taxpayer the Ralls County tax rate, when the City of O'Fallon tax rate should have been charged, based on the



Department of Revenue
Monroe City Contract License Office
Management Advisory Report - State Auditor's Findings

taxpayer's address. The transaction resulted in a \$450 reduction in taxes collected.

When we brought this transaction to the DOR's attention, the DOR sent an additional tax due letter to the taxpayer. As of October 2015, no action had been taken by the taxpayer to pay the additional amount due or to protest this additional assessment.

Conclusions

To ensure the purchase price is accurate and the proper tax rates are charged, the license office should comply with DOR procedures requiring adequate documentation of purchase price and verification of the taxpayer's address in the computerized system.

During February 2014, the DOR's Compliance and Investigation Bureau performed a review of the license office and noted similar concerns with motor vehicle sales tax transaction processing. The concerns included unusually low sales prices and no notarized bill of sale, a missing surrendered title, required forms omitted, an incorrect purchase date, and an incorrect vehicle make.

Recommendation

The license office ensure compliance with DOR procedures requiring adequate documentation to support the purchase price for vehicle sales and use tax transactions. In addition, the license office should ensure the correct sales tax rate for the taxpayer's address is charged.

We also recommend the DOR conduct a follow-up review of the license office to ensure the license office has implemented corrective action.

Auditee's Response

The license office provided the following response:

We will request a notarized bill of sale from the seller if the purchase price seems questionably low, if it was sold for parts, etc.

With regards to the individual that lived in O'Fallon, at the time of the transaction he told us he had a residence in Ralls County and we verified he paid personal property taxes in Ralls County. However, after discussion with you about the DOR policy, regardless of what the customer says, we are to base our sales tax on what address is stated on the title paperwork (which was O'Fallon in this instance). We will ensure we follow this DOR policy in the future.

The DOR provided the following response:

In addition to our periodic audits of the license offices, the DOR is also exploring analytical review procedures designed to specifically assist us in monitoring vehicle purchase prices entered by the license offices. The DOR



Department of Revenue
Monroe City Contract License Office
Management Advisory Report - State Auditor's Findings

will publish articles in the License Office News to remind all offices to follow procedures related to vehicle purchase price, sales tax rates, and tax credit requirements for sales and use tax related transactions.

2. Segregation of Duties

The license office does not have adequate segregation of duties and there is no documented oversight by the contract agent.

The office has one employee (office manager) who is responsible for the operation and management of the office, including receiving monies, recording receipts and transactions in the accounting system, reconciling the bank account to the accounting records, and maintaining the inventory, such as license plates and tabs. The office also employs one part-time employee to record receipts and transactions in the accounting system when the office manager is not available. In addition, an employee of the contractor makes bank deposits for the license office. All other operation and management functions are handled solely by the office manager.

Although DOR personnel periodically review and evaluate the contract office procedures and records, there is no evidence the contract agent or another independent individual provides adequate supervision or review of the work performed by the office manager.

To reduce the risk of loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, the contract agent or another independent individual should review the work performed by the office manager and investigate any unusual transactions.

Recommendation

The license office ensure a supervisory or independent review of the work performed by the office manager is completed, and investigate unusual items and variances.

Auditee's Response

On a weekly basis the Contract Manager will review and sign off on the agent fees deposited in the city's account with the Agent Fee reports from the license office. In addition, the part-time office worker will verify random transactions on a daily basis in the presence of the Contract Manager and will document this review.

3. Prepayment Void Transactions

The license office contract manager or contract agent did not document approval for all 10 prepayment void transactions that occurred from March 12 to March 26, 2015. In addition, license office personnel did not obtain customer acknowledgment for any of the 3 applicable transactions processed during the same time period.



Department of Revenue
Monroe City Contract License Office
Management Advisory Report - State Auditor's Findings

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System but is voided before payment is made. Valid reasons for prepayment void transactions include when customers lack sufficient funds to pay for the transaction, and entries with incorrect information.

DOR official procedures require a supervisory review of voided transactions, and customer acknowledgement of a void transaction if a new one is not completed or is for a lesser amount. In addition, supervisory review and customer acknowledgement help ensure the transaction was voided for a valid reason.

In most license offices, the office manager performs these supervisory reviews. However, due to the small size of this license office, the office manager is the primary employee. She performed 9 of the 10 transactions reviewed, including all 3 transactions requiring a customer signature. Therefore, to ensure DOR procedures are followed and prepayment void transactions are proper, the contract agent or another independent individual should be performing supervisory reviews of the office manager's transactions (see MAR finding number 2).

Recommendation

The license office ensure all prepayment void transactions are reviewed and approved by office management and supported by customer acknowledgment, when applicable.

Auditee's Response

On the bottom quarter of the page, we will document the reason for the void and have the customer sign it as well as the license office personnel.

At the end of each day, the void report will be compared with the voided documents and signed off on by license office personnel. Shirley Arch (part-time employee) will review any voids done by Joyce Viloria; Joyce Viloria will review any voids done by Shirley Arch.

4. Accounting Controls and Procedures

The license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2015, the office collected and remitted to the DOR approximately \$1.6 million in taxes and fees.

The license office did not always accurately record the method of payment (cash, check, or credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from March 11 to March 13, 2015, and for the May 4 and May 5, 2015 deposits. A review of these deposits identified check and credit card payments recorded as cash payments, and cash payments recorded as check payments. In addition, the license office did not maintain manual receipt slips for driving record purchases. The



Department of Revenue
Monroe City Contract License Office
Management Advisory Report - State Auditor's Findings

license office must issue manual receipt slips for these transactions because they are processed outside of the computerized system.

DOR official procedures for license offices indicate the composition of monies received should be reconciled to the accounting records and to deposits. Any differences identified as part of this work should be reviewed to ensure proper handling of monies received. In addition, DOR official procedures require a receipt slip be issued for all sales of driving records.

During February 2014, the DOR's Compliance and Investigation Bureau performed a review of the license office and noted the same concerns with method of payment recording errors.

Recommendation

The license office ensure the correct method of payment is recorded in the accounting records and the composition of monies received is reconciled to the accounting records and to deposits, and differences identified from the reconciliation process are appropriately reviewed. In addition, the license office should ensure receipt slips are issued and retained for all driving record sales.

Auditee's Response

If there is an error when selecting the method of payment, it will be documented on the audit copy as to why there is a difference. The composition of monies received will be reconciled to the accounting records and to deposits on a daily basis. Receipt slips will be issued and retained for all driving record sales.

Department of Revenue

Monroe City Contract License Office

Organization and Statistical Information

Pursuant to Section 136.030(2), RSMo, the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 178 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Prior to August 2013, contracts typically ran for a year, with three 1-year renewal periods. From August 2013 until January 2014, contracts typically ran for a 4-year period. Starting in January 2014, contracts are typically for a period of 5 years. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program, World War I memorial fund, and/or blindness awareness fund. Customers may also register with Selective Service, add endorsements or restrictions to licenses, and register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue
Monroe City Contract License Office
Organization and Statistical Information

In October 2013, the DOR solicited bids for the Monroe City Contract License Office. The office was awarded to the City of Monroe City, effective December 27, 2013.

For the year ended June 30, 2015, the office collected and remitted to the DOR \$1,641,632, and retained processing fees totaling \$42,249. Under the terms of the contract, the office was not required to return a percentage of its processing fees to the state.

Personnel

At June 30, 2015, key office personnel were as follows:

Jackie Pangborn, Contract Manager
Joyce Viloria, Office Manager



Nicole R. Galloway, CPA
Missouri State Auditor

REVENUE

St. Charles Contract License Office



November 2015
Report No. 2015-108

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the St. Charles Contract License Office

Background	The Department of Revenue (DOR) has appointed 178 contract agents to operate contract license offices across the state. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the state auditor may audit contract license offices.
Sales Tax Transactions	Contract license offices collect sales and use taxes based upon the purchase price of the vehicle being titled, less any applicable credits. DOR procedures require the offices to retain documentation to support the net purchase price. License office personnel did not ensure sales tax transactions were properly entered into the computerized system for 2 transactions reviewed, resulting in over collection of sales tax for these transactions.
Accounting Controls and Procedures	The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. The composition of receipts did not match the composition of deposits for 3 deposits reviewed.
No Fee Identification Log	No fee identification cards (IDs) are issued at no cost to the ID holder to replace previously purchased IDs that printed illegibly or contained a misspelled name. Our review found 2 of the 11 no fee IDs issued between April 1 and May 8, 2015, were not listed on the office log, as required by the DOR.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Department of Revenue

St. Charles Contract License Office

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Sales Tax Transactions4
Findings	2. Accounting Controls and Procedures5
	3. No Fee Identification Log6

Organization and Statistical	7
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Nia Ray, Director
Department of Revenue
Jefferson City, Missouri
and
License Management, LLC, Contract Agent
St. Charles Contract License Office
St. Charles, Missouri

We have audited certain operations maintained and established by the St. Charles Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objectives of our audit were to:

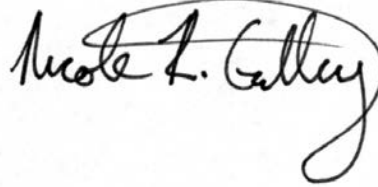
1. Evaluate the office's internal controls related to handling of various fees and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with contractual or statutory provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the St. Charles Contract License Office.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Joshua Shope, M.Acct. Hunter O'Donnell, M.Acct.

Department of Revenue
St. Charles Contract License Office
Management Advisory Report - State Auditor's Findings

1. Sales Tax Transactions

The license office does not always ensure sales tax transactions are properly entered into the computerized system, resulting in incorrect sales tax collections. License office staff incorrectly applied a sales tax credit and entered an incorrect net purchase price.

Contract license offices collect sales and use taxes from taxpayers who are titling a vehicle. These taxes are based on the purchase price of the vehicle less any applicable credits, such as for selling or trading in another vehicle. Department of Revenue (DOR) official procedures required the retention of documentation to support all sales and use tax transactions.

We reviewed 167 sales and use tax transactions processed in the license office from February 9 to February 11, 2015, and noted concerns with 2 of these transactions (1 percent), as follows:

Sales tax credit

License office personnel erroneously applied a \$300 out-of-state sales tax credit to the purchase price of a vehicle, thereby reducing the net purchase price on which taxes were calculated. However, license office staff should have applied the tax credit to the total taxes due, which should have resulted in a reduction of total taxes by \$300. When we brought this transaction to the DOR's attention, the DOR determined the sales tax over collection to be \$287, and sent a refund to the taxpayer.

Purchase prices

License office personnel entered a vehicle's full purchase price into the system, instead of the net purchase price, improperly excluding a \$650 trade-in credit. When we brought this transaction to the DOR's attention, the DOR determined the sales tax over collection to be \$39, and sent a refund to the taxpayer.

Conclusions

To ensure proper sales tax amounts are charged to customers, the license office should ensure sales tax transactions are properly entered into the computerized system.

During November 2014, the DOR's Compliance and Investigation Bureau performed a review of the license office and noted similar concerns with motor vehicle sales tax transaction processing. The concerns identified included three transactions with an incorrect credit amount, and nine transactions with incorrect purchase price.

Recommendation

The license office should verify accurate entry of sales tax transactions in the computerized system before processing taxes due.

We also recommend the DOR conduct a follow-up review of the license office to ensure the license office has implemented corrective action.



Auditee's Response

The license office provided the following response:

The office acknowledges the mistake on the two transactions, and will again emphasize the need for accurate entry of each transaction. Each application will be verified by supervisory staff daily, and any transaction found not accurate will be corrected prior to application being submitted to DOR for processing.

The DOR provided the following response:

In addition to our periodic audits of the license offices, the DOR is also exploring analytical review procedures designed to specifically assist us in monitoring vehicle purchase prices entered by the license offices. The DOR will publish articles in the License Office News to remind all offices to follow procedures related to vehicle purchase price, sales tax rates, and tax credit requirements for sales and use tax related transactions.

2. Accounting Controls and Procedures

The license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2015, the office collected and remitted to the DOR approximately \$23.5 million in taxes and fees.

The license office did not always accurately record the method of payment (cash, check, or credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from February 9 to February 11, 2015. A review of these deposits identified check and credit card payments recorded as cash payments, and cash payments recorded as credit card payments.

DOR official procedures for license offices indicate the composition of monies received should be reconciled to the accounting records and to deposits. Any differences identified as part of this work should be reviewed to ensure proper handling of monies received.

During November 2014, the DOR's Compliance and Investigation Bureau performed a review of the license office and noted the same concerns with method of payment recording errors.

Recommendation

The license office ensure the correct method of payment is recorded in the accounting records and the composition of monies received is reconciled to the accounting records and to deposits, and differences identified from the reconciliation process are appropriately reviewed.

Auditee's Response

The office does agree that the method of payment should be recorded correctly, and will emphasize the need for that with each clerk, but the office



Department of Revenue
St. Charles Contract License Office
Management Advisory Report - State Auditor's Findings

does not agree with the findings that there are discrepancies with deposits, or that the deposits were not reconciled to the appropriate accounting reports. All money collected was appropriately recorded on each deposit ticket. The breakdown of each deposit for cash, check, or credit card is reconciled to each clerk cashier report, with all shortages paid by the office, and all overages deposited to the state per DOR guidelines. All discrepancies for incorrect payment method will be notated on the appropriate audit copy, and for driver transactions it will be noted on the listing sheets.

Auditor's Comment

The composition of deposits did not reconcile to the composition of receipts for the days noted above. Daily shortages/overages are determined by comparing total receipts to total deposits; the composition of these monies is not reconciled during the daily shortage/overage determination.

3. No Fee Identification Log

The license office does not record some identification cards (IDs) issued for no fees on the office log, as required by the DOR.

No fee IDs are issued at no cost to the holder to replace IDs previously purchased for reasons such as an ID printing illegibly or having a misspelled name. Our review of no fee IDs issued in the license office between April 1 through May 8, 2015, noted 2 of the 11 no fee IDs issued during that period were not listed on the log maintained by the office. The license office is required by the DOR to maintain the log to document the reason for the no fee ID issuance. DOR personnel also use the logs to review for accurate processing of ID transactions and to ensure the reasons for issuing no fee IDs are reasonable.

Maintaining an accurate and complete ID log is needed to demonstrate the proper issuance of no fee IDs.

Recommendation

The license office ensure all no fee ID transactions are properly recorded on the office log.

Auditee's Response

Either the office manager or contract manager will examine each day's listing sheet to make sure all no fee transactions are recorded properly on the ID log.

Department of Revenue

St. Charles Contract License Office

Organization and Statistical Information

Pursuant to Section 136.030(2), RSMo, the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 178 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Prior to August 2013, contracts typically ran for a year, with three 1-year renewal periods. From August 2013 until January 2014, contracts typically ran for a 4-year period. Starting in January 2014, contracts are typically for a period of 5 years. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program, World War I memorial fund, and/or blindness awareness fund. Customers may also register with Selective Service, add endorsements or restrictions to licenses, and register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue
St. Charles Contract License Office
Organization and Statistical Information

In November 2013, the DOR solicited bids for the St. Charles Contract License Office. The office was awarded to License Management, LLC, effective February 6, 2014.

For the year ended June 30, 2015, the office collected and remitted to the DOR \$23,516,729, and retained processing fees totaling \$548,278. Additionally, as part of the bidding process, the office agreed to return 10 percent of its processing fees to the state. For the year ended June 30, 2015, the office returned to the state processing fees totaling \$55,309.

Personnel

At June 30, 2015, key office personnel were as follows:

Matthew Carroll, Contract Manager
Leslie Breeding, Office Manager



Nicole R. Galloway, CPA
Missouri State Auditor

REVENUE

Warrenton Contract License Office



November 2015
Report No. 2015-109

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Warrenton Contract License Office

Background	The Department of Revenue (DOR) has appointed 178 contract agents to operate contract license offices across the state. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the state auditor may audit contract license offices.
Sales Tax Transactions	Contract license offices collect sales and use taxes based upon the purchase price of the vehicle being titled, less any applicable credits. DOR procedures require the offices to retain documentation to support the net purchase price and requires office staff to use a DOR approved source to determine the estimated fair market value if the documentation is not sufficient or the purchase price is questionably low. License office personnel did not retain sufficient documentation to support the purchase price for 5 of 44 (11 percent) transactions reviewed. For 1 of 18 (6 percent) transactions reviewed, license office staff incorrectly applied a credit amount on the transaction.
No Fee Identification Log	No fee identification cards (IDs) are issued at no cost to the ID holder to replace previously purchased IDs that printed illegibly or contained a misspelled name. Our review found 5 of the 16 no fee IDs issued between January 1 and June 8, 2015, were not listed on the office log, as required by the DOR.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
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- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
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Department of Revenue

Warrenton Contract License Office

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Sales Tax Transactions4
Findings	2. No Fee Identification Log6

Organization and Statistical	7
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Nia Ray, Director
Department of Revenue
Jefferson City, Missouri
and
Wentzville Agency Management, LLC, Contract Agent
Warrenton Contract License Office
Warrenton, Missouri

We have audited certain operations maintained and established by the Warrenton Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objectives of our audit were to:

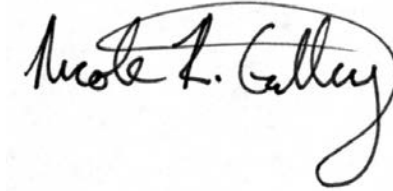
1. Evaluate the office's internal controls related to handling of various fees and tax transactions.
2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with contractual or statutory provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Warrenton Contract License Office.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Joshua Shope, M.Acct. Hunter O'Donnell, M.Acct.

Department of Revenue

Warrenton Contract License Office

Management Advisory Report - State Auditor's Findings

1. Sales Tax Transactions

The license office does not always retain adequate documentation to support purchase price amounts on vehicle sales tax transactions, and the license office does not always apply credit amounts properly.

Contract license offices collect sales and use taxes from taxpayers who are titling a vehicle. These taxes are based on the purchase price of the vehicle less any applicable credits, such as for selling or trading in another vehicle. Department of Revenue (DOR) official procedures require the retention of documentation to support the net purchase price for all sales and use tax transactions. If the documentation is not sufficient to support the purchase price or the purchase price is questionably low, DOR official procedures require license office staff to use a DOR approved source to determine the estimated fair market value. If the estimated fair market value is not similar to the price claimed by the taxpayer, a notarized bill of sale from the seller is required or the estimated fair market value must be used by license office staff to calculate sales tax due.

In addition, a taxpayer may receive a sales tax allowance on a vehicle purchase if another vehicle is sold by the taxpayer within 180 days before or after the purchase date. DOR official procedures require license office staff to obtain the bill of sale or notice of sale for both vehicles to verify the purchase dates are within the 180-day requirement.

We reviewed sales and use tax transactions processed in the license office from January 13 to January 15, 2015, and noted the following concerns:

Purchase prices

License office personnel did not retain sufficient documentation to support the purchase price for 5 of 44 transactions (11 percent) reviewed. For these 5 transactions, the purchase price used was questionably low, but license office staff did not obtain a notarized bill of sale to support the purchase price. We obtained the estimated fair market values from DOR personnel and determined the reported purchase prices for the 5 transactions totaled \$12,001 lower than the estimated fair market values, resulting in a \$806 reduction in taxes collected.

When we brought these transactions to the DOR's attention, the DOR sent additional tax due letters to the 5 taxpayers. As of October 2015, no action had been taken by the taxpayers to pay the additional amounts due or to protest these additional assessments.

Sales tax credits

License office staff incorrectly applied a credit amount for 1 of the 18 (6 percent) applicable transactions reviewed. License office staff applied a sales tax allowance credit on the transaction based on the sale of a previous vehicle by the taxpayer. Because the previous vehicle was sold more than 180 days prior to the purchase of the current vehicle, no sales tax allowance credit should have been allowed. The license office manager stated license



Department of Revenue
Warrenton Contract License Office
Management Advisory Report - State Auditor's Findings

office staff should be verifying all credit amounts applied to transactions and is unsure why office staff allowed this credit when it was outside the 180-day allowable timeframe. The transaction resulted in a \$273 reduction in taxes collected.

When we brought this transaction to the DOR's attention, the DOR sent an additional tax due letter to the taxpayer and received full payment from the taxpayer in September 2015.

Conclusions

To ensure the purchase price and credits applied are accurate, the license office should comply with DOR procedures requiring adequate documentation of purchase price and proper verification of credit documentation.

During April 2014, the DOR's Compliance and Investigation Bureau performed a review of the license office and noted similar concerns with motor vehicle sales tax transaction processing. The concerns included five transactions with unusually low sales prices and no notarized bill of sale, and one transaction with an erroneously overstated credit amount.

Recommendation

The license office ensure compliance with DOR procedures requiring adequate documentation to support the purchase price for vehicle sales and use tax transactions. In addition, the license office should verify all credit documentation applied to sales and use tax transactions.

We also recommend the DOR conduct a follow-up review of the license office to ensure the license office has implemented corrective action.

Auditee's Response

The license office provided the following response:

Purchase prices:

Regarding the transactions with questionably low purchase prices. The DOR has published guidance in the October 16, 2015 edition of the "License Offices News" that provides expanded guidance to offices in regards to the sale prices of vehicles older than ten years. Our clerks have been reminded to follow that guidance and if the sales price appears to be unusually low, to check the Kelly Blue Book. If the customer does not have a notarized bill of sale, the clerks are to inform the customer that they will have to pay sales taxes based on the Kelly Blue Book price or obtain a notarized bill of sale. Older vehicles can vary tremendously in their value depending on the condition and care given to the vehicle.

Sales tax credits:

The audit found one transaction where the sales tax credit was applied incorrectly. This was a clerical error made by a new clerk. Our clerks are trained to apply the sales tax credits according to DOR regulations.



Department of Revenue
Warrenton Contract License Office
Management Advisory Report - State Auditor's Findings

The DOR provided the following response:

In addition to our periodic audits of the license offices, the DOR is also exploring analytical review procedures designed to specifically assist us in monitoring vehicle purchase prices entered by the license offices. The DOR will publish articles in the License Office News to remind all offices to follow procedures related to vehicle purchase price, sales tax rates, and tax credit requirements for sales and use tax related transactions.

2. No Fee Identification Log

The license office does not record some identification cards (IDs) issued for no fees on the office log, as required by the DOR.

No fee IDs are issued at no cost to the holder to replace IDs previously purchased for reasons such as an ID printing illegibly or having a misspelled name. Our review of no fee IDs issued in the license office between January 1 and June 8, 2015, noted 5 of the 16 no fee IDs issued during that period were not listed on the log maintained by the office. The license office is required by the DOR to maintain the log to document the reason for the no fee ID issuance. DOR personnel also use the logs to review for accurate processing of ID transactions and to ensure the reasons for issuing no fee IDs are reasonable.

Maintaining an accurate and complete ID log is needed to demonstrate the proper issuance of no fee IDs.

Recommendation

The license office ensure all no fee ID transactions are properly recorded on the office log.

Auditee's Response

We have reviewed procedures with all employees and stressed that they make sure to record all "No Fee" transactions in the log. All of our part-timers are relatively new employees with less than a year's experience. New employees in the process of completing transactions and if they are feeling a little pressure because of other customers waiting for service can forget to complete the log recordings. Besides reviewing with our employees, we will periodically bring up the subject as a reminder.

Department of Revenue

Warrenton Contract License Office

Organization and Statistical Information

Pursuant to Section 136.030(2), RSMo, the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 178 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

The contract license offices are awarded through a competitive bidding process, as required by Section 136.055.2, RSMo. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Prior to August 2013, contracts typically ran for a year, with three 1-year renewal periods. From August 2013 until January 2014, contracts typically ran for a 4-year period. Starting in January 2014, contracts are typically for a period of 5 years. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell a wide-range of standard, personalized, and specialty license plates that are classified into five major categories: passenger, truck, trailer, motorcycle, and bus. In addition, the contract license offices issue five basic types of driver licenses: Intermediate License (GDL); Class F (Operator); Class E (For-Hire); Class A, B, and C (Commercial); and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program, World War I memorial fund, and/or blindness awareness fund. Customers may also register with Selective Service, add endorsements or restrictions to licenses, and register to vote.

The contract agents do not receive compensation from the DOR, but receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	\$3.50 one year \$7.00 two years
Transfer of registration	\$3.50
Application or transfer of title	\$2.50
Driver, operator or chauffeur license	\$2.50 three years or less \$5.00 exceeding three years
Notice of lien	\$2.50



Department of Revenue
Warrenton Contract License Office
Organization and Statistical Information

In November 2013, the DOR solicited bids for the Warrenton Contract License Office. The office was awarded to Wentzville Agency Management, LLC, effective May 23, 2014.

For the year ended June 30, 2015, the office collected and remitted to the DOR \$6,076,431, and retained processing fees totaling \$158,097. Additionally, as part of the bidding process, the office agreed to return 5 percent of its processing fees to the state. For the year ended June 30, 2015, the office returned to the state processing fees totaling \$7,925.

Personnel

At June 30, 2015, key office personnel were as follows:

John Harris II, Contract Manager
Tracey Helfer, Office Manager



Nicole R. Galloway, CPA
Missouri State Auditor

INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION

Division of Professional Registration

Missouri Dental Board



November 2015
Report No. 2015-110

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Missouri Dental Board

Corrective Action	The Missouri Dental Board receives complaints from the public, which are reviewed and investigated so the board can determine how they can best be addressed. The board needs to improve procedures to ensure corrective action is taken when deficiencies in licensing and permit requirements are identified during the complaint investigation process. In one example, the board sent a letter to a dental office expressing concern over failure to maintain proper certifications, although corrective action was not requested and other permit issues identified were not addressed. Without ensuring corrective action is taken, the board cannot ensure it has met its responsibility to protect the public.
User Account Management	The Missouri Dental Board has not established adequate procedures to ensure access rights to the internal licensing system are appropriate. The licensing system is a division-wide system used by the various professional boards, which maintains confidential information on licensees, such as social security numbers and licensee complaints. Board personnel do not periodically review system access rights to ensure only proper personnel have access, which creates an increased risk that unauthorized changes could go undetected, and confidential data could be accessible to inappropriate users.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Division of Professional Registration

Missouri Dental Board

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Corrective Action4 2. User Account Management5
-------------------------------------------------------------	------------------------------------------------------------------

Organization and Statistical Information	7
---------------------------------------------	---

Appendixes

A	Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments, Dental Board Fund, 2 Years Ended June 30, 2015.....	8
B	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2015.....	9
C	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2015.....	10



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Huff, Director
Department of Insurance, Financial Institutions, and Professional Registration
and
Kathleen Steele Danner, Director
Division of Professional Registration
and
Missouri Dental Board
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, Missouri Dental Board, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015 and 2014. The objectives of our audit were to:

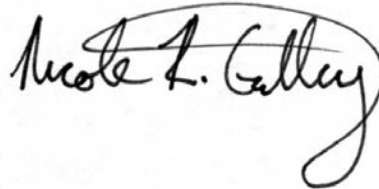
1. Evaluate the board's internal controls over significant management and financial functions.
2. Evaluate the board's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no noncompliance with legal provisions, and (3) a deficiency in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, Missouri Dental Board.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA
Audit Staff:	Michelle Pummill

Division of Professional Registration

Missouri Dental Board

Management Advisory Report - State Auditor's Findings

1. Corrective Action

The Missouri Dental Board (Board) needs to improve procedures to ensure corrective action is taken when deficiencies in licensing and permit requirements are identified during the complaint investigation process.

The Board can receive complaints from the public on any of its licensees for various reasons, including service dissatisfaction, false advertisement, improper licensing, failure to perform professional duties, and malpractice. All complaints are reviewed and investigated as needed and brought before the Board. The Board determines whether to further investigate the complaint, request the licensee to appear before the Board, close the complaint, and/or refer the complaint to the Administrative Hearing Commission (AHC) for disciplinary action. The Board opened approximately 560 complaints and closed approximately 680 complaints during the 2 years ended June 30, 2015.

For 1 of 15 complaints reviewed, the complaint investigation found, at the same dental office, 7 dentists did not have the required basic life support certification for licensure and 3 dental assistants were performing expanded functions without the required permit. The dental office verbally informed the Board the issues would be resolved. The Board sent a letter to the dental office at the close of the complaint expressing concern over the failure to maintain proper basic life support certifications; however, corrective action was not requested and the permit issues identified were not addressed. The complaint was closed in February 2014 with no further action. As of July 2015, the Board could not provide evidence any of the seven dentists became compliant with the basic life support certification requirement, or whether one dental assistant had obtained the proper permit. According to the Executive Director, the Board is limited by law in what actions can be taken on complaints beyond closing the complaint or referring the complaint to the AHC for disciplinary action. For this complaint, the Executive Director indicated the Board exercised its discretion to close the complaint without requiring further action. The Board does not have a policy to address corrective action and follow up on such licensing and permit deficiencies.

In accordance with 20 CSR 2110-1, the Board has the responsibility to ensure the licensing and permit requirements outlined in 20 CSR 2110-2 are met. Further, Section 332.031.1, RSMo, indicates the Board has the authority to administer and enforce the provisions of this chapter, which includes adopting, publishing, and enforcing rules and regulations that regulate and define the acts and areas of dental practice. Without ensuring corrective action is taken, the Board cannot ensure it has met its responsibility to protect the public.



Division of Professional Registration
Missouri Dental Board
Management Advisory Report - State Auditor's Findings

Recommendation

The Missouri Dental Board improve procedures to ensure corrective action is taken when deficiencies in licensing and permit requirements are identified.

Auditee's Response

The Missouri Dental Board will continue to monitor and improve procedures as necessary to meet its responsibility to protect the public.

2. User Account Management

The Board has not established adequate procedures to review user access to ensure access rights to the internal licensing system remain appropriate and are commensurate with job responsibilities.

The licensing system is a division-wide system used by the various professional boards. The licensing system maintains confidential information on licensees, such as social security numbers, personal information, and licensee complaints. User access to the licensing system is broadly divided into read-only access and data entry access dependent upon job duties and responsibilities. Data entry access allows changes to be made to the licensing system for a particular board and access can be further limited to a specific board or board function within the system.

The licensing system is administered by the Office of Administration, Information Technology Services Division (OA-ITSD). The Executive Director completes a form and sends it to the OA-ITSD to update system access when access needs to be granted or changed, or an employee terminates employment. Board personnel do not periodically review system access rights to ensure only proper personnel have access, access is limited to the employee's job responsibilities, and access changes occurred when requested. Our review of access rights to the Board's licensing system found the following:

- An employee terminated in March 2009 but still had data entry access.
- Eleven temporary accounts used by the Division of Professional Registration (division) were still active and included data entry access. According to personnel, these accounts had not been used for at least 2 years.
- Access rights for 2 division employees exceeded the level their job responsibilities required. These employees had data entry access when read-only access would have been appropriate for their research responsibilities.

Board personnel took action to resolve each of these issues after we inquired about them. The terminated employee and 11 temporary accounts have been removed and the 2 employees with excess access had their user access reduced to read-only.



Division of Professional Registration
Missouri Dental Board
Management Advisory Report - State Auditor's Findings

A periodic review of system access rights ensures appropriate personnel have the correct level of access. Without a periodic review of user access rights, there is an increased risk that unauthorized changes to these rights would go undetected, access rights would not be aligned with current job duties, and confidential data would be accessible to inappropriate users.

Recommendation

The Missouri Dental Board work with the division and OA-ITSD to develop procedures to periodically review licensing system user access and ensure rights are limited to only necessary current personnel and appropriate usage levels.

Auditee's Response

The Missouri Dental Board will review processes regarding access rights to electronic systems to maintain security.

Division of Professional Registration

Missouri Dental Board

Organization and Statistical Information

The Missouri Dental Board (Board) was established in 1897 by an act of the 39th Missouri General Assembly. The Omnibus State Reorganization Act of 1974 transferred the Board to the Division of Professional Registration. By Executive Order 06-04, the division moved from the Department of Economic Development to the reorganized Department of Insurance, Financial Institutions, and Professional Registration on August 28, 2006.

The Board is responsible for the examination, licensing, and regulation of dentists, dental hygienists, and dental specialists, as well as various dental permits and site certificates; investigating complaints; and disciplining licensees. At June 30, 2015, there were 14,036 licensed dentists, dental hygienists, dental specialists, and other individuals or practices with related licenses, permits, and site certificates. New issuance license fees for dentists, dental hygienists, and dental specialists were \$230, \$155, and \$330, respectively, while biennial renewal fees were \$180, \$60, and \$180, respectively.

The Board consists of seven voting members, including five registered and currently licensed dentists, one registered and currently licensed dental hygienist, and one voting public member. Board members are appointed by the Governor with the advice and consent of the Senate and serve a term of 5 years. Members whose terms expire may continue to serve until a replacement is appointed. The Board members at June 30, 2015, were:

Member	Term Expires
Kevin D. Wallace, D.M.D., President	October 16, 2010
Deborah K. Polc, R.D.H., Vice President	January 10, 2014
Bryan Chapman, D.M.D., Secretary	October 16, 2018
Eric J. Aubert, D.M.D., Member	October 16, 2011
Randall Relford, Public Member	October 16, 2012
Vacant	
Vacant	

Board members receive compensation of \$50 per day while performing their duties and reimbursement for expenses. The Board appoints an executive director to perform the administrative duties of the Board. Brian Barnett serves as Executive Director. Eight other employees perform administrative duties and responsibilities.

The Advisory Commission for Dental Hygienists makes recommendations to the Board regarding the practice, licensure, examination and discipline of dental hygienists, and consists of five voting members. The Board retains final authority.

Appendix A

Division of Professional Registration

Missouri Dental Board

Dental Board Fund

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2015	2014
RECEIPTS		
Professional license or permit fees	\$ 1,040,505	145,465
Penalties	22,300	2,900
Other fees	7,422	7,240
Occupational board exam	1,950	2,450
Overpayments	3,013	880
Total Receipts	1,075,190	158,935
DISBURSEMENTS		
Personal services	279,836	276,243
Employee fringe benefits	138,002	133,075
Expense and equipment	97,567	99,145
Licensure replacement system expense and equipment	5,336	19,500
State Central Services cost allocation	10,678	1,172
Total Disbursements	531,419	529,135
RECEIPTS OVER (UNDER) DISBURSEMENTS	543,771	(370,200)
TRANSFERS		
To Professional Registration Fees Fund (1)	39,004	22,179
To General Revenue Fund (2)	133	9,764
Total Transfers	39,137	31,943
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	504,634	(402,143)
CASH AND INVESTMENTS, JULY 1	2,225,754	2,627,897
CASH AND INVESTMENTS, JUNE 30	\$ 2,730,388	2,225,754

(1) For reimbursement of personal services, employee benefits, and operating expenses paid from the Professional Registration Fees Fund.

(2) For reimbursement of services provided by the Administrative Hearing Commission paid from the General Revenue Fund.

Appendix B

Division of Professional Registration

Missouri Dental Board

Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,					
		2015			2014		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
DENTAL BOARD FUND							
Personal Service	\$	384,832	279,836	104,996	380,953	276,243	104,710
Expense and Equipment		237,475	97,567	139,908	237,475	99,145	138,330
For a Professional Registration licensure system replacement from Professional Registration board funds		19,500	5,336	14,164	19,500	19,500	0
Total Dental Board Fund	\$	641,807	382,739	259,068	637,928	394,888	243,040

Appendix C

Division of Professional Registration

Missouri Dental Board

Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2015	2014	2013	2012	2011
Salaries and wages	\$ 279,836	276,243	245,093	231,469	248,100
Travel, in-state	8,725	8,425	10,876	10,963	7,686
Travel, out-of-state	2,996	2,926	3,397	1,149	0
Supplies	17,994	9,873	14,180	6,857	11,716
Professional development	4,285	3,078		3,755	418
Communication services and supplies	2,685	2,516	2,378	3,061	2,870
Services:					
Professional	60,703	83,102	89,703	71,148	108,546
Maintenance and repair	527	772	562	1,647	1,454
Office equipment	228	3,973	3,675	120	0
Property and improvements	0	185	3,363	0	0
Building lease payments	2,186	1,704	2,125	2,336	2,419
Equipment rental and leases	521	0	120	20	20
Miscellaneous expenses	2,053	2,091	2,488	2,494	1,957
Total Expenditures	\$ <u>382,739</u>	<u>394,888</u>	<u>377,960</u>	<u>335,019</u>	<u>385,186</u>



Nicole R. Galloway, CPA
Missouri State Auditor

Cooper County Collector and Property Tax System



November 2015
Report No. 2015-111

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Cooper County Collector and Property Tax System

Background	On June 14, 2015, a vacancy occurred in the County Collector's office due to County Collector Carol Nauman's death. The Governor appointed Diana Thomas as County Collector on August 11, 2015.
County Collector's Controls and Procedures	The County Collector does not prepare monthly lists of liabilities, and therefore, liabilities are not reconciled to the cash balance for any of the bank accounts with liabilities. The County Collector does not transmit money from the credit card account to the general account in a timely or consistent manner. As noted in a prior report, the County Collector has not established procedures to routinely follow up on outstanding checks.
Review of Annual Settlements	As noted in a prior report, the financial activities of the County Collector were not reviewed by the County Clerk or the County Commission. The County Clerk does not maintain an adequate account book or other records to summarize property tax charges, transactions, and changes. The spreadsheets maintained by the County Clerk does not include protested or delinquent taxes. In addition, adequate procedures are not performed to verify the accuracy and completeness of the County Collector's annual settlements.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Cooper County Collector and Property Tax System

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. County Collector's Controls and Procedures.....4 2. Review of Annual Settlements6
-------------------------------------------------------------	-----------------------------------------------------------------------------------------------

Organization and Statistical Information	7
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NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
County Collector
Cooper County, Missouri

We have audited the County Collector and Property Tax System of Cooper County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On June 14, 2015, a vacancy occurred in the office of the County Collector of Cooper County. A successor was appointed and sworn into office effective August 11, 2015. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2015, to June 14, 2015, and the year ended February 28, 2015. The objectives of our audit were to:

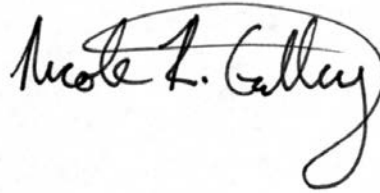
1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owing to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Cooper County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Matthew Schulenberg, CFE

Cooper County Collector and Property Tax System

Management Advisory Report

State Auditor's Findings

1. County Collector's Controls and Procedures

Controls and procedures in the County Collector's office need improvement. The County Collector maintains a general account, a credit card account, an installment account, a protested tax account, and a Tax Maintenance Fund account. The County Collector's office collected property taxes and other revenues of approximately \$17 million during the year ended February 28, 2015.

1.1 Liabilities and unidentified monies

The County Collector does not prepare monthly lists of liabilities, and therefore, liabilities are not reconciled to the cash balance for any of the bank accounts maintained. We attempted to prepare lists of liabilities for each account to determine if the proper amounts were being held except for the Tax Maintenance Fund account because that account has no associated liabilities. Our comparison of identified liabilities to the reconciled cash balance for each bank account revealed the following concerns.

- For the general account, the reconciled bank balance as of August 31, 2015, was \$180,089, but identified liabilities were \$184,721, indicating a shortage of \$4,632. Part of this problem appears to be caused by the County Collector not transferring monies timely from the credit card account to the general account (see section 1.2).
- For the protested tax account, the reconciled bank balance as of August 31, 2015, was \$344,935, but identified liabilities totaled \$342,436, indicating unidentified monies of \$2,499 in the account.
- For the credit card account, the reconciled bank balance as of August 31, 2015, was \$26,770, but identified liabilities totaled \$19,874, indicating unidentified monies of \$6,896 in the account.
- For the installment account, the reconciled bank balance as of August 31, 2015, was \$107,280, but identified liabilities totaled \$100,241, indicating unidentified monies of \$7,039 in the account.

Regular identification of liabilities and comparison to the reconciled cash balance is necessary to ensure accounting and bank records agree, and cash is sufficient to meet liabilities. In addition, maintaining unidentified monies in the bank accounts increases the risk of loss, theft, or misuse of such funds. Various statutory provisions address the disposal of unidentified monies.

1.2 Transmitting monies

The County Collector does not timely or consistently transmit monies from the credit card account to the general account. For example, from February 2015 through March 2015, \$52,835 was collected in the credit card account, but these collections were not transferred to the general account until May 2015 and the amount transferred was only \$52,298. No other transfers occurred after this transfer through August 31, 2015.



Cooper County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

To reduce of risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure all credit card payments are transferred timely to the general account.

1.3 Outstanding checks

As similarly noted in our prior Cooper County audit report, the County Collector has not established procedures to routinely follow up on outstanding checks. As a result, at August 31, 2015, the County Collector's general bank accounts had 24 checks, totaling \$3,297, that have been outstanding for over one year and 13 checks have been outstanding since 2011, with some checks dating back as far as 2005. Some of these checks were written to various political subdivisions. The office has not taken any action to reissue or resolve these outstanding checks.

Proper follow-up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise allowed by state law.

Recommendations

The County Collector:

- 1.1 Reconcile the available cash balance to a monthly listing of liabilities for all accounts, and promptly investigate and resolve any differences. In addition, attempt to identify unidentified monies. If unidentified monies cannot be identified, dispose of them in accordance with state law.
- 1.2 Establish procedures to timely transmit monies for credit card collections from the credit card account to the general account.
- 1.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Response

- 1.1 *I agree and will begin doing this by January 1, 2016, after I attempt to identify differences. I will attempt to identify all monies and dispose of any unidentified monies according to state laws.*
- 1.2 *I will ensure all credit card collections are transferred at least monthly.*
- 1.3 *I have already turned over the 24 checks cited by the auditors to the state and I will establish procedures to routinely investigate checks in the future.*



Cooper County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

2. Review of Annual Settlements

As similarly noted in our prior Cooper County audit report, neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not maintain an adequate account book or other records summarizing property tax charges, transactions, and changes. The spreadsheets maintained by the County Clerk does not include protested taxes or delinquent taxes. In addition, adequate procedures are not performed by the County Clerk or the County Commission to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, and misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Recommendation

The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Auditee's Response

The County Clerk and County Commission will work together to develop an accurate account book and develop adequate procedures to review annual settlements.

Cooper County Collector and Property Tax System

Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Carol Nauman served as County Collector until June 14, 2015. Diana Thomas was appointed the Cooper County Collector and sworn into office on August 11, 2015.

The County Collector received compensation of \$21,414 for the period March 1, 2015, to June 14, 2015. During the year ended February 28, 2015, the County Collector received compensation of \$72,536. Compensation was in accordance with statutory provisions.



Nicole R. Galloway, CPA
Missouri State Auditor

Summary of State and Local Audit Findings - Sunshine Law



November 2015
Report No. 2015-112

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Summary of State and Local Audit Findings - Sunshine Law

Open Meetings	In 20 audit reports, there were findings related to open meetings. Formal meeting minutes were not prepared or maintained for some open meetings. Meeting minutes did not always include sufficient detail of matters discussed or actions taken, and many decisions were not adequately documented. Reasons for closing meetings, the specific section of law that allows for the closed meetings, and information on the vote to close the meeting were not always adequately documented. In some cases, business was conducted outside of regular open meetings, and meeting minutes were not always reviewed and approved timely.
Closed Meetings	In 18 audit reports, there were findings related to closed meetings. Minutes were not prepared or maintained for some closed meetings; and when they were, the minutes did not always include sufficient details of discussions held and decisions made, and votes or final actions taken. The governing body did not always document why some issues discussed in closed meetings were allowable under state law and some issues discussed during closed meetings were not allowable. In addition, some topics discussed during closed meetings were other than the specific reasons cited for going into the closed meeting. Some governing bodies did not always make public in an open meeting the final disposition of applicable matters discussed in closed meetings.
Public Records	In 5 audit reports, there were findings related to public records and records requests. In some cases, adequate policies and procedures were not in place regarding public access to records or the policy was not in compliance with state law. Additionally, complete and detailed documentation was not maintained to support the rates charged for providing copies of public records, and fees charged were not consistently applied. In some cases, records were not maintained to document information requests received, or copies of records provided.
Meeting Agendas	In 5 audit reports, there were findings related to meeting agendas. In some cases, an agenda was not prepared, posted, and/or retained for all meetings or the agenda did not disclose sufficient information pertaining to the upcoming meeting. Open meeting agendas routinely used the same statement to indicate the potential for a closed meeting, and all topics listed on the agendas were routinely not discussed.

Due to the scope of this audit, no rating has been issued.

All reports are available on our Web site: auditor.mo.gov

Summary of State and Local Audit Findings - Sunshine Law

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Open Meetings	3
2. Closed Meetings	5
3. Public Records.....	6
4. Meeting Agendas.....	7

Appendixes	
A Audit Reports	9
B Chapter 610 Governmental Bodies and Records	10



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Honorable Chris Koster, Attorney General
and
Members of the General Assembly
Jefferson City, Missouri

This report was compiled using audit reports issued between January 2014 and June 2015 (report numbers 2014-001 through 2014-143 and 2015-001 through 2015-044). The objective of this report was to summarize recent audit issues and recommendations regarding the Sunshine Law, Chapter 610, RSMo, and other issues related to meeting minutes.

The recommendations address a variety of topics including open and closed meetings, public records, and meeting agendas. Appendix A lists the 25 reports with findings covering these topics.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
	Kim Spraggs, CPA
Audit Manager:	John Lieser, CPA

Summary of State and Local Audit Findings - Sunshine Law Audit Issues

1. Open Meetings

1.1 Preparation of meeting minutes

Formal meeting minutes were not prepared or maintained for some open meetings. In addition, minutes and records of meetings of affiliated boards, committees, and commissions were not always prepared. Further, copies of minutes and records of the affiliated boards, committees, and commissions were not maintained by the official custodian of records of the governing body.

Section 610.020, RSMo, provides that minutes of open meetings shall be taken and retained by the public governmental body.

Recommendation

Ensure minutes are prepared and retained to support all open meetings, including affiliated boards, committees, and commissions, and copies are maintained by the official custodian of records of the governing body.

Report source

2014-044 (City of DeWitt)
2014-062 (Grandview C-4 School District)
2014-101 (Benton County Sewer District No. 1)
2014-105 (Village of Country Club)
2014-111 (Urban Community Leadership Academy/Charter School Closure)
2014-139 (City of Kimmswick)
2014-141 (Prosecuting Attorneys' and Circuit Attorneys' Retirement System)

1.2 Detail in meeting minutes

Meeting minutes did not always include sufficient detail of matters discussed or actions taken, and many decisions were not adequately documented in the meeting minutes.

Section 610.020, RSMo, requires minutes of meetings include the date, time, place, members present, members absent, and a record of votes taken.

Recommendation

Ensure meeting minutes include adequate detail of the issues discussed and the decisions made.

Report source

2014-031 (Ash Grove R-IV School District)
2014-105 (Village of Country Club)
2014-137 (Division of Professional Registration/State Board of Accountancy)

1.3 Reasons for closing meetings

Reasons for closing meetings, the specific section of law that allows for the closed meetings, and the vote to close the meetings were not adequately documented within the open meeting minutes.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on during an open meeting.



Summary of State and Local Audit Findings - Sunshine Law Audit Issues

Recommendation Ensure the vote to close a meeting is documented in the open meeting minutes, along with the reason for closing the meeting and the specific section of law allowing the meeting to be closed.

Report source

- 2014-030 (Morgan County)
- 2014-031 (Ash Grove R-IV School District)
- 2014-047 (Taney County)
- 2014-091 (City of Leeton)
- 2014-094 (Texas County)
- 2014-100 (City of Pevely)
- 2014-101 (Benton County Sewer District No. 1)
- 2014-130 (Division of Professional Registration/State Board of Pharmacy)
- 2014-134 (Laclede County)
- 2014-135 (Perry County)
- 2014-137 (Division of Professional Registration/State Board of Accountancy)
- 2014-139 (City of Kimmswick)
- 2015-002 (Jefferson College)
- 2015-006 (St. Joseph School District)
- 2015-007 (City of Dixon)

1.4 Open meetings Business was conducted outside of regular open meetings.

Section 610.020, RSMo, provides that governing bodies of all political subdivisions are required to conduct business in regular open meetings. Any time a quorum of board members meet in person or by phone and transact public business, they are subject to the Sunshine Law.

Recommendation Ensure business of the governing body is conducted in compliance with the Sunshine Law.

Report source 2014-139 (City of Kimmswick)

1.5 Approval of minutes Meeting minutes were not always reviewed and approved timely.

Section 610.020, RSMo, states minutes of all meetings shall be taken and retained. To ensure all decisions are properly documented and minutes are properly maintained, all minutes should be reviewed and approved timely.

Recommendation Ensure meeting minutes are properly and timely reviewed and approved for all meetings.

Report source

- 2014-094 (Texas County)
- 2014-101 (Benton County Sewer District No. 1)
- 2014-105 (Village of Country Club)
- 2014-130 (Division of Professional Registration/State Board of Pharmacy)
- 2014-141 (Prosecuting Attorneys' and Circuit Attorneys' Retirement System)



Summary of State and Local Audit Findings - Sunshine Law
Audit Issues

2. Closed Meetings

2.1 Preparation of meeting minutes

Minutes were not prepared or maintained for some closed meetings.

Section 610.020, RSMo, provides that minutes of closed meetings shall be taken and retained by the public governmental body.

Recommendation

Ensure minutes are prepared and retained to support all closed meetings.

Report source

2014-139 (City of Kimmswick)
2015-002 (Jefferson College)

2.2 Detail in meeting minutes

Closed meeting minutes did not include sufficient details of discussions held and decisions made, and votes or final actions, if any, taken by the governing body during closed meetings.

Such documentation is important to both demonstrate compliance with statutory provisions and provide information for future reference should concerns or questions be raised regarding topics addressed in closed meetings. Sections 610.020 and 610.021, RSMo, provide requirements regarding closure of meetings and documentation.

Recommendation

Ensure closed meeting minutes include the information necessary to provide a complete record of all significant matters discussed and actions taken.

Report source

2014-031 (Ash Grove R-IV School District)
2015-007 (City of Dixon)

2.3 Allowable topics

The governing body did not document how some issues discussed in closed meetings were allowable under state law and some issues discussed during closed meetings were not allowable.

Chapter 610.021, RSMo, states the specific reasons governmental bodies are allowed to close a public meeting.

Recommendation

Ensure items discussed in closed meetings are allowed by state law.

Report source

2014-012 (Hickman Mills C-1 School District)
2014-030 (Morgan County)
2014-047 (Taney County)
2014-100 (City of Pevely)
2014-101 (Benton County Sewer District No. 1)
2014-105 (Village of Country Club)
2014-134 (Laclede County)
2014-139 (City of Kimmswick)



Summary of State and Local Audit Findings - Sunshine Law Audit Issues

2015-006 (St. Joseph School District)
2015-007 (City of Dixon)
2015-008 (Washington County)

2.4 Topics discussed

Some topics discussed during closed meetings were other than the specific reasons cited for going into the closed meeting.

Section 610.022, RSMo, requires a closed meeting, record, or vote to be held only for the specific reasons announced publicly at an open session. In addition, this law provides that public governmental bodies shall not discuss any other business during the meeting that differs from the specific reason used to justify such meeting, record, or vote.

Recommendation

Limit issues discussed in closed meetings to only those specific reasons cited to justify the closed meeting.

Report source

2014-137 (Division of Professional Registration/State Board of Accountancy)
2014-139 (City of Kimmswick)
2015-030 (City of Bunceton)

2.5 Publication of final disposition

Some governing bodies did not always make public in an open meeting the final disposition of applicable matters discussed in closed meetings.

Section 610.011, RSMo, provides that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless otherwise provided by law. Making public in an open meeting the final disposition of matters discussed in closed meetings would provide for transparency and openness regarding these matters.

Recommendation

Make public in an open meeting the final disposition of matters discussed in closed meetings.

Report source

2014-012 (Hickman Mills C-1 School District)
2014-105 (Village of Country Club)
2014-135 (Perry County)
2015-006 (St. Joseph School District)
2015-012 (Joplin Schools)
2015-015 (Department of Transportation)
2015-030 (City of Bunceton)

3. Public Records

3.1 Public access policy

The government did not have adequate policies and procedures regarding public access to records or the policy was not in compliance with state law. Additionally, the government did not maintain complete and detailed



Summary of State and Local Audit Findings - Sunshine Law Audit Issues

documentation to support the rates charged for providing copies of public records, and fees charged were not consistently applied.

Section 610.026, RSMo, describes the allowable fees for copying public records, and Section 610.023, RSMo, lists requirements of making records available to the public.

Recommendation

Establish adequate written policies and procedures regarding public access to and/or copies of records to ensure compliance with state law.

Report source

2014-012 (Hickman Mills C-1 School District)
2014-103 (Lewis County)
2014-044 (City of DeWitt)
2015-012 (Joplin Schools)
2015-030 (City of Bunceton)

3.2 Documentation of requests for records

The government did not maintain a record documenting information requests received, if any, or copies of records provided; therefore, the proper handling of any Sunshine Law information requests could not be determined.

Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request was received.

Recommendation

Maintain a public request log to help ensure compliance with state law.

Report source

2014-012 (Hickman Mills C-1 School District)
2015-012 (Joplin Schools)

4. Meeting Agendas

4.1 Agenda preparation

A tentative agenda was not prepared, posted, and/or retained for all meetings or the agenda did not disclose sufficient information pertaining to the upcoming meeting.

Section 610.020, RSMo, requires public entities to give notice of the time, date, and place of each meeting, and its tentative agenda, to advise the public of matters to be considered. The notice shall be given at least 24 hours prior to the meeting.

Recommendation

Ensure proper notification and agendas for public meetings are given and sufficiently detailed or reasons for any deviation are documented in the meeting minutes in accordance with state law.



Summary of State and Local Audit Findings - Sunshine Law Audit Issues

Report source	2014-012	(Hickman Mills C-1 School District)
	2014-044	(City of DeWitt)
	2014-062	(Grandview C-4 School District)
	2014-141	(Prosecuting Attorneys' and Circuit Attorneys' Retirement System)

4.2 Closed meeting notices Open meeting agendas routinely used the same statement to indicate the potential for a closed meeting, and all topics listed on the agendas were routinely not discussed.

Section 610.022, RSMo, requires the specific reasons for closing a meeting be announced publicly at an open meeting and entered into the minutes. A standard blanket statement of potential issue(s) that may be discussed in a closed session circumvents the intent of the law.

Recommendation Ensure agendas state the specific reasons for going into a closed meeting.

Report source 2014-139 (City of Kimmswick)

Summary of State and Local Audit Findings - Sunshine Law

Appendix A

Audit Reports

Report Number	Title	Publication Date
2014-012	Hickman Mills C-1 School District	March 2014
2014-030	Morgan County	April 2014
2014-031	Ash Grove R-IV School District	May 2014
2014-044	City of DeWitt	June 2014
2014-047	Taney County	July 2014
2014-062	Grandview C-4 School District	August 2014
2014-091	City of Leeton	September 2014
2014-094	Texas County	October 2014
2014-100	City of Pevely	October 2014
2014-101	Benton County Sewer District No. 1	November 2014
2014-103	Lewis County	November 2014
2014-105	Village of Country Club	November 2014
2014-111	Urban Community Leadership Academy/Charter School Closure	November 2014
2014-130	Division of Professional Registration/State Board of Pharmacy	December 2014
2014-134	Laclede County	December 2014
2014-135	Perry County	December 2014
2014-137	Division of Professional Registration/State Board of Accountancy	December 2014
2014-139	City of Kimmswick	December 2014
2014-141	Prosecuting Attorneys' and Circuit Attorneys' Retirement System	December 2014
2015-002	Jefferson College	January 2015
2015-006	St. Joseph School District	February 2015
2015-007	City of Dixon	February 2015
2015-008	Washington County	April 2015
2015-012	Joplin Schools	February 2015
2015-030	City of Bunceton	May 2015

Summary of State and Local Audit Findings - Sunshine Law

Appendix B

Chapter 610 Governmental Bodies and Records

Notice of meetings, when required--recording of meetings to be allowed, guidelines, penalty--accessibility of meetings--minutes of meetings to be kept, content--voting records to be included

610.020. 1. All public governmental bodies shall give notice of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered, and if the meeting will be conducted by telephone or other electronic means, the notice of the meeting shall identify the mode by which the meeting will be conducted and the designated location where the public may observe and attend the meeting. If a public body plans to meet by internet chat, internet message board, or other computer link, it shall post a notice of the meeting on its website in addition to its principal office and shall notify the public how to access that meeting. Reasonable notice shall include making available copies of the notice to any representative of the news media who requests notice of meetings of a particular public governmental body concurrent with the notice being made available to the members of the particular governmental body and posting the notice on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for that purpose at the principal office of the body holding the meeting, or if no such office exists, at the building in which the meeting is to be held.

2. Notice conforming with all of the requirements of subsection 1 of this section shall be given at least twenty-four hours, exclusive of weekends and holidays when the facility is closed, prior to the commencement of any meeting of a governmental body unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible shall be given. Each meeting shall be held at a place reasonably accessible to the public and of sufficient size to accommodate the anticipated attendance by members of the public, and at a time reasonably convenient to the public, unless for good cause such a place or time is impossible or impractical. Every reasonable effort shall be made to grant special access to the meeting to handicapped or disabled individuals.

3. A public body shall allow for the recording by audiotape, videotape, or other electronic means of any open meeting. A public body may establish guidelines regarding the manner in which such recording is conducted so as to minimize disruption to the meeting. No audio recording of any meeting, record, or vote closed pursuant to the provisions of section 610.021 shall be permitted without permission of the public body; any person who violates this provision shall be guilty of a class C misdemeanor.

4. When it is necessary to hold a meeting on less than twenty-four hours' notice, or at a place that is not reasonably accessible to the public, or at a time that is not reasonably convenient to the public, the nature of the good cause justifying that departure from the normal requirements shall be stated in the minutes.



Summary of State and Local Audit Findings - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

5. A formally constituted subunit of a parent governmental body may conduct a meeting without notice as required by this section during a lawful meeting of the parent governmental body, a recess in that meeting, or immediately following that meeting, if the meeting of the subunit is publicly announced at the parent meeting and the subject of the meeting reasonably coincides with the subjects discussed or acted upon by the parent governmental body.

6. If another provision of law requires a manner of giving specific notice of a meeting, hearing or an intent to take action by a governmental body, compliance with that section shall constitute compliance with the notice requirements of this section.

7. A journal or minutes of open and closed meetings shall be taken and retained by the public governmental body, including, but not limited to, a record of any votes taken at such meeting. The minutes shall include the date, time, place, members present, members absent and a record of any votes taken. When a roll call vote is taken, the minutes shall attribute each "yea" and "nay" vote or abstinence if not voting to the name of the individual member of the public governmental body.

**Closed meetings and
closed records authorized
when, exceptions**

610.021. Except to the extent disclosure is otherwise required by law, a public governmental body is authorized to close meetings, records and votes, to the extent they relate to the following:

(1) Legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys. However, any minutes, vote or settlement agreement relating to legal actions, causes of action or litigation involving a public governmental body or any agent or entity representing its interests or acting on its behalf or with its authority, including any insurance company acting on behalf of a public government body as its insured, shall be made public upon final disposition of the matter voted upon or upon the signing by the parties of the settlement agreement, unless, prior to final disposition, the settlement agreement is ordered closed by a court after a written finding that the adverse impact to a plaintiff or plaintiffs to the action clearly outweighs the public policy considerations of section 610.011, however, the amount of any moneys paid by, or on behalf of, the public governmental body shall be disclosed; provided, however, in matters involving the exercise of the power of eminent domain, the vote shall be announced or become public immediately following the action on the motion to authorize institution of such a legal action. Legal work product shall be considered a closed record;

(2) Leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal



Summary of State and Local Audit Findings - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

consideration therefor. However, any minutes, vote or public record approving a contract relating to the leasing, purchase or sale of real estate by a public governmental body shall be made public upon execution of the lease, purchase or sale of the real estate;

(3) Hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded. However, any vote on a final decision, when taken by a public governmental body, to hire, fire, promote or discipline an employee of a public governmental body shall be made available with a record of how each member voted to the public within seventy-two hours of the close of the meeting where such action occurs; provided, however, that any employee so affected shall be entitled to prompt notice of such decision during the seventy-two-hour period before such decision is made available to the public. As used in this subdivision, the term "personal information" means information relating to the performance or merit of individual employees;

(4) The state militia or national guard or any part thereof;

(5) Nonjudicial mental or physical health proceedings involving identifiable persons, including medical, psychiatric, psychological, or alcoholism or drug dependency diagnosis or treatment;

(6) Scholastic probation, expulsion, or graduation of identifiable individuals, including records of individual test or examination scores; however, personally identifiable student records maintained by public educational institutions shall be open for inspection by the parents, guardian or other custodian of students under the age of eighteen years and by the parents, guardian or other custodian and the student if the student is over the age of eighteen years;

(7) Testing and examination materials, before the test or examination is given or, if it is to be given again, before so given again;

(8) Welfare cases of identifiable individuals;

(9) Preparation, including any discussions or work product, on behalf of a public governmental body or its representatives for negotiations with employee groups;

(10) Software codes for electronic data processing and documentation thereof;



Summary of State and Local Audit Findings - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

- (11) Specifications for competitive bidding, until either the specifications are officially approved by the public governmental body or the specifications are published for bid;
- (12) Sealed bids and related documents, until the bids are opened; and sealed proposals and related documents or any documents related to a negotiated contract until a contract is executed, or all proposals are rejected;
- (13) Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment, except that this exemption shall not apply to the names, positions, salaries and lengths of service of officers and employees of public agencies once they are employed as such, and the names of private sources donating or contributing money to the salary of a chancellor or president at all public colleges and universities in the state of Missouri and the amount of money contributed by the source;
- (14) Records which are protected from disclosure by law;
- (15) Meetings and public records relating to scientific and technological innovations in which the owner has a proprietary interest;
- (16) Records relating to municipal hotlines established for the reporting of abuse and wrongdoing;
- (17) Confidential or privileged communications between a public governmental body and its auditor, including all auditor work product; however, all final audit reports issued by the auditor are to be considered open records pursuant to this chapter;
- (18) Operational guidelines, policies and specific response plans developed, adopted, or maintained by any public agency responsible for law enforcement, public safety, first response, or public health for use in responding to or preventing any critical incident which is or appears to be terrorist in nature and which has the potential to endanger individual or public safety or health. Financial records related to the procurement of or expenditures relating to operational guidelines, policies or plans purchased with public funds shall be open. When seeking to close information pursuant to this exception, the public governmental body shall affirmatively state in writing that disclosure would impair the public governmental body's ability to protect the security or safety of persons or real property, and shall in the same writing state that the public interest in nondisclosure outweighs the public interest in disclosure of the records;
- (19) Existing or proposed security systems and structural plans of real property owned or leased by a public governmental body, and information



Summary of State and Local Audit Findings - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

that is voluntarily submitted by a nonpublic entity owning or operating an infrastructure to any public governmental body for use by that body to devise plans for protection of that infrastructure, the public disclosure of which would threaten public safety:

(a) Records related to the procurement of or expenditures relating to security systems purchased with public funds shall be open;

(b) When seeking to close information pursuant to this exception, the public governmental body shall affirmatively state in writing that disclosure would impair the public governmental body's ability to protect the security or safety of persons or real property, and shall in the same writing state that the public interest in nondisclosure outweighs the public interest in disclosure of the records;

(c) Records that are voluntarily submitted by a nonpublic entity shall be reviewed by the receiving agency within ninety days of submission to determine if retention of the document is necessary in furtherance of a state security interest. If retention is not necessary, the documents shall be returned to the nonpublic governmental body or destroyed;

(20) The portion of a record that identifies security systems or access codes or authorization codes for security systems of real property;

(21) Records that identify the configuration of components or the operation of a computer, computer system, computer network, or telecommunications network, and would allow unauthorized access to or unlawful disruption of a computer, computer system, computer network, or telecommunications network of a public governmental body. This exception shall not be used to limit or deny access to otherwise public records in a file, document, data file or database containing public records. Records related to the procurement of or expenditures relating to such computer, computer system, computer network, or telecommunications network, including the amount of moneys paid by, or on behalf of, a public governmental body for such computer, computer system, computer network, or telecommunications network shall be open;

(22) Credit card numbers, personal identification numbers, digital certificates, physical and virtual keys, access codes or authorization codes that are used to protect the security of electronic transactions between a public governmental body and a person or entity doing business with a public governmental body. Nothing in this section shall be deemed to close the record of a person or entity using a credit card held in the name of a public governmental body or any record of a transaction made by a person using a credit card or other method of payment for which reimbursement is made by a public governmental body; and



Summary of State and Local Audit Findings - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

(23) Records submitted by an individual, corporation, or other business entity to a public institution of higher education in connection with a proposal to license intellectual property or perform sponsored research and which contains sales projections or other business plan information the disclosure of which may endanger the competitiveness of a business.

**Closed meetings, procedure
and limitation--public
records presumed open
unless exempt--objections
to closing meetings or
records, procedure**

610.022. 1. Except as set forth in subsection 2 of this section, no meeting or vote may be closed without an affirmative public vote of the majority of a quorum of the public governmental body. The vote of each member of the public governmental body on the question of closing a public meeting or vote and the specific reason for closing that public meeting or vote by reference to a specific section of this chapter shall be announced publicly at an open meeting of the governmental body and entered into the minutes.

2. A public governmental body proposing to hold a closed meeting or vote shall give notice of the time, date and place of such closed meeting or vote and the reason for holding it by reference to the specific exception allowed pursuant to the provisions of section 610.021. Such notice shall comply with the procedures set forth in section 610.020 for notice of a public meeting.

3. Any meeting or vote closed pursuant to section 610.021 shall be closed only to the extent necessary for the specific reason announced to justify the closed meeting or vote. Public governmental bodies shall not discuss any business in a closed meeting, record or vote which does not directly relate to the specific reason announced to justify the closed meeting or vote. Public governmental bodies holding a closed meeting shall close only an existing portion of the meeting facility necessary to house the members of the public governmental body in the closed session, allowing members of the public to remain to attend any subsequent open session held by the public governmental body following the closed session.

4. Nothing in sections 610.010 to 610.028 shall be construed as to require a public governmental body to hold a closed meeting, record or vote to discuss or act upon any matter.

5. Public records shall be presumed to be open unless otherwise exempt pursuant to the provisions of this chapter.

6. In the event any member of a public governmental body makes a motion to close a meeting, or a record, or a vote from the public and any other member believes that such motion, if passed, would cause a meeting, record or vote to be closed from the public in violation of any provision in this chapter, such latter member shall state his or her objection to the motion at or before the time the vote is taken on the motion. The public governmental body shall enter in the minutes of the public governmental body any objection made pursuant to this subsection. Any member making such an



Summary of State and Local Audit Findings - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

objection shall be allowed to fully participate in any meeting, record or vote that is closed from the public over the member's objection. In the event the objecting member also voted in opposition to the motion to close the meeting, record or vote at issue, the objection and vote of the member as entered in the minutes shall be an absolute defense to any claim filed against the objecting member pursuant to section 610.027.

Records of governmental bodies to be in care of custodian, duties--records may be copied but not removed, exception, procedure--denial of access, procedure

610.023. 1. Each public governmental body is to appoint a custodian who is to be responsible for the maintenance of that body's records. The identity and location of a public governmental body's custodian is to be made available upon request.

2. Each public governmental body shall make available for inspection and copying by the public of that body's public records. No person shall remove original public records from the office of a public governmental body or its custodian without written permission of the designated custodian. No public governmental body shall, after August 28, 1998, grant to any person or entity, whether by contract, license or otherwise, the exclusive right to access and disseminate any public record unless the granting of such right is necessary to facilitate coordination with, or uniformity among, industry regulators having similar authority.

3. Each request for access to a public record shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request is received by the custodian of records of a public governmental body. If records are requested in a certain format, the public body shall provide the records in the requested format, if such format is available. If access to the public record is not granted immediately, the custodian shall give a detailed explanation of the cause for further delay and the place and earliest time and date that the record will be available for inspection. This period for document production may exceed three days for reasonable cause.

4. If a request for access is denied, the custodian shall provide, upon request, a written statement of the grounds for such denial. Such statement shall cite the specific provision of law under which access is denied and shall be furnished to the requester no later than the end of the third business day following the date that the request for the statement is received.

Electronic transmission of messages relating to public business, requirements

610.025. Any member of a public governmental body who transmits any message relating to public business by electronic means shall also concurrently transmit that message to either the member's public office computer or the custodian of records in the same format. The provisions of this section shall only apply to messages sent to two or more members of that body so that, when counting the sender, a majority of the body's members are copied. Any such message received by the custodian or at the



Summary of State and Local Audit Findings - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

member's office computer shall be a public record subject to the exceptions of section 610.021.

Fees for copying public records, limitations--fee money remitted to whom--tax, license or fee as used in Missouri Constitution article X, section 22, not to include copying fees

610.026. 1. Except as otherwise provided by law, each public governmental body shall provide access to and, upon request, furnish copies of public records subject to the following:

(1) Fees for copying public records, except those records restricted under section 32.091, shall not exceed ten cents per page for a paper copy not larger than nine by fourteen inches, with the hourly fee for duplicating time not to exceed the average hourly rate of pay for clerical staff of the public governmental body. Research time required for fulfilling records requests may be charged at the actual cost of research time. Based on the scope of the request, the public governmental body shall produce the copies using employees of the body that result in the lowest amount of charges for search, research, and duplication time. Prior to producing copies of the requested records, the person requesting the records may request the public governmental body to provide an estimate of the cost to the person requesting the records. Documents may be furnished without charge or at a reduced charge when the public governmental body determines that waiver or reduction of the fee is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the public governmental body and is not primarily in the commercial interest of the requester;

(2) Fees for providing access to public records maintained on computer facilities, recording tapes or disks, videotapes or films, pictures, maps, slides, graphics, illustrations or similar audio or visual items or devices, and for paper copies larger than nine by fourteen inches shall include only the cost of copies, staff time, which shall not exceed the average hourly rate of pay for staff of the public governmental body required for making copies and programming, if necessary, and the cost of the disk, tape, or other medium used for the duplication. Fees for maps, blueprints, or plats that require special expertise to duplicate may include the actual rate of compensation for the trained personnel required to duplicate such maps, blueprints, or plats. If programming is required beyond the customary and usual level to comply with a request for records or information, the fees for compliance may include the actual costs of such programming.

2. Payment of such copying fees may be requested prior to the making of copies.

3. Except as otherwise provided by law, each public governmental body of the state shall remit all moneys received by or for it from fees charged pursuant to this section to the director of revenue for deposit to the general revenue fund of the state.



Summary of State and Local Audit Findings - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

4. Except as otherwise provided by law, each public governmental body of a political subdivision of the state shall remit all moneys received by it or for it from fees charged pursuant to sections 610.010 to 610.028 to the appropriate fiscal officer of such political subdivision for deposit to the governmental body's accounts.

5. The term "tax, license or fees" as used in section 22 of article X of the Constitution of the state of Missouri does not include copying charges and related fees that do not exceed the level necessary to pay or to continue to pay the costs for providing a service, program, or activity which was in existence on November 4, 1980, or which was approved by a vote of the people subsequent to November 4, 1980.



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Missouri State Auditor

Summary of 2015 Follow-Up Reports



November 2015
Report No. 2015-113

<http://auditor.mo.gov>

Summary of 2015 Follow-Up Reports

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. City of Pevely.....3
	2. Texas County.....3
	3. Thirty-Third Judicial Circuit, City of Miner Municipal Division3
	4. Grandview C-4 School District3
	5. Osage County3
	6. Miller County4
	7. City of Leeton.....4
	8. Lewis County4
	9. Lewis County Collector and Property Tax System4
	10. Webster County4
	11. Village of Country Club5
	12. Taney County5
	13. Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division.....5
	14. Early Childhood Development, Education, and Care Fund5
	15. Joplin Schools.....5
	16. Seventeenth Judicial Circuit, Cass County.....6
	17. City of Kimmswick6
	18. Clinton County Collector and Property Tax System.....6
	19. City of Dixon.....6
	20. St. Joseph School District.....6
	21. Butler County Collector and Property Tax System.....7



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Missouri State Auditor

The Citizens of Missouri

This report was compiled from follow-up reports issued in 2015. The State Auditor's Office conducted 21 follow-up reviews pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the auditee about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Auditors conduct follow-up work for any audit receiving an overall "Poor" rating, significant or serious findings in audits receiving a "Fair" rating when determined necessary, and any other audits at the discretion of the State Auditor.

Of 272 recommendations included in the follow-up reports 118 (44 percent) had a status of implemented, 101 (37 percent) had a status of in progress, 36 (13 percent) had a status of partially implemented, and 17 (6 percent) had a status of not implemented.

Nicole R. Galloway, CPA
State Auditor

Summary of 2015 Follow-Up Reports

Status of Recommendations

1.	City of Pevely	City of Pevely received a "Poor" overall audit rating. The follow-up report focused on 14 recommendations.
	Report number 2015-020	Status determined: Implemented 8 In Progress 4 Partially Implemented 1 Not Implemented 1
2.	Texas County	Texas County received a "Poor" overall audit rating. The follow-up report focused on 24 recommendations.
	Report number 2015-027	Status determined: Implemented 14 In Progress 9 Partially Implemented 1
3.	Thirty-Third Judicial Circuit, City of Miner Municipal Division	Thirty-Third Judicial Circuit, City of Miner Municipal Division received a "Poor" overall audit rating. The follow-up report focused on 11 recommendations.
	Report number 2015-031	Status determined: Implemented 6 In Progress 4 Partially Implemented 1
4.	Grandview C-4 School District	Grandview C-4 School District received a "Fair" overall audit rating. The follow-up report focused on 9 recommendations.
	Report number 2015-032	Status determined: Implemented 8 In Progress 1
5.	Osage County	Osage County received a "Poor" overall audit rating. The follow-up report focused on 10 recommendations.
	Report number 2015-034	Status determined: Implemented 4 In Progress 4 Partially Implemented 1 Not Implemented 1



Summary of 2015 Follow-Up Reports
Status of Recommendations

6.	Miller County	Miller County received a "Poor" overall audit rating. The follow-up report focused on 19 recommendations.
	Report number 2015-035	Status determined: Implemented 3 In Progress 12 Partially Implemented 3 Not Implemented 1
7.	City of Leeton	City of Leeton received a "Poor" overall audit rating. The follow-up report focused on 18 recommendations.
	Report number 2015-036	Status determined: Implemented 4 In Progress 6 Partially Implemented 7 Not Implemented 1
8.	Lewis County	Lewis County received a "Fair" overall audit rating. The follow-up report focused on 5 recommendations.
	Report number 2015-039	Status determined: In Progress 4 Partially Implemented 1
9.	Lewis County Collector and Property Tax System	Lewis County Collector and Property Tax System received a "Poor" overall audit rating. The follow-up report focused on 7 recommendations.
	Report number 2015-040	Status determined: Implemented 5 In Progress 2
10.	Webster County	Webster County received a "Poor" overall audit rating. The follow-up report focused on 16 recommendations.
	Report number 2015-041	Status determined: Implemented 1 In Progress 7 Partially Implemented 6 Not Implemented 2



Summary of 2015 Follow-Up Reports
Status of Recommendations

- | | |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11. Village of Country Club | Village of Country Club received a "Poor" overall audit rating. The follow-up report focused on 15 recommendations. |
| Report number 2015-042 | Status determined:

Implemented 12
In Progress 1
Partially Implemented 2 |
| <hr/> | |
| 12. Taney County | Taney County received a "Poor" overall audit rating. The follow-up report focused on 23 recommendations. |
| Report number 2015-046 | Status determined:

Implemented 10
In Progress 8
Partially Implemented 5 |
| <hr/> | |
| 13. Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division | Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division received a "Fair" overall audit rating. The follow-up report focused on 10 recommendations. |
| Report number 2015-053 | Status determined:

Implemented 7
In Progress 2
Partially Implemented 1 |
| <hr/> | |
| 14. Early Childhood Development, Education, and Care Fund | Early Childhood Development, Education, and Care Fund received a "Poor" overall audit rating. The follow-up report focused on 4 recommendations. |
| Report number 2015-056 | Status determined:

In Progress 1
Partially Implemented 1
Not Implemented 2 |
| <hr/> | |
| 15. Joplin Schools | Joplin Schools received a "Fair" overall audit rating. The follow-up report focused on 1 recommendation. |
| Report number 2015-057 | Status determined:

Implemented 1 |



Summary of 2015 Follow-Up Reports
Status of Recommendations

16. Seventeenth Judicial Circuit, Cass County	Seventeenth Judicial Circuit, Cass County received a "Poor" overall audit rating. The follow-up report focused on 10 recommendations.
Report number 2015-065	Status determined: Implemented 2 In Progress 8
17. City of Kimmswick	City of Kimmswick received a "Fair" overall audit rating. The follow-up report focused on 14 recommendations.
Report number 2015-069	Status determined: Implemented 10 In Progress 4
18. Clinton County Collector and Property Tax System	Clinton County Collector and Property Tax System received a "Poor" overall audit rating. The follow-up report focused on 8 recommendations.
Report number 2015-075	Status determined: Implemented 2 In Progress 5 Partially Implemented 1
19. City of Dixon	City of Dixon received a "Poor" overall audit rating. The follow-up report focused on 19 recommendations.
Report number 2015-089	Status determined: Implemented 3 In Progress 4 Partially Implemented 3 Not Implemented 9
20. St. Joseph School District	St. Joseph School District received a "Poor" overall audit rating. The follow-up report focused on 22 recommendations.
Report number 2015-090	Status determined: Implemented 10 In Progress 12



Summary of 2015 Follow-Up Reports
Status of Recommendations

21. Butler County Collector and Property Tax System	Butler County Collector and Property Tax System received a "Poor" overall audit rating. The follow-up report focused on 13 recommendations.						
Report number 2015-103	Status determined: <table><tr><td>Implemented</td><td>8</td></tr><tr><td>In Progress</td><td>3</td></tr><tr><td>Partially Implemented</td><td>2</td></tr></table>	Implemented	8	In Progress	3	Partially Implemented	2
Implemented	8						
In Progress	3						
Partially Implemented	2						



Nicole R. Galloway, CPA
Missouri State Auditor

Hannibal School District #60



November 2015
Report No. 2015-114

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Hannibal School District #60

Financial Condition	The financial condition of the district's operating funds has declined and is approaching the "financially stressed" classification. A school district is classified as "financially stressed" if the year-end balance in combined operating funds is less than 3 percent of expenditures.
Procurement Procedures	The district used the same firm to serve as both financial advisor and bond underwriter on general obligation bond issuances creating an inherent conflict of interest because an underwriter's incentive is to have bonds carry a higher interest rate to make them more attractive to investors, while the issuer's incentive is to keep the interest rate low to minimize borrowing costs. Additionally, the district sold the bonds using a negotiated sale rather than a competitive sale process, even though a competitive sale could result in lower interest costs for the district. Board policy on competitive purchasing is vague and does not reflect some requirements of law, which requires bidding for supply purchases exceeding \$5,000. Competitive bids were not obtained for some purchases that exceeded this amount.
Accounting Controls Over Cash Receipts	Improvements are needed in the handling of student activity and event admission receipts. The district has not adequately segregated the duties of receiving, recording, and depositing money for event admissions and student activities. For activities, receipt slips are not consistently issued, and staff does not transmit or deposit receipts timely or intact. In some instances, receipt slips were not pre-numbered, the method of payment was not noted on receipt slips, and the composition of receipts was not reconciled to deposits. Established procedures were not always followed for documenting transmittals from faculty and for recording receipts from students. Some collections were deposited 2 weeks or more after receipt, and cash and checks retained on hand were excessive. Change and petty cash funds are not maintained at constant amounts and have been used for items inconsistent with their intended use.
Personnel and Payroll Policies and Procedures	The district does not have adequate controls to prevent and detect employee payroll errors. Additionally, the district provides an additional retirement benefit to employees in excess of normal public retirement benefits. The district believes the incentive offers cost savings to the district by encouraging early retirement of personnel in higher salaried brackets, but has not performed any analysis regarding whether the program is effective. The district has also not kept Board members informed of the total liability to the district.
Electronic Data Security	Controls over district computer systems are not sufficient leaving the district's electronic data unprotected and susceptible to damage or theft. The district has not established adequate password controls to reduce the risk of unauthorized access. Security controls are not in place in any of the district offices to shut down a computer after a certain period of inactivity or lock it after a specified number of incorrect logon attempts.

School Bus Replacement Policy	The district has not adopted a bus replacement policy to plan for the replacement of the high number of old and high mileage buses in its fleet.
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Capital Assets	The district's capital asset records are not complete and are not updated timely when purchases and dispositions occur and physical inventory procedures are not adequate. The district has not tagged or otherwise identified all property items belonging to the district.
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In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Hannibal School District #60

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Financial Condition4 2. Procurement Procedures.....5 3. Accounting Controls Over Cash Receipts.....8 4. Personnel and Payroll Policies and Procedures.....10 5. Electronic Data Security.....12 6. School Bus Replacement Policy13 7. Capital Assets14
-------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	17
---------------------------------------------	----



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the Board of Education
Hannibal School District #60

The State Auditor conducted an audit of the Hannibal School District #60 under authority granted in Section 29.205, RSMo. We have audited certain operations of the district in fulfillment of our duties. The district engaged Wade Stables P.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2015. To minimize duplication of effort, we reviewed the CPA firm's audit report for the year ended June 30, 2014, since the report for the year ended June 30, 2015, had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objectives of our audit were to:

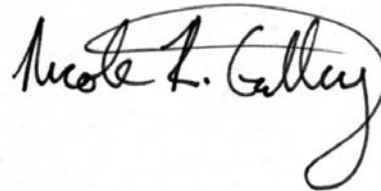
1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with a legal provision, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Hannibal School District #60.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written in a smaller, more compact script between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Jennifer Anderson
	Lisa Schlup

Hannibal School District #60

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The financial condition of the district's operating funds has declined in recent years as the total of operating expenditures and transfers from operating funds to other funds has exceeded total operating revenues. Consequently, the cash balance of operating funds at June 30, 2015, is relatively low and below the district's goal. The following table lists actual school year 2013 through 2015 financial information for the unrestricted operating funds (General Fund and Special Revenue Fund):

	School Year		
	2014-2015	2013-2014	2012-2013
Beginning Balance	\$ 2,725,223	3,517,747	4,069,427
Revenues	32,279,582	31,897,094	31,673,262
Less: Expenditures	32,909,322	32,342,943	31,053,942
Less: Net Transfers	869,093	346,675	1,171,000
Ending Balance	\$ 1,226,390	2,725,223	3,517,747

Ending Balance as			
Percentage of Expenditures	3.73%	8.43%	11.32%

Source: District's Annual Secretary of the Board Report (ASBR) excluding amounts restricted for memorials and scholarships.

While the district's fiscal year 2015 budget for operating funds projected total expenditures to equal total revenues, actual revenues were about \$1.2 million lower than budgeted largely due to approximately \$800,000 in unforeseen protested property taxes, and actual expenditures were about \$400,000 more than budgeted, resulting in a significant drop in the operating cash balance. The School Board monitors budget to actual information on a monthly basis, but was unable to reduce expenditures sufficiently to match revenue shortfalls.

As a result of the decline in fund balance, the district is approaching the DESE "financially stressed" classification. Section 161.520, RSMo, considers a district to be "financially stressed" if the year-end balance in combined operating funds is less than 3 percent of expenditures or negative. According to the district's business manager, the district has an informal operating cash goal for operating cash balances of 12 to 15 percent of total annual expenditures. As noted in the table, the cash balance at the end of fiscal year 2015 was less than 4 percent of fiscal year 2015 expenditures and well below the district's goal. The district's preliminary budget for fiscal year 2016 projects revenues to again approximate expenditures for fiscal year 2016. For the district to improve its financial condition and meet its goals, increases in revenues or reductions in spending along with closer monitoring will be needed. Addressing the issues presented in MAR finding number 2, MAR finding number 4, and MAR finding number 6 could help the financial condition of the district.



Hannibal School District #60
Management Advisory Report - State Auditor's Findings

Recommendation

The School Board closely monitor and take appropriate action to improve the overall financial condition of the district's operating funds.

Auditee's Response

The Board of Education is implementing a 5-year strategic plan to decrease expenditures and increase revenues for the school district finances. The school district has not been able to increase the operating levy above the state minimum \$2.75 due to the mandate of rolling back Proposition C monies. The Board of Education is implementing a plan to go to the Hannibal community in April 2016 to ask for their permission to waive the Proposition C rollback, which would allow the school district to increase the operating levy to generate the revenues needed to operate the school district and to avoid becoming a "financially stressed" school district.

2. Procurement Procedures

District bond financing and procurement procedures need improvement.

2.1 Bond financing

The district used the same firm to serve as both financial advisor and bond underwriter on general obligation (GO) bond issuances; sold GO bonds using a negotiated sale rather than a competitive sale process; and did not competitively procure the underwriter/advisor. The district sold GO bonds in 2014 and 2015 totaling about \$17 million to refinance the outstanding portion of higher interest bond issued in 2005 and 2006 for construction and remodeling of schools. The district's bond underwriter, who also acted as financial advisor, received underwriter fees for the 2 bond issues totaling approximately \$136,000.

Using the same provider to act in the dual capacity of underwriter and financial advisor for a GO bond issue creates an inherent conflict of interest. An underwriter's incentive is to have bonds carry a higher interest rate to make them more attractive to investors, while the issuer's incentive is to keep the interest rate low to minimize borrowing costs. As a result, the underwriter cannot objectively represent the interests of both parties. Since the underwriter does not have a fiduciary responsibility to the district, the lack of independent financial advice could result in the district not being adequately informed of bond issuance options or being unable to adequately evaluate bond proposals. Additionally, the State Auditor's office completed a statewide review of GO bond sales practices¹ that determined negotiated bond sales historically result in higher interest costs than a competitively sold bond issue.

While Missouri law does not require competitive sales of these types of financing instruments or competition in selecting bond underwriters and

¹ General Obligation Bond Sales Practices, November 2013, Report No. 2013-116



Hannibal School District #60
Management Advisory Report - State Auditor's Findings

financial advisors, competitive sales would likely result in lower interest costs for the district. Furthermore, competition in selecting bond underwriters and financial advisors is important to ensure services are obtained from the best qualified providers at a fair price.

The Municipal Securities Rulemaking Board (MSRB) is the regulatory agency that oversees firms involved in underwriting municipal bonds and providing financial advice, and has issued various rules that address the activities and roles of financial advisors and underwriters. MSRB Rule G-23 clarifies the financial advisor has a fiduciary responsibility to the governmental entity (issuer) and cannot act as both financial advisor and underwriter on the same bond issue. Also, MSRB Rule G-17 requires underwriters to disclose that unlike a municipal advisor, the underwriter has no financial duty to the issuer, and is not required to act in the best interests of the issuer. This rule also requires the underwriter to disclose potential or actual conflicts of interest.

2.2 Competitive purchasing

Board policy on competitive purchasing is vague and does not reflect some requirements of law, and the district did not solicit bids for several purchases.

Board policy requires competitive bidding for the construction of facilities that are projected to exceed \$15,000, and for insurance contracts, bank depository services, and other products or services as required by law. The policy also indicates other purchases or contractual services may be advertised and submitted for bid as directed by the Board or superintendent. The policy does not provide a bidding threshold for purchases other than construction and does not address time periods involved for purchases from one vendor or sole source procurement. Additionally, while Section 177.171 RSMo, requires bidding for purchases of supplies exceeding \$5,000, this requirement is not specifically addressed in Board policy.

During our review of disbursements made during the 2014-2015 school year, we noted competitive bids were not obtained for purchases of fuel (\$93,296) and computers (\$7,043). Most of these individual disbursements exceeded \$5,000 and some of the fuel disbursements exceeded \$15,000. Board minutes did not document the reasons for the sole source procurement of these purchases; however, the district's business manager indicated the fuel vendor was the only local vendor who could accommodate the district's needs for price, availability, and delivery, and the computer vendor offered unit prices lower than the manufacturer's base price and other vendors were out of stock. Additionally, bids were not solicited for professional services utilized during the year for Internet streaming educational services (\$36,219) and wireless Internet service (\$22,119). While not documented, the district's business manager indicated these vendors have provided the services for many years, and the wireless Internet services were procured from the same vendor who provided the



Hannibal School District #60 Management Advisory Report - State Auditor's Findings

related equipment. However, since these items and services are readily available from multiple vendors the district should benefit from a more competitive procurement process.

Competitive bidding helps ensure the school district receives fair value by contracting with the lowest and best bidders. In addition, bidding helps ensure all parties are given an equal opportunity to participate in the district's business. Board policy should be amended to ensure all large purchases of goods and services are competitively bid, and the policy should address documentation requirements for sole source procurements.

Recommendations

The School Board:

- 2.1 Pursue open competition in any future bond sales, discontinue using an underwriter who also acts in a dual capacity as financial advisor, and procure underwriter services and financial advisor services through competitive proposal.
- 2.2 Amend Board policies to be consistent with state law, and ensure all significant purchases of goods and services are subject to a competitive procurement process. If it is necessary to purchase goods or services from a sole source vendor, the reasons should be documented in the Board minutes.

Auditee's Response

- 2.1 *Districts have been permitted in the past to utilize the same financial advisor to act as the underwriter and negotiate the sale of the bonds. In the future, the district will publicly bid the issuance and have a competitive sale. The district agrees that competition could result in savings and will not contract with one firm to provide financial advisory and underwriting service for the same bond issue.*
- 2.2 *The Board of Education will review and revise as necessary the procurement policy for the District to comply with Section 177.171, RSMo. The District had been utilizing \$15,000 as its threshold for publicly bidding projects, services and other supplies for most purchases.*

The District agrees that competition could result in savings and has already implemented a bidding procedure for bulk fuel. In addition, the District will establish a bid portal on its website by November 1, 2015, where competitive bidding will occur. Finally, in rare cases that sole sourcing is required; the Board of Education will approve and document these purchases in the Board minutes.



Hannibal School District #60
Management Advisory Report - State Auditor's Findings

3. Accounting Controls Over Cash Receipts

Significant improvements are needed in the handling of student activity and event admissions receipts. These types of receipts are at greater risk because a large portion is received in cash, and there is a variety of handling and record-keeping methods throughout the schools. As a result of control weaknesses noted, there is less assurance these monies have been handled and accounted for properly. We reviewed cash controls and procedures at the high school, middle school, and Veterans Elementary School.

3.1 Segregation of duties

The district has not adequately segregated the duties of receiving, recording, and depositing monies at the 3 schools visited, and documented supervisory or independent reviews of the accounting records are not performed. For event admissions and student activities, the treasurer (high school), bookkeeper (middle school), and secretary (elementary school) at the schools receive and record monies, prepare deposits, and post the receipts to the district's financial record-keeping system.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, periodic supervisory or independent reviews of the records should be performed and documented.

3.2 Receipts and deposits

Significant weaknesses exist in the district's procedures for receipting and depositing activities receipts. Receipt slips are not consistently issued, and staff do not transmit or deposit receipts timely or intact. In addition, petty cash procedures need improvement.

Receipt slips and money reports

At the high school, receipt slips were not pre-numbered, generic receipt slip forms were used, the method of payment was not noted on receipt slips, and the composition of receipts was not reconciled to deposits. In addition, established procedures were not always followed for documenting transmittals from faculty and for recording receipts from students.

The high school treasurer receives various fees directly from students and issues receipt slips to the students. The treasurer also receives collections from faculty for event proceeds or fundraisers usually comprising payments from multiple payers. Current procedures require the transmitting faculty member to prepare a money report documenting the total of collections turned over. However, a money report was not prepared for 3 of 25 faculty transmittals reviewed, totaling \$460, during a test period from May 1, 2015, through May 7, 2015. Additionally, during the same period the treasurer did not issue individual receipt slips for collections totaling \$580 from approximately 29 students for senior banquet fees; rather, she recorded the summarized collections on 2 receipt slips.

Issuing official pre-numbered receipt slips and recording the method of payment helps ensure all receipts are accounted for properly. Reconciling



Hannibal School District #60 Management Advisory Report - State Auditor's Findings

the composition of receipts to the amounts deposited provides assurance all receipts are being deposited. Adhering to existing procedures regarding cash transmittals and receipt issuance also provides additional assurance all cash receipts are recorded and deposited appropriately.

Untimely deposits

Receipts were not deposited timely and intact. At the high school, collections were often deposited 2 weeks or more after receipt, and cash and checks retained on hand were excessive. We reviewed the 6 deposits made during the period May 11, 2015, through June 15, 2015, and determined the deposits contained receipts collected 2 weeks or more prior to the deposit, and significant amounts of recent receipts were retained on hand. For example, collections totaling \$32,410 (including \$8,110 in cash) were receipted from April 20, 2015, through May 11, 2015, but were not deposited until May 26, 2015. The treasurer indicated the reason for the delay in deposits is because she retains up to \$6,000 in cash collections on hand to use for change at the admission gates and concession stands at school events, and she must wait until enough cash receipts are collected to be able to make a full deposit of prior receipts. In effect, the treasurer is borrowing cash receipts for activities for use as change funds at school functions before depositing them. In addition, the treasurer indicated deposits at the end of May are delayed due to the volume of activity near the end of the school year.

The bookkeeper and secretary at the middle school and elementary school, respectively, indicated receipts were generally deposited weekly, but we noted instances at each school where some receipts were held for 2 weeks or more before deposit.

Establishing change funds with district monies, rather than utilizing cash receipts for activities, would allow the high school treasurer to make deposits intact and timely. Depositing all receipts intact and timely helps to reduce the risk of loss, theft, and misuse.

3.3 Petty cash and change funds

Change and petty cash funds are not maintained at constant amounts at the high school, and have been used for items inconsistent with their intended use. The high school treasurer indicated cash totaling about \$75 and \$6,000 is retained from cash receipts for petty cash and change funds, respectively, but the total cash funds retained on hand varies and depends upon the amount of cash collections and the expected change fund needs for upcoming events. Furthermore, we noted during a cash count on May 14, 2015, change funds had been used for expenses totaling \$1,874 in excess of the petty cash fund balance and were pending reimbursement from the district.

Maintaining high levels of cash balances requires significant controls be in place. Establishing petty cash and change funds at consistent amounts, and



Hannibal School District #60
Management Advisory Report - State Auditor's Findings

ensuring change funds are used only for their intended purposes reduces the risk of loss, theft, and misuse.

Recommendations

The School Board:

- 3.1 Ensure duties of receipting, recording, and depositing monies are segregated or implement adequate supervisory reviews if duties cannot be appropriately segregated.
- 3.2 Establish change funds at the high school with district monies, and ensure monies are properly receipted, deposited timely and intact, and the composition of receipts is reconciled to the composition of deposits. Also, the Board should ensure transmittals of monies between employees are properly documented.
- 3.3 Ensure change and petty cash funds are used only for their intended purposes and maintained at constant amounts.

Auditee's Response

- 3.1 *The District agrees that an effective, consistent and efficient system of internal controls is required for petty cash, student activity funds, concessions, event fees and athletics/activities. This system should be a mirror of the general District operations. The District is reviewing and will recommend revisions to the internal financial control procedures that will ensure that the proper safeguarding, segregation and supervision of duties are in place.*
- 3.2 *The District will focus on developing a consistent methodology for receipting and depositing of funds. The District will expand and update current written procedures and provide documented training to all staff with cash handling responsibilities.*
- 3.3 *The District is currently in the process of revising petty cash procedures and processes. All building-level secretaries received overview training on expectations for receipting and recording transactions in August of 2015. In addition, each building's petty cash funding level will be reviewed and possibly be adjusted to be commensurate with the requirements of the building.*

4. Personnel and Payroll Policies and Procedures

The district does not have sufficient controls over payroll disbursements to prevent and detect erroneous overpayments, and the district's early retirement incentive is costly and may not be effective.

4.1 Payroll disbursements

The district does not have adequate controls to ensure employees are paid proper amounts. During the fiscal year ended June 30, 2015, district payroll expenditures totaled approximately \$20.8 million for 655 employees.



Hannibal School District #60 Management Advisory Report - State Auditor's Findings

Wages paid to 4 of 25 employees tested (16 percent) were erroneous, resulting in overpayments to the 4 employees totaling \$633 during the year ended June 30, 2015. For 2 employees (teacher and teacher aide), pay rates exceeded the rates on the district's salary schedules resulting in the employees being overpaid each pay period during the year. Another employee's (bus driver) pay for four pay periods was incorrectly adjusted for leave without pay. In addition, a teacher was paid for more hours in one pay period for covering for absent teachers than the time records indicated were worked. These errors occurred at various stages during the district's salary-setting and payroll preparation processes and were not detected by the district's normal approval processes.

Proper reviews of employment contracts and payroll disbursements are necessary to ensure all payroll transactions are accurate and accounted for properly. Without thorough reviews of payroll documentation, errors, theft, or misuse of district resources could go undetected.

4.2 Early retirement incentive

The district provides an additional retirement benefit to employees in excess of normal public retirement benefits. The district believes the incentive offers cost savings to the district by encouraging early retirement of personnel in higher salaried brackets. However, the district has not performed any analysis regarding how, or if, the program is effective in meeting its objective of promoting early retirement.

Under the program, participating retirees receive payments equal to 50 percent of their final base salary as active employees over 5 or 10 years. During fiscal year 2015, 76 employees received early retirement incentives totaling \$338,002. Also, according to the district's most recently completed independent financial statement audit, the district owed unpaid early retirement incentives of approximately \$1.1 million at June 30, 2014. Board members indicated although the Board has approved the incentive for at least the past 7 years, they were not aware of the total liability associated with the incentive.

An analysis to review the effectiveness of the incentive, relative to the costs of the benefit, is necessary to provide Board members information to determine whether it is in the best interests of the district to continue the program.

Recommendations

The School Board:

- 4.1 Develop controls to ensure payroll disbursements are accurate.
- 4.2 Analyze the effectiveness of the early retirement incentive, as well as the costs of the program, to determine whether the program should be continued.



Hannibal School District #60
Management Advisory Report - State Auditor's Findings

Auditee's Response

4.1 *The District agrees that an effective, consistent and efficient system of internal controls is required for employment contracts and payroll disbursements.*

When this shortcoming was revealed during the audit process, the District implemented a redundant system of review during the contract data entry process to assure that errors have been detected and/or corrected to the correct amount.

4.2 *The Board of Education will do an analysis of the early retirement incentive program to ensure it is cost effective and advantageous to the financial operations of the school district. By January 2016, the Board of Education will determine whether or not this plan should be approved.*

5. Electronic Data Security

Controls over district computer systems are not sufficient to prevent unauthorized access. As a result, the district's electronic data is unprotected and susceptible to damage or theft.

5.1 Password controls

The district has not established adequate password controls to reduce the risk of unauthorized access to computer systems and data. Passwords are required to authenticate access to computer systems, however, restrictions to help ensure passwords are unique were eliminated. In addition, passwords are not required to be changed on a periodic basis to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password.

The security of a password system is dependent upon keeping passwords confidential. However, since password restrictions were removed, and passwords are not required to be periodically changed, there is less assurance passwords are effectively limiting access to computer systems and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of unauthorized access to and use of systems and data.

5.2 Security controls

Security controls are not in place in any of the district offices to shut down a computer after a certain period of inactivity or lock it after a specified number of incorrect logon attempts. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Logon attempt controls lock the capability to access a system after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a system by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to systems and the unauthorized use, modification, or destruction of data.



Hannibal School District #60
Management Advisory Report - State Auditor's Findings

Recommendations

The School Board:

- 5.1 Require a unique password that is periodically changed to prevent unauthorized access to district systems.
- 5.2 Require each district computer have security controls in place to shut down the computer after a certain period of inactivity and lock it after a specified number of incorrect logon attempts.

Auditee's Response

- 5.1 *All students, faculty and staff have unique log-in and passwords within the District computer network. These passwords have not required routine changes in the past. The District agrees that an effective, consistent and efficient system of internal controls for passwords is required and will be investigated for implementation.*

The District's operating systems (Student Data, Finance and Operations), which are housed inside the network, have a unique set of log-in and passwords for each and must be entered prior to gaining access to the operating systems, which provides redundant security. In addition, the software for those operating systems has built in password controls that require password changes on a routine basis.

- 5.2 *Power management controls have been added to all District computers that will force individual computers into "hibernation" mode after a period of inactivity. This control requires the user to log back into the system before the computer can be accessed or used.*

The District agrees that an effective, consistent and efficient system of internal controls for logon protection is beneficial and will be investigated for implementation.

6. School Bus Replacement Policy

The district has not adopted a bus replacement policy to plan for the replacement of the high number of old and high mileage buses in its fleet.

As of the end of the 2014-2015 school year, the district's fleet of 35 buses included 12 buses more than 12 years old. According to information from the National Association of State Directors of Pupil Transportation, school buses should be replaced after 12 to 15 years of age, and buses accumulating high annual mileage should be replaced more frequently. Older school buses are more costly to operate and maintain than newer buses while newer school buses also reflect improvements in safety, efficiency, and emissions.

The district replaced 3 buses in each of the last 3 years, and according to the business manager, intends to continue replacing 3 buses per year as district



Hannibal School District #60 Management Advisory Report - State Auditor's Findings

funds allow. Each of those acquisitions cost about \$250,000 and the district financed them via 5 year lease-purchase agreements with annual payments totaling about \$55,000. However, the district's replacement plans will be insufficient to effectively reduce the number of old buses in the fleet. Based on district data, even after 5 consecutive years of replacing 3 buses per year, the district will still have 11 buses meeting the 12 years or older criteria. The high number of older buses represents a potential significant future expense for the district.

To provide an effective framework from which future bus replacement decisions could be made, the district should develop a bus replacement policy that considers costs, age, mileage and safety.

Recommendation

The School Board develop a school bus replacement policy to minimize the number of fleet buses 12 years or older.

Auditee's Response

The District operates a fleet of well-maintained buses that consistently exceed the state inspection levels. The District's bus fleets have had two consecutive years of perfect inspections by the Missouri Highway Patrol and are maintained by a predictive and preventative maintenance schedule.

While the average age of the buses in the Hannibal School exceeds the state average, they are well maintained and serviced. The District reviews the need for replacement/rotation of the fleet on an annual basis. The criterion is based on student ridership requirements, age, hours, mileage, and body/mechanical condition of each bus in the fleet.

The Board of Education will develop and implement a written school bus replacement policy that establishes a bus replacement schedule based on available funding, ridership requirements, age, hours, mileage and body/mechanical condition of the bus fleet.

7. Capital Assets

The district has not developed adequate property procedures and records for capital assets.

7.1 Records and physical inventory procedures

The district's capital asset records are not complete and are not updated timely when purchases and dispositions occur and physical inventory procedures are not adequate. District asset records are generally updated annually when physical inventories are performed. Performing physical inventories with incomplete asset listings does not ensure all assets are accounted for properly. Also, these listings are summarized, providing the number of like items in the same location, and provide no information other than location and general description of the items. A separate listing of technology items is maintained by the district and updated as items are acquired and disposed, but it is not reconciled to the records used for physical inventories and the listing lacks acquisition date, acquisition cost, and disposition information.



Hannibal School District #60 Management Advisory Report - State Auditor's Findings

Adequate capital asset records are necessary to secure better internal control over district property and provide a basis for determining proper insurance coverage. Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur, and include a detailed description of the assets such as acquisition cost, descriptions, make and model numbers, and asset identification numbers; the physical location of the assets; and the date and method of disposition of the assets.

7.2 Property tags

The district has not tagged or otherwise identified all property items as belonging to the district. Many assets have tags affixed indicating the assigned location and number, but the numbers are not sequential and the tags do not clearly designate ownership by the district.

Property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the district.

Recommendations

The School Board:

- 7.1 Ensure complete, accurate, and detailed capital asset records are maintained on a perpetual basis and utilized to perform physical inventories.
- 7.2 Ensure sequentially numbered property control tags are affixed to all property.

Auditee's Response

- 7.1 *Prior to the audit, the District recognized that its capital asset control system was antiquated and inadequate. In 2015, the District has reviewed several software systems to make the necessary improvements to the system, methods and records.*

The District will annually train personnel on the requirements and methods of accurate inventory controls. A baseline physical inventory will be performed and documented in a computer-based system during the 2015-16 school year. In addition, the annual full physical inventory will be conducted to review the functionality and accuracy of the new system.

District building administrators will monitor the new process and report to Central Office on a routine basis the status of their capital and consumable inventories.

- 7.2 *Sequentially numbered inventory tags stating "Property of Hannibal School District" will be purchased and affixed to all existing property during the baseline inventory process.*



Hannibal School District #60
Management Advisory Report - State Auditor's Findings

In addition, as new capital assets are received, property tags will be affixed to that property and added to the property inventory listing for accuracy and consistency.

Hannibal School District #60

Organization and Statistical Information

The Hannibal School District #60 is located in Marion and Ralls counties.

The district operates a senior high school (grades 9-12), a middle school (grades 6-8), 5 elementary schools (grades PK-5), an early childhood center, and a career and technical center. Enrollment was 3,762 for the 2014-2015 school year. The district employed 655 full- and part-time employees, at June 30, 2015.

The Hannibal School District #60 has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

School Board

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Board of Education members at June 30, 2015, were

David Jackson, President
Mark Bross, Vice-President
Michael Holliday, Treasurer
Erik Gottman, Member
Linda Clark, Member
Terry Sampson, Member
Mark Dowil, Member

Superintendent

The district's superintendent at June 30, 2015, was Susan Johnson and her annual compensation was \$114,996. The superintendent's compensation is established by the Board of Education.

Financial Activity

A summary of the district's financial activity for the year ended June 30, 2015, follows:

Hannibal School District #60
Statement of Revenues Collected, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2015

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	Totals
REVENUES COLLECTED					
Local	\$ 10,016,058	3,504,774	2,704,245	2,934	16,228,011
County	729,750	125,778	124,176	94,954	1,074,658
State	469,420	14,067,697	0	319,796	14,856,913
Federal	1,534,329	1,732,287	0	0	3,266,616
Other	0	136,490	9,314,798	2,409	9,453,697
TOTAL REVENUES COLLECTED	12,749,557	19,567,026	12,143,219	420,093	44,879,895
EXPENDITURES					
Instruction	2,959,065	17,317,398	0	179,570	20,456,033
Student services	301,782	781,773	0	0	1,083,555
Instructional staff support	583,703	402,425	0	14,333	1,000,461
Building administration	741,355	1,307,145	0	3,510	2,052,010
General administration	596,267	663,186	0	66,664	1,326,117
Operation of plant	3,090,686	0	0	327,122	3,417,808
Transportation	1,103,397	85,568	0	105,273	1,294,238
Food service	1,925,055	0	0	0	1,925,055
Adult basic education	963	23,174	0	0	24,137
Adult continuing education	0	3,246	0	0	3,246
Community services	410,042	647,314	0	0	1,057,356
Debt service	0	0	11,845,612	592,714	12,438,326
TOTAL EXPENDITURES	11,712,315	21,231,229	11,845,612	1,289,186	46,078,342
EXCESS (DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES	1,037,242	(1,664,203)	297,607	(869,093)	(1,198,447)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	1,664,203	0	869,093	2,533,296
Operating transfers out	(2,533,296)	0	0	0	(2,533,296)
TOTAL OTHER FINANCING SOURCES (USES)	(2,533,296)	1,664,203	0	869,093	0
EXCESS (DEFICIT) OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	(1,496,054)	0	297,607	0	(1,198,447)
FUND BALANCE, July 1, 2014	3,046,167	0	568,612	50,000	3,664,779
FUND BALANCE, June 30, 2015	\$ 1,550,113	0	866,219	50,000	2,466,332

Source: District's Annual Secretary of the Board Report for the year ended June 30, 2015.



Nicole R. Galloway, CPA
Missouri State Auditor

Harrison County



November 2015
Report No. 2015-115

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Harrison County

Financial Condition	As noted in two prior audits, the county commission has failed to address the poor financial condition of the 911 Fund, and the financial condition of the Law Enforcement Sales Tax Fund has deteriorated. The amount of General Revenue Fund money used to support these funds has increased significantly over the past several years and, as a result, the financial condition of the General Revenue Fund has declined.
Sheriff's Commissary Controls and Procedures	As noted in three prior audits, the sheriff has not adequately segregated accounting duties for the commissary bank account and does not perform an independent and/or supervisory review of the accounting and bank records. No monthly lists of liabilities are generated to reconcile to the available cash balance for the commissary bank account. The sheriff's office has not made timely disbursements to the county treasury for commissions, net proceeds, fees, and reimbursements collected from inmates. As noted in a prior audit, personnel do not maintain inventory records to account for electronic cigarettes or debit card stock to account for items purchased or received, sold or issued, and remaining amounts on hand. The sheriff's office has not made adequate efforts to resolve inactive inmate commissary accounts. The sheriff's office collects a \$2.50 fee from inmates at booking to cover the cost of personal hygiene items, that is not allowable by state law.
Sheriff's Controls and Procedures	The sheriff maintains a bank account for donations received for the purchase and care of a drug and search dog, although no statutory authority exists for this account to be held outside the county treasury. The sheriff does not have adequate controls and procedures to account for money in this account. As noted in a prior audit, the sheriff has not adequately segregated accounting duties for the general bank account and does not perform an independent and/or supervisory review of the accounting and bank records. Also, as noted in a prior audit, controls and procedures for receipting, recording, and depositing bond monies need improvement and seized property inventory records are not accurate and complete and a periodic inventory of all seized property is not performed. The sheriff has not entered into a written agreement with the City of Bethany for the boarding of inmates.
Prosecuting Attorney's Controls and Procedures	The prosecuting attorney allows defendants to make a contribution to the county's Law Enforcement Restitution Fund as a condition of deferring charges, in violation of state law. The prosecuting attorney has not adequately segregated accounting duties and does not perform an independent and/or supervisory review of the accounting and bank records. The office does not generate a monthly list of unpaid bad checks and restitution, and is not proactive in identifying unpaid receivables. The office has not established procedures to follow up on outstanding or voided checks.

County Procedures	As noted in two prior audits, the county commission has not increased the amount transferred from the Law Enforcement Sales Tax Fund to the 911 Fund or the amounts charged to other entities for dispatching services. In addition, the county commission has no documentation to demonstrate how the amounts charged to the Law Enforcement Sales Tax Fund and other entities were derived and has not evaluated the related costs since at least 2010. The county lacks adequate procedures to account for fuel use and purchases by the road and bridge department and sheriff's office. Adequate supporting documentation was not submitted or retained for some purchases made on the county's three credit cards and late fees and interest charges were incurred for some purchases on the sheriff's credit card.
Ex Officio Recorder of Deeds' Receipt Procedures	The ex officio recorder of deeds does not account for the numerical sequence of document numbers issued. In addition, instrument numbers can be voided in the computer system and a new document can be recorded with the same number. Documentation is not maintained to support deleted instrument numbers.
Electronic Data Security	County records are not adequately protected and are susceptible to unauthorized access. The county collector-treasurer, prosecuting attorney, ex officio recorder of deeds, sheriff, and public administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The offices of the prosecuting attorney, sheriff, and public administrator do not require password changes on a periodic basis. Officials and employees share user IDs and passwords for some computers in the offices of the county collector-treasurer, sheriff, prosecuting attorney, ex officio recorder of deeds, and public administrator. Security controls are not in place for most county offices to lock a computer after a certain period of inactivity.
Additional Information	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Harrison County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Financial Condition4 2. Sheriff's Commissary Controls and Procedures5 3. Sheriff's Controls and Procedures 10 4. Prosecuting Attorney's Controls and Procedures 14 5. County Procedures 16 6. Ex Officio Recorder of Deeds' Receipt Procedures 19 7. Electronic Data Security.....20
-------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	22
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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Harrison County

We have audited certain operations of Harrison County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Harrison County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

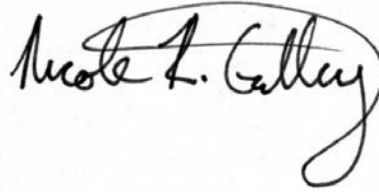
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Harrison County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Travis Owens, MBA, CPA, CFE
In-Charge Auditor:	Julie A. Moulden, MBA, CPA
Audit Staff:	Ruben Lara
	Emily Warren

Harrison County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

As noted in our 2 prior audits, the County Commission has failed to properly address the poor financial condition of the 911 Fund. In addition, the financial condition of the Law Enforcement Sales Tax (LEST) Fund has deteriorated.

The amount of General Revenue (GR) Fund monies used to support these other funds has increased significantly over the past several years. As a result, the financial condition of the GR Fund has declined. The following table reflects ending cash balances of these funds over the last 2 years and the projected ending cash balance for 2015.

		Ending Cash Balance, Year Ended December 31,		
		2015	2014	2013
		Budgeted (1)	Actual (2)	Actual (2)
911 Fund				
Ending cash balance with transfers	\$	49,244	46,460	4,812
Ending cash balance without transfers		(165,591)	(171,498)	(182,882)
Law Enforcement Sales Tax Fund				
Ending cash balance with transfers		5,808	5,829	10,237
Ending cash balance without transfers		(114,590)	(68,643)	(85,541)
General Revenue Fund				
Ending cash balance with transfers		714,205	978,932	980,722
Ending cash balance without transfers	\$	1,057,188	1,279,104	1,267,427

(1) Amounts obtained from 2015 county budget documents.

(2) Amounts obtained from audited financial statements.

As shown, if transfers of monies had not been made to the 911 or LEST Funds to cover deficits, these funds would have had even lower cash balances, and the GR Fund would be in a better financial position. The 911 Fund heavily relies on transfers from the GR Fund and those transfers (\$188,000) represented approximately 50 percent of the 911 Fund receipts (\$379,377) for 2014. The LEST Fund also transferred \$30,000 to the 911 Fund in 2014. We identified the following additional concerns related to these funds:

- The county has a significant amount of debt that further erodes the financial condition of the LEST and 911 Funds. The largest of the debt is principal and interest outstanding on the Certificates of Participation (COPs) for the law enforcement center. The remaining principal and interest outstanding on the portion of the debt related to the law enforcement center was \$978,660 at December 31, 2014. The COPs mature in 2022. Additionally, the county entered into two 60 month



Harrison County Management Advisory Report - State Auditor's Findings

lease-purchase agreements to purchase 911 dispatching software and equipment. The total remaining lease payments due as of December 31, 2014, was \$187,280. The lease-purchase agreements mature in 2016 and 2018.

- The County Commission has not increased the \$30,000 amount transferred annually from the LEST Fund to the 911 Fund or the amounts charged to other entities for dispatching services. In addition, the County Commission has not documented its basis for transferring amounts from the LEST Fund to the 911 Fund or for determining the amounts to charge other entities for dispatching services, and has not evaluated whether amounts charged are sufficient to cover the actual cost of providing services (see MAR finding number 5.1).

It is essential the County Commission address the financial condition of these funds in both the immediate and long-term future. Possible options include reducing spending where possible, evaluating controls and management practices to ensure efficient use of resources, maximizing all sources of revenue, and closely monitoring budgets.

Recommendation

The County Commission perform long-term planning and closely monitor and take necessary steps to improve the financial condition of the 911 and Law Enforcement Sales Tax Funds. In addition, the County Commission should take advantage of any opportunities to decrease disbursements and maximize revenues.

Auditee's Response

We are aware of the issues and will monitor the financial condition of the 911 Fund and the LEST Fund. We will attempt to develop long-term plans for the next several years; however, there is no statewide 911 tax on cell phones, which hinders our ability to generate or increase revenues for the 911 Fund. We will attempt to decrease expenditures and maximize revenues where possible.

2. Sheriff's Commissary Controls and Procedures

Controls and procedures in the commissary need improvement.

The Sheriff operates a 42 bed facility, housing Harrison County inmates and inmates from a city and neighboring counties. The Sheriff maintains a separate checking account to handle personal inmate monies and provides a commissary and other services including telephone, email, and video visitation through outside vendors. The Sheriff also began selling electronic cigarettes to inmates in 2014.

The county contracted with a third party vendor and installed a new computerized accounting and kiosk receipting system in July 2013. The jail has 2 kiosks (one in the lobby and one in the booking area) allowing individuals to apply cash or credit card deposits to inmate accounts. The



Harrison County Management Advisory Report - State Auditor's Findings

Sheriff's Secretary periodically removes the cash from the kiosks and deposits it into the commissary bank account. The monies received, commissary and electronic cigarette purchases made, other purchases and fees, and available cash for each inmate are recorded in the computerized accounting system. Jailers refund any remaining inmate monies by issuing a debit card or check at the time of release. Deposits into the commissary bank account totaled approximately \$32,100 during the year ended December 31, 2014.

2.1 Segregation of duties

The Sheriff has not adequately segregated the duties of receiving, recording, depositing, and disbursing monies, and reconciling the commissary bank account. The Secretary performs all of these duties, and a documented independent and/or supervisory review of the accounting and bank records is not performed.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, independent and/or supervisory reviews should be performed and documented.

2.2 Liabilities

The Secretary does not generate monthly lists of liabilities to reconcile to the available cash balance for the commissary bank account. We worked with the accounting and kiosk receipting system vendor to obtain a report of liabilities as of May 31, 2015, that indicated total liabilities of \$11,047. The liabilities included inmate monies totaling \$1,284; amounts owed to vendors totaling \$1,770; and amounts owed to the county treasury totaling \$7,993.

Liabilities should be identified monthly and reconciled to cash balances to ensure sufficient cash is available for the payment of all amounts due and all monies in the bank account can be identified. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed.

2.3 Commissions and fees

The Sheriff's office has not made timely disbursements to the county treasury for commissions, net proceeds, fees, and reimbursements collected from inmates. The Sheriff's office last disbursed some commissions and net proceeds in September 2014 but did not disburse fees and reimbursements. The Sheriff's office held \$7,993 in commissions, net proceeds, fees, and reimbursements in the commissary bank account as of May 31, 2015.

Section 221.102, RSMo, requires each county jail to keep revenues from its canteen or commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Collector-



Harrison County Management Advisory Report - State Auditor's Findings

Treasurer. In addition, to adequately account for collections and reduce the risk of loss, theft, or misuse of funds, all remaining monies should be disbursed to the County Collector-Treasurer monthly.

2.4 Inventory

The Jail Administrator does not maintain records to account for electronic cigarettes purchased and sold to inmates, and inventory remaining on hand. Cases of electronic cigarettes are periodically purchased for \$2.97 per cigarette and held by the Jail Administrator until sold to inmates for \$6 per cigarette. The Sheriff's office purchased \$7,275 in cigarettes during 2014. Significant revenues are generated from the sale of this item, therefore, proper accounting controls and procedures are needed.

Additionally, the Jail Administrator does not maintain records to account for debit card stock received, issued, and on hand. The Sheriff's office received 200 debit cards during the year ended December 31, 2014, for use in refunding monies to inmates upon release.

Loss, theft, or misuse of the inventory and related monies may go undetected without adequate inventory records and procedures. Also, detailed inventory records are necessary to account for electronic cigarettes and debit card stock. Comparison of purchases and sales of cigarettes and receipt and issuance of debit card stock to inventory records are necessary to ensure these items and associated monies are properly recorded and handled.

2.5 Inmate commissary balances

The Sheriff's office has not made adequate efforts to review and resolve inactive inmate commissary accounts. As of May 31, 2015, 86 former inmates had remaining balances totaling \$750. These individuals were released from the county jail, but did not claim the balance in their commissary accounts. In addition, the Secretary has not established procedures to review and write off amounts due from former inmates who were provided goods or services but did not have sufficient monies available. As of May 31, 2015, receivables from 53 former inmates totaled \$320.

Follow up on inactive accounts is necessary to ensure monies are appropriately disbursed to the former inmates or as otherwise provided by state law. An attempt should be made to locate former inmates with commissary account balances. If the inmates cannot be located the Sheriff should dispose of the monies according to state law. In addition, periodic reviews of inactive inmate accounts with outstanding amounts due is necessary to ensure amounts owed are collected or to determine if amounts are uncollectible.

2.6 Hygiene kit fees

The Sheriff's office is collecting a \$2.50 fee that is not allowable by state law. According to office personnel, the fee is collected from inmates or



Harrison County Management Advisory Report - State Auditor's Findings

charged to the inmates' commissary account at the time of booking and covers the cost of hygiene items provided to the inmate during their confinement in the county's jail.

There is no statutory authority allowing the Sheriff to charge and collect such a fee at the time of booking. Attorney General's Opinion No. 124-2009 to the Phelps County Prosecuting Attorney states a county Sheriff's office may not charge a booking fee unless the power to do so has been expressly or impliedly granted. There is no express authority for the Sheriff to charge a booking fee and the Sheriff may not charge a booking fee before a person has entered a guilty plea or had an adjudication of guilt.

Similar conditions previously reported Recommendations

A similar condition to section 2.1 was noted in our 3 prior audit reports and a similar condition to section 2.4 was noted in our prior audit report.

The Sheriff:

- 2.1 Adequately segregate accounting duties or ensure an independent or supervisory review of accounting and bank records is performed and documented.
- 2.2 Ensure a list of liabilities is generated monthly and reconcile the cash balance to the list of liabilities. Any differences should be investigated and promptly resolved.
- 2.3 Ensure existing and future commissions and net proceeds from the sale of commissary items and electronic cigarettes not necessary to meet cash flow needs or current operating expenses are disbursed to the County Collector-Treasurer for deposit into the Inmate Prisoner Detainee Security Fund. In addition, ensure all remaining monies are disbursed to the County Collector-Treasurer monthly.
- 2.4 Maintain inventory records of electronic cigarettes and debit card stock and reconcile these records to cigarettes purchased and sold and debit card stock received and issued. Also, the Sheriff should perform periodic physical inventory counts.
- 2.5 Establish procedures to routinely review inactive accounts and timely disburse monies to former inmates. An attempt should be made to resolve unclaimed commissary balances. If the former inmates cannot be located, the monies should be disbursed in accordance with state law. In addition, perform periodic reviews of inactive inmate accounts with outstanding amounts due and determine if amounts are uncollectible.



Harrison County
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 2.6 Discontinue charging and collecting the fee for hygiene kits at the time of booking.
- 2.1 *Due to limited staffing, segregation is not feasible. I immediately implemented a monthly supervisory review once this issue was brought to my attention. I am now reviewing bank statements and related records monthly to ensure the accuracy of each account.*
- 2.2 *I immediately implemented a monthly comparison once this was brought to my attention. We are now generating a list of liabilities monthly and reconciling to the cash balance and we will investigate any discrepancies.*
- 2.3 *Due to various changes that have occurred in commissary procedures, including introduction of new items, which can be purchased by inmates, we had maintained additional monies in the account to ensure we would have sufficient monies available to purchase inventory. After auditors brought this to our attention, we have been disbursing commissions, net proceeds, fees, and reimbursements to the County Collector-Treasurer monthly. We are only retaining a limited amount of monies in the account for cash flow needs to replenish items for which we maintain an inventory such as electronic cigarettes.*
- 2.4 *Once auditors brought this to our attention we immediately started performing monthly physical inventory counts of electronic cigarettes, debit cards, and other inventory items sold to inmates. We retain records of these inventory counts. We are implementing a new computer software program, which will assist with maintaining a perpetual inventory count of these items.*
- 2.5 *The jail has started issuing debit cards to any inmates released from jail. If the inmate is transferred to another jail, he/she is issued a paper check. Any monies in the account for inactive inmates has been transmitted to the County Collector-Treasurer to be handled as unclaimed property in accordance with state law. For any outstanding amounts due, we are now zeroing those balances once the inmate is released and submitting documentation of amounts owed to the court for collection if the inmate is convicted.*
- 2.6 *We have discontinued collecting this fee from inmates held in the jail. We are now submitting documentation of amounts owed to the court for collection if the inmate is convicted.*



Harrison County
Management Advisory Report - State Auditor's Findings

3. Sheriff's Controls and Procedures

Controls and procedures need improvement. The Sheriff's office collected approximately \$178,000 in bonds; fees for civil process service, sex offender registration, and issuing conceal carry weapon permits; and telephone card and video communication commissions for the year ended December 31, 2014.

3.1 Account held outside treasury

The Sheriff maintains a bank account outside the county treasury to account for donations received for the purchase and care of a drug and search dog. According to bank records, receipts of \$11,480 and disbursements of \$10,707 were processed through this account between October 2013 and June 2015.

There is no statutory authority allowing the Sheriff to maintain this account outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Collector-Treasurer. In addition, Attorney General's Opinion No. 45-1992 to the Hickory County Prosecuting Attorney states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

3.2 Drug and search dog monies

The Sheriff does not have adequate controls and procedures to account for monies in the drug and search dog bank account.

- Receipt slips are not issued and other records of donations received are not maintained. The only record of monies received is deposit slips.
- Adequate supporting documentation was not retained for 10 disbursements totaling \$10,000 between October 2013 and June 2015. All disbursements are made by counter check or cash withdrawal because the Sheriff does not have official checks for this account.
- Monthly bank reconciliations are not performed and a transaction register balance is not maintained.

To reduce the possibility of loss, theft, or misuse of funds, receipt slips should be issued and a record of all donations received should be maintained. In addition, all disbursements should be supported by a vendor invoice to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds. Further, monthly bank reconciliations are necessary to ensure accounting records are in agreement with bank records and to identify errors timely.

3.3 Segregation of duties

The Sheriff has not adequately segregated the duties of receiving, recording, depositing, and disbursing monies, and reconciling the general bank account. The Secretary performs all of these duties, and a documented



Harrison County
Management Advisory Report - State Auditor's Findings

independent and/or supervisory review of the accounting and bank records is not performed.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, independent and/or supervisory reviews should be performed and documented.

3.4 Bond monies

Controls and procedures for receipting, recording, and depositing bond monies need improvement. Jailers collect cash bonds and prepare bond forms and booking reports. The jailers put the bond monies and the bond form in a sealed envelope and place the envelope in the locked bond box. The Secretary gets the envelopes from the box, issues receipt slips, and prepares the deposit. The Secretary files the original bond form with the court; however, a copy of the bond form is not retained unless payment was made by credit card. We noted the following concerns during our review of bond monies:

- Bond forms are not prenumbered and voided bond forms are not retained.
- Jailers do not issue receipt slips or prepare a bond log for the bond monies received. Additionally, the Secretary does not issue a receipt slip for bonds paid using a credit card that are transmitted to the bank account from a third party vendor.
- The Secretary does not retain copies of bond forms for cash bonds. Five cash bonds were deposited from June 16 to June 20, 2014. The Circuit Clerk provided the bond form for the 3 cash bonds submitted to the Circuit Clerk's office. The Sheriff could not locate the bond forms for the other 2 cash bonds totaling \$293.

Properly receipting, recording, and depositing bond monies is necessary to ensure receipts are adequately safeguarded and to reduce the risk of loss, theft, or misuse of funds going undetected.

3.5 Seized property

Seized property inventory records are not accurate and complete and a periodic inventory of all seized property is not performed. The Sheriff's office maintains an evidence log of all seized property on hand. Our review of 18 cases determined the following:

- The Sheriff could not locate cash seized for 6 of the 7 cases where the evidence log indicated cash was seized. The Sheriff indicated these monies had likely been returned to the defendant or victim; however, the dispositions had not been recorded on the evidence log and the Sheriff was unable to provide other supporting documentation of the



Harrison County Management Advisory Report - State Auditor's Findings

disposition. As a result, cash totaling \$1,028 could not be located and cannot be accounted for properly.

- The Sheriff could not locate property items for 9 of the 11 cases selected from the evidence log. The Sheriff indicated the property for all 9 cases had been returned to the owner, sold, or otherwise disposed of; however, the dispositions had not been recorded on the evidence log. Subsequently, the Sheriff was able to provide other supporting documentation related to the disposition for 5 of the 9 cases. Documentation for the other 4 cases was not provided.

Considering the often sensitive nature of seized property, accurate and complete inventory records of all seized property items, including information such as description, current location, case number, date of seizure, and disposition of such property, are necessary to ensure all items are accounted for properly. Section 542.301, RSMo, provides the process for the disposition of unclaimed seized property. Proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft. Furthermore, adequate documentation should be maintained to support the chain of custody and release of seized property. Also, periodic inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

3.6 Board of prisoners

The Sheriff has not entered into a written agreement with the City of Bethany for the boarding of inmates detailing the inmate housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations. Similar agreements have been entered into with other political subdivisions.

Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and the amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

Similar conditions previously reported Recommendations

Similar conditions to sections 3.3, 3.4, and 3.5 were noted in our prior audit report.

The Sheriff:

- 3.1 Turn over all monies for the drug and search dog to the County Collector-Treasurer.
- 3.2 Ensure receipt slips or other records of donations received are maintained and ensure adequate supporting documentation of



Harrison County Management Advisory Report - State Auditor's Findings

disbursements is retained. Also, ensure monthly bank reconciliations are performed timely.

- 3.3 Adequately segregate accounting duties or ensure an independent or supervisory review of accounting and bank records is performed and documented.
- 3.4 Ensure prenumbered receipt slips are issued for all bond monies received and prenumbered bond forms are issued, retained, and accounted for properly.
- 3.5 Maintain complete and accurate seized property inventory records. Documentation of all seized property dispositions, by sales or other means, should be maintained and the approval of all dispositions should be documented and retained. In addition, the Sheriff should perform a periodic physical inventory of seized property, reconcile it to the evidence log, and investigate any differences.
- 3.6 Enter into written agreements with other political subdivisions as appropriate, and ensure the agreements are signed by all parties and specify the services to be rendered and the manner and amount of compensation to be paid.

Auditee's Response

- 3.1 *Prior to opening this account, an attorney advised me that I was allowed to proceed with opening the account. Based on the auditor's recommendation, I have closed the account and turned over the remaining balance to the County Collector-Treasurer to be held in a county fund.*
- 3.2 *The drug dog monies are now held by the county and receipts for any purchases will be submitted to the County Clerk. Any future donations will be submitted to the County Collector-Treasurer.*
- 3.3 *Due to limited staffing, segregation is not feasible. I immediately implemented a monthly supervisory review once this issue was brought to my attention. I am now reviewing bank statements and related records monthly to ensure the accuracy of each account.*
- 3.4 *All bond forms will now be retained and all bond monies received will be receipted on the one-write ledger. The bond box is now opened in the presence of 2 employees to verify amounts received as compared to the bond form.*
- 3.5 *After this issue was brought to my attention, we performed a full inventory of the property and evidence room. Any evidence that was no longer needed was disposed of properly and supported by a*



Harrison County
Management Advisory Report - State Auditor's Findings

court order. Future inventories will be performed and we plan to periodically dispose of unneeded items. We updated our inventory records as appropriate and believe they are complete and accurate. I also placed a video camera in the evidence room. All of the items identified as problems by the auditors relate to items seized prior to my term as Sheriff. I require officers to complete proper records for every piece of evidence.

3.6 *A contract with the necessary terms and conditions will be drafted and signed by both the city and county.*

4. Prosecuting Attorney's Controls and Procedures

Controls and procedures need improvement. The Prosecuting Attorney's office collected approximately \$102,000 in bad check restitution, court-ordered restitution, and related fees during the year ended December 31, 2014.

4.1 Deferred prosecution

The Prosecuting Attorney defers prosecution of criminal cases by allowing defendants to make a voluntary contribution to the county's Law Enforcement Restitution (LER) Fund as a condition of deferring charges, in violation of state law. The LER Fund was established in February 2015. The amount of contributions agreed to and accepted by the Prosecuting Attorney and deposited to the LER Fund totaled \$11,525 between February 18, 2015, and July 9, 2015.

The Prosecuting Attorney does not have express authority to require a contribution to a county fund to defer prosecution in criminal cases. Section 50.565, RSMo, provides for the deposit of certain assessments and payments into the county law enforcement restitution fund; however, this statute relates to a court ordering an assessment after a plea or finding of guilt.

4.2 Segregation of duties

The Prosecuting Attorney has not adequately segregated the duties of receiving, recording, depositing, and disbursing monies, and reconciling the bank account. The Administrative Assistant performs all of these duties, and a documented independent and/or supervisory review of the accounting and bank records is not performed.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, independent and/or supervisory reviews should be performed and documented.

4.3 Accounts receivable

The Prosecuting Attorney's office does not generate a monthly list of unpaid bad checks and restitution, and is not proactive in identifying cases with



Harrison County Management Advisory Report - State Auditor's Findings

unpaid receivables. Improvements are needed to better monitor and pursue collection of receivables.

At our request, the Administrative Assistant generated a receivables report as of May 26, 2015. The bad check accounts receivable listing included 1,797 bad checks with amounts due totaling \$270,346 and the restitution accounts receivable listing included 124 cases with amounts due totaling \$260,842. We reviewed 6 bad check cases and identified 4 cases totaling \$10,192 that were not collectible because the complainant did not submit enough documentation for charges to be filed; however, these cases were not marked uncollectible and/or the balances owed were not adjusted. In addition, the Prosecuting Attorney's office recorded the wrong case numbers for 4 of 12 restitution cases reviewed and probation termination dates were not accurately recorded or updated for 9 of 12 restitution cases reviewed. Probation termination dates are needed to ensure collection of monies prior to a defendant's release from probation.

A complete and accurate list of unpaid bad checks and restitution would allow the Prosecuting Attorney's office to more easily review the amounts due and to take appropriate steps to ensure amounts owed are collected.

4.4 Outstanding and voided checks

The Administrative Assistant has not established procedures to routinely follow up on outstanding checks or on checks issued that have been subsequently voided. As of April 30, 2015, 50 checks totaling \$3,012 had been outstanding for over a year. In addition, other monies remain in the account from previously voided checks that were not reissued.

Procedures to routinely follow up on outstanding checks and on checks issued and subsequently voided are necessary to prevent the accumulation monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Recommendations

The Prosecuting Attorney:

- 4.1 Discontinue the practice of requiring donations to the county Law Enforcement Restitution Fund as part of deferring charges filed.
- 4.2 Adequately segregate accounting duties or ensure an independent or supervisory review of accounting and bank records is performed and documented.
- 4.3 Maintain an accounts receivables record and establish procedures to monitor and collect accounts receivables. The Prosecuting Attorney should also periodically review case information for accuracy.



Harrison County
Management Advisory Report - State Auditor's Findings

- 4.4 Establish procedures to routinely investigate outstanding checks including checks issued and subsequently voided, but not reissued. Old outstanding checks should be voided and reissued to payees that can be readily located. The Prosecuting Attorney should determine if the checks issued and subsequently voided, can now be reissued to the payee. If payees cannot be located, the monies should be disbursed in accordance with state law.

Auditee's Response

- 4.1 *I disagree with this finding. We use these contributions as a tool for punishment and place defendants on supervised or unsupervised probation. The contributions are required as a condition of the agreement to ensure that the defendants receive some type of punishment without losing any financial aid they might be receiving. I do not believe the statute prohibits our collection under the circumstances in which we do so.*
- 4.2 *I have been reviewing monthly bank reconciliations and periodically compare receipts to deposits. I have also begun initialing these records to document my review.*
- 4.3 *A list of unpaid bad checks and restitution will be printed and reviewed on a quarterly basis.*
- 4.4 *We are in the process of voiding outstanding checks that are more than two years old and issuing new checks to any payees that can be located. We will forward any monies for payees that cannot be located to the State Treasurer in accordance with state law. In the future, outstanding checks will be investigated and resolved on an annual basis.*

5. County Procedures

Improvement is needed in the county's procedures over charges for dispatching services, fuel use and purchases, and credit card purchases.

5.1 Dispatching services

As noted in our 2 prior audits, the County Commission has not increased the amount transferred from the LEST Fund to the 911 Fund or the amounts charged to other entities for dispatching services, or evaluated the related costs in many years. Total disbursements from the 911 Fund have continued to increase each year as the cost of providing services increases. In addition, the County Commission has no documentation to demonstrate how the amounts charged to the LEST Fund and other entities were derived.

The 911 center provides emergency and non-emergency dispatch services to various political subdivisions. Between 2011 and 2014, the county made an annual transfer of \$30,000 from the LEST Fund to the 911 Fund for dispatching provided to the Sheriff's office and collected \$53,000 per year from 3 political subdivisions contracting for services. The County



Harrison County Management Advisory Report - State Auditor's Findings

Commission has no documentation to demonstrate how the amounts charged to the LEST Fund and the other entities were derived and has not evaluated the related costs since at least 2010.

The county should perform a periodic review of the amount transferred from the LEST Fund to the 911 Fund and the contract amounts to related costs. In addition, the county should base these amounts on a measure of actual activity or some comparable basis and document the basis. This analysis is necessary to ensure the county is covering the costs of the services provided and to ensure compliance with the restrictions on the allowable uses of the LEST Fund.

5.2 Fuel

The county lacks adequate procedures to account for fuel use and purchases by the road and bridge department and Sheriff's office. The road and bridge department uses 3 bulk fuel tanks for its vehicles and equipment. The Sheriff's office has five fuel cards for office vehicles. In addition, the Sheriff's deputies charge on account for fuel at 2 other gas stations. The Sheriff's office purchased about \$25,000 in fuel and the road and bridge department purchased about \$17,000 in fuel for the year ended December 31, 2014.

- The road and bridge department does not reconcile fuel purchases for bulk tanks to usage recorded to the fuel log. We reviewed activity recorded on the fuel log for the period June 9, 2014, to September 9, 2014. At the end of this period, fuel purchased to fill the unleaded tank totaled 462 gallons but fuel recorded on the log as dispensed totaled 423 gallons, for a difference of 39 gallons.
- The county did not always obtain signed sales slip receipts to ensure fuel was purchased by a county employee, and the Sheriff's office does not reconcile the amounts billed to individual receipts to ensure all charges are appropriate. Our review of a Sheriff's fuel card invoice for March 2014 noted 15 of the 30 purchases did not have supporting sales slip receipts. As a result, the Sheriff cannot reconcile fuel purchases to fuel billings and the county paid invoices despite not having signed sales slip receipts to support all of the fuel purchases billed.

Failure to reconcile fuel used to fuel purchases could result in theft and misuse going undetected. Additionally, to ensure all charges actually incurred and amounts paid are proper, all disbursements should be supported by signed sales slip receipts and approved by the applicable department incurring the charges before payment of the invoice.

5.3 Credit cards

Controls over credit cards need improvement. The county has 3 credit cards that can be used by elected officials and the Sheriff's office has a credit card.



Harrison County Management Advisory Report - State Auditor's Findings

The county disbursed approximately \$22,000 to credit card vendors between January 2014 and June 2015.

Adequate supporting documentation was not submitted or retained for some purchases. We reviewed monthly billings from all 3 vendors for the year ended December 31, 2014, and January through June 2015. Although the credit card statements were retained, the County Clerk could not provide invoices, sales slip receipts, or other supporting documentation for various county and Sheriff's office purchases totaling \$2,158 including all 5 purchases from the May 2015 statement for the Sheriff's credit card. In addition, the County Clerk could not locate the credit card statement and supporting documentation for the Sheriff's credit card from May 2014 totaling \$1,765, though the bill had been paid by the county. We also noted supporting documentation submitted for some purchases totaling \$3,701 did not include a sales slip receipt or invoice and was not adequate. For example, documentation submitted included expense vouchers for postage purchases that were prepared by the former Prosecuting Attorney and a packing slip that indicates what was received but not the amount charged. Additionally, the county paid \$156 in late fees and \$162 in interest charges on the Sheriff's credit card from January 2014 through June 2015.

Detailed supporting documentation, such as itemized receipts and vendor invoices, should be maintained for all credit card transactions and reconciled to the credit card statements by someone other than the cardholder. Without adequate supporting documentation and proper approval, the county is unable to ensure purchases are for legitimate goods or services. In addition, failure to pay bills promptly exposes the county to unnecessary costs.

Recommendations

- 5.1 The County Commission perform a periodic review of the costs associated with dispatching services and base the transfers from the LEST Fund to the 911 Fund, and contracts with political subdivisions for dispatching, upon a measure of actual activity or some comparable basis. In addition, documentation of the calculation and data that supports it should be maintained.
- 5.2 The County Commission and County Clerk ensure a documented periodic reconciliation of fuel purchases to fuel used by the road and bridge department is performed, and any significant discrepancies are investigated. In addition, adequate supporting documentation should be obtained for all Sheriff's office fuel purchases.
- 5.3 The County Commission require adequate documentation be maintained and reconciled to monthly credit card statements. In addition, implement procedures to ensure bills are paid timely to avoid late fees and finance charges.



Harrison County
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 5.1 *We have previously discussed this issue and believe it is not feasible to attempt to cover the total cost of providing 911 dispatching services with reimbursements. The entities who reimburse the county for dispatching services annually have limited funding. We will review the statistics of the call volume and costs of the dispatching services provided, and perform and document a calculation to determine if changes should be made. This will include consideration of possible incremental increases in the amount transferred from the LEST Fund and amounts charged to other political subdivisions.*
- 5.2 *For the road and bridge department, we will begin to periodically reconcile fuel purchases and usage and investigate discrepancies. In addition, we will work with the Sheriff to ensure adequate supporting documentation is submitted for fuel purchased by the Sheriff's office.*
- 5.3 *We will ensure adequate documentation is submitted, maintained, and reconciled to monthly credit card statements. We have implemented procedures to ensure credit card bills are paid timely to avoid late fees and finance charges.*

6. Ex Officio Recorder of Deeds' Receipt Procedures

The Ex Officio Recorder of Deeds does not account for the numerical sequence of instrument numbers issued. The Ex Officio Recorder of Deeds collects various fees for recording documents such as deeds and marriage licenses. During the year ended December 31, 2014, receipts totaled approximately \$58,000.

The Ex Officio Recorder of Deeds issues an instrument number for each document recorded instead of issuing prenumbered receipt slips. The Ex Officio Recorder of Deeds does not generate a daily report of all instrument numbers issued. Instead, the Ex Officio Recorder of Deeds uses the daily fee report that includes the instrument numbers to prepare the deposit; however, this report only includes activity for fees already collected. The Ex Officio Recorder of Deeds also generates an uncollected fees report to determine amounts due on account for certain customers; however, that report does not include the instrument numbers. In addition, instrument numbers can be voided in the computer system and a new document can be recorded with the same instrument number. Documentation is not maintained to support the deletion of instrument numbers or the reason for the deletions. The computer system is not capable of producing a report to account for the instrument numbers deleted and reissued.

To properly account for monies received and reduce the risk of loss, theft, or misuse of funds, the numerical sequence of instrument numbers should be



Harrison County
Management Advisory Report - State Auditor's Findings

accounted for and documentation should be maintained to support the deletion of instrument numbers and the reason for the deletions.

Recommendation

The Ex Officio Recorder of Deeds account for the numerical sequence of instrument numbers and maintain documentation to support the deletion of instrument numbers.

Auditee's Response

The land report is now printed and reviewed each Friday and includes all land and copy instrument numbers. In addition, we will immediately begin printing and reviewing a report of all marriage license numbers each Friday. This process will allow me to review the numerical sequence. Any missing or skipped instrument numbers will be investigated. Further, we will continue to work with our software vendor to ensure voided instrument numbers cannot be reused and create a weekly report for voided instrument numbers.

7. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access.

7.1 User passwords

The County Collector-Treasurer, Prosecuting Attorney, Ex Officio Recorder of Deeds, Sheriff, and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the Prosecuting Attorney, Sheriff, and Public Administrator's offices are not required to change passwords on a periodic basis. In addition, officials and employees share the user identification (ID) and password for certain computers in the County Collector-Treasurer, Sheriff, Prosecuting Attorney, Ex Officio Recorder of Deeds, and Public Administrator's offices. For example, the Jail Administrator and the jailers know the user ID and password for the Sheriff Secretary's computer in order to issue debit cards or checks upon the release of inmates.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed in certain offices and are shared by employees in some cases, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

7.2 Security controls

Security controls are not in place for most county offices to lock a computer after a certain period of inactivity. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data



Harrison County
Management Advisory Report - State Auditor's Findings

files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with other county officials to:

- 7.1 Require unique passwords for each employee that are confidential and periodically changed to prevent unauthorized access to county's computers and data.
- 7.2 Require each county computer to have security controls in place to lock the computer after a certain period of inactivity.

Auditee's Response

We will work with the various elected county officials and the county's computer technology professional to establish adequate password and security controls.

Harrison County

Organization and Statistical Information

Harrison County is a township-organized, third-class county. The county seat is Bethany.

Harrison County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 41 full-time employees and 6 part-time employees on December 31, 2014. The townships maintain county roads.

In addition, county operations include the Senior Citizens' Services Board, the Law Enforcement Restitution Fund Board, and 911 services.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Jack W. Hodge, Presiding Commissioner	\$	25,760
Rick J. Smith, Associate Commissioner		23,760
Jim Holcomb, Associate Commissioner		23,760
C. Sherece Eivins, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Jackie Deskins, County Clerk		36,000
Johnathan L. Meyer, Prosecuting Attorney		43,000
Josh Eckerson, Sheriff		40,000
Jeremy Eivins, County Coroner		10,000
Kimberly King, Public Administrator		36,000
Cheryl Coleman, County Collector-Treasurer, year ended March 31,	36,000	
Lila Mae Craig, County Assessor, year ended August 31,		36,000

(1) Compensation is paid by the state.



Nicole R. Galloway, CPA
Missouri State Auditor

Village of Leasburg



November 2015
Report No. 2015-116

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Leasburg

Missing Monies	Between 2011 and 2013, receipt slips totaling \$9,971 were issued for money collected by the village; however, these dollars were never deposited into village accounts and credit memos for monthly utility services were used to conceal the theft of \$3,963 of those receipts. Some essential records were altered including bank reconciliations, deposit records, accounting system reports, and Board of Trustees meeting minutes. Due to the poor condition of records, inadequate computer access controls, and changes in board members and employees, the State Auditor's Office is unable to determine responsibility for some of the issues and problems reported.
Accounting Practices, Reporting, and Monitoring	Financial records have not been audited since fiscal year 2007. A lack of proper accounting for activities, not maintaining accurate accounting records, and using multiple bank accounts has led to commingling of funds, excessive transfers between bank accounts, and using restricted revenues for reasons other than their intended purpose. Village officials could not provide documentation that semiannual financial statements have been published since 2007. Annual budgets do not contain all elements required by state law and the village has not established adequate procedures to monitor or amend budgets.
Controls and Oversight	The board did not take sufficient steps to properly segregate accounting duties or implement adequate independent reviews of the work performed by the village clerk and bookkeeper. The board has not established adequate password controls to restrict access to computer systems and electronic data to only authorized users and has not limited user access rights. Information in the computerized accounting records did not always agree with information on the actual payroll checks issued.
Accounting Records and Procedures	The village does not maintain adequate records of receipts, and depositing procedures are not adequate. The village does not issue receipt slips for payments received by check or money order unless a receipt is requested. The only documentation available to support some cash register withdrawals were informal notes, some of which were initialed by village officials. The village does not issue manual receipt slips in date order, consistently indicate the method of payment, or reconcile the method of payment to the composition of receipts recorded in the computer system. Deposits are not reconciled to receipt records. The petty cash fund is not maintained appropriately and documentation is not adequate.
Utility System Controls	Village officials entered into a 20-year loan agreement for \$17,401 in 2010 with the Missouri Department of Natural Resources, which, along with a \$106,197 grant, provided the required funds for a water meter replacement project. The village agreed to replace 118 water meters; however, only 75 meters were purchased, and as of May 2014, approximately 50 of those meters were still in storage even though the village reported to the grantor

that 118 new meters were installed. In addition, village officials increased sewer rates in May 2013 without preparing a statement of costs or maintaining documentation of how they calculated the rate increase. Some village residents are not connected to the village's utility system, in violation of village ordinance. The village did not perform monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services in 2013. Some customers were not charged late fees on delinquent bills, and amounts assessed are not supported by village ordinance. Refundable water deposit monies held in the utility escrow account are not accounted for properly.

Payroll and Related Matters	Employee records are not properly secured to prevent improper access or removal from village hall. Village officials failed to withhold federal taxes from employee pay checks. Village officials also do not properly maintain employee I-9 and W-4 forms as required by law. The village overpaid the police officer because compensation was based on working 12 hours each pay period; however, the officer did not always work 12 hours. The village did not have proper documentation for \$3,505 in payments to the board chairperson's son in 2013. The village improperly paid and provided benefits to some employees even though village policy states employee benefits are not offered. The village issued payroll checks prior to the pay period to which they pertained, provided pay advances to employees, and issued bonuses in violation of state law.
Disbursements	The village did not solicit bids for contracted water and sewer services or for services to install water meters, in violation of village ordinance. The board chairperson did not always abstain from voting on contract approvals and payments to a relative, and the village did not adequately monitor that contract. The village did not maintain adequate supporting documentation for many payments issued. The village did not accurately report information on some 1099-MISC forms. The village clerk did not ensure bills were paid on time, causing the village to incur late fees and finance charges.
Elected Officials and Election Procedures	A board member's actions resulted in nepotism and the village has not established adequate procedures to ensure that individuals filing as candidates for the Board of Trustees meet statutory requirements to qualify as candidates. Village officials failed to submit board candidate certifications to the Crawford County Clerk before the certification deadline.
Monitoring of Excess Revenues	The village did not calculate the percent of annual general operating revenue from fines and court costs related to traffic violations for 2013 and 2014, determine whether excess revenues should be distributed to the state Department of Revenue, and provide an accounting of the percent in its annual financial report as required by state law.
Sunshine Law and Compliance Ordinances	The village did not always ensure compliance with the Sunshine Law and significant improvement is needed with village ordinances. Closed meetings were not always properly posted, minutes were not prepared for numerous closed meetings, and some discussions in closed meetings were not allowable by law. Also, some official meeting minutes could not be located.

Property Controls and Records	Capital asset records have not been updated since 2010; property is not tagged, numbered, or otherwise identified as village property; and an annual physical inventory is not performed. Also, the village has not maintained adequate records related to the disposition of capital asset items.
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In the areas audited, the overall performance of this entity was Poor .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Village of Leasburg

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Missing Monies4 2. Accounting Practices, Reporting, and Monitoring8 3. Controls and Oversight.....13 4. Accounting Records and Procedures.....17 5. Utility System Controls18 6. Payroll and Related Matters23 7. Disbursements27 8. Elected Officials and Election Procedures30 9. Monitoring of Excess Revenues.....33 10. Sunshine Law Compliance and Ordinances34 11. Property Controls and Records.....37
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	39
---------------------------------------------	----

Appendixes

A	Schedule of Receipts, Disbursements, and Changes in Cash Balances, Year Ended December 31, 2013.....	41
B	Supporting Documentation of Undeposited Receipts	42
C	Supporting Documentation of Credit Memos Used to Conceal Theft and Reduce Account Balances	45

Comments From Former Village Officials	47
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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Chairperson
and
Members of the Board of Trustees
Village of Leasburg, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Leasburg. We have audited certain operations of the village in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to the year ended December 31, 2013. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.
2. Evaluate the village's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Determine the extent of monies missing.

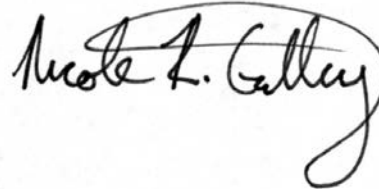
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) missing monies. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Leasburg.

An additional report, No. 2014-053, *Forty-Second Judicial Circuit, Village of Leasburg Municipal Division*, was issued in August 2014.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Candi Copley
Audit Staff:	Josh Allen, CPA, CFE
	Hailey Turner

Village of Leasburg

Management Advisory Report

State Auditor's Findings

1. Missing Monies

From January 1, 2011, through December 31, 2013, receipts totaling \$9,971 were not deposited by the village. Credit memos issued to various customer utility accounts were used to conceal the theft of \$3,963 of those receipts. Some essential records were altered including bank reconciliations, deposit records, accounting system reports, and Board of Trustees (Board) minutes. See Appendix B for details regarding undeposited receipts and Appendix C for the related credit memos used to adjust customer utility accounts to conceal theft, along with other credit memos used to reduce customer utility account balances with insufficient supporting documentation.

On our initial visit to the Village of Leasburg on November 25, 2013, former Village Clerk Nicky Phillips indicated she had re-performed monthly bank reconciliations (originally prepared by the Bookkeeper) for 6 of the village's 8 checking accounts for months previously reviewed and approved by the Board because she noted errors in the accounting records. Audit procedures determined that between November 11, 2013, and November 21, 2013, numerous bank reconciliations were re-performed. Accounting records had been altered over the years, causing previously reported cash balances to change.

In January 2014, the State Auditor's Office (SAO) received a written statement and additional information from former Bookkeeper Tina DeScheda indicating village funds were used to pay personal expenses of former Board Chairperson Kathy Byrd and bank records were altered by former Village Clerk Nicky Phillips to conceal customer utility payments that were inappropriately applied to the utility account of former Board Chairperson Byrd to report her account as paid. In addition to items brought to our attention, we identified customer utility payments that were inappropriately applied to former Bookkeeper DeScheda's utility account, to report her account as paid. Prior period reconciliations were voided for the checking accounts as discussed above, allowing the misapplied payments to be re-posted to the correct utility account. The theft of utility payments was concealed with credit memos issued in November and December 2013 so the utility accounts would reflect a zero balance rather than an unpaid balance. We could not determine who prepared the credit memos.

Our consideration of the statement and documents along with the village records identified significant problems in all aspects of the financial operations, including accounts payable processes, utility procedures and records, and compensation and related reporting. Based on the responsibilities/functions as described to us (see MAR finding number 3.1), the Board Chairperson, Village Clerk (also a Board member), and Bookkeeper were and continue to be primarily responsible for the financial and accounting functions of the village. Due to the poor condition of records, inadequate computer access controls, and changes in Board



Village of Leasburg
Management Advisory Report - State Auditor's Findings

members and employees, we cannot determine responsibility for some of the issues and problems reported.

Ms. DeScheda was placed on administrative leave on January 7, 2014, and her employment was terminated on January 9, 2014. She had served as the village's Bookkeeper since March 2011. The village appointed Della Bishop as Bookkeeper in January 2014.

The SAO served subpoenas on select village officials to ensure the preservation of evidence and to compel testimony. On January 28, 2014, attorneys of the SAO deposed former village officials Kathy Byrd and Nicky Phillips to answer questions under oath regarding village records and operations. At the time of the depositions, these individuals provided official Board meeting minutes, ordinances, contracts, Community Development Block Grant (CDBG) records, bank statements and deposit books, financial reports, payroll records, accounts payable files, utility account files, customer files, and electronic files from the village's computer system. Kathy Byrd and Nicky Phillips resigned from the Board in March 2014 and are referred to as Board Chairperson and Village Clerk, respectively, throughout this report.

The scope of our audit included, but was not necessarily limited to, the period ended December 31, 2013. After identification of possible misappropriation of village funds, we applied limited procedures to village records for the period January 1, 2011, through December 31, 2012.

Undeposited cash
receipts

We performed a detailed comparison of receipt and deposit records for the period January 1, 2011, through December 31, 2013, and identified receipts totaling \$9,971 recorded on 151 manual receipt slips for village services were received and not deposited. Missing receipts included \$7,547 received for utility services. An additional \$1,300 was received for utility security deposits. Other receipts were for items including pet tags, various licenses and permits, copies, and payments for bad checks totaling \$1,124.

Our November 25, 2013, cash count and review of November 2013 deposits identified the following discrepancies:

- We determined \$687 in cash was not deposited. Our November 25, 2013, cash count identified \$3,868 on hand (comprised of checks totaling \$2,801 and cash totaling \$1,067). Some monies had been receipted as early as November 11, 2013. A comparison to receipt records showed that recorded cash receipts exceeded cash on hand by \$90. Subsequent to the cash count, the Village Clerk prepared a deposit slip dated November 27, 2013, that listed all checks and cash counted. However, this deposit slip was later voided and when monies were later deposited on December 2, 2013, only \$766 in cash was deposited into the general account. The records do not identify who voided the deposit



Village of Leasburg
Management Advisory Report - State Auditor's Findings

and later made the deposit. In addition our review of the November 13, 2013, deposit and manual receipt slips issued since the previous deposit showed \$386 in cash was receipted but not deposited.

- Manual receipt slips were issued out of sequence. For example, receipt slip numbers 339082 and 339083 were issued to Board Chairperson Byrd on October 15, 2013, and September 15, 2013, respectively, and deposited on November 13, 2013. We noted the receipt slips issued immediately before and after these 2 receipt slips were issued on October 28, 2013.

Appendix B provides more documentation regarding undeposited receipts. The lack of adequate oversight and reconciliations, and inadequate controls, as discussed in the remainder of this report, resulted in the failure to detect the undeposited receipts.

Credit memos in lieu of
payments

Ninety-eight credit memos totaling approximately \$7,441 (see Appendix C) were recorded in the accounting system to conceal the theft of some undeposited receipts discussed above and to reduce various account balances. Eleven credit memos did not match the recorded receipt amount resulting in some monies collected that were not applied to a utility account and other utility accounts were credited in excess of the amount paid. All of the credit memos included a statement indicating they were approved by the Board; however, village officials indicated the Board did not approve them. Also, our review of Board minutes showed there was no Board review and approval. Our review of the village's computerized Journal Report and Audit Trail Report, and deposit records for the years ended December 31, 2013, 2012, and 2011, obtained from the current Bookkeeper determined payments totaling approximately \$3,963 (see Appendix B) recorded in the accounting system were not deposited and credit memos were subsequently issued for monthly utility services in an effort to conceal monies not deposited.

Our review determined that all credit memos listed in Appendix C were actually prepared between November 4, 2013, and December 9, 2013, even though the credit memos are dated from January 1, 2012, to December 1, 2013. All transactions processed in the accounting system are assigned a unique, sequential transaction number when recorded. We compared the numerical sequence of credit memo numbers to the numerical sequence of transaction numbers recorded to determine when these documents were prepared. Sixteen credit memos totaling \$1,047 were issued to reduce account balances for customer account number 103 for Board Chairperson Byrd and 20 credit memos totaling \$1,679 were issued to reduce account balances for customer account number 151 for former Bookkeeper DeScheda. We cannot determine who prepared these credit memo documents. Appendix C provides details regarding the credit memos issued.



Village of Leasburg Management Advisory Report - State Auditor's Findings

Our review determined only a small number of credit memos appeared to be legitimate based on documentation available. Also, Appendix C shows numerous gaps in the credit memo number sequence, which a review of the system shows occurred primarily due to issuing and subsequently deleting credit memos.

Altered records

As previously mentioned, when the SAO arrived at Village Hall on November 25, 2013, the Village Clerk indicated she had located errors in the financial statements and in order to correct these errors, reconciliations were voided and revised for the general, water, sewer, sanitation, municipal division, and escrow accounts. Re-performing bank reconciliations allowed balances to agree to the updated balances in the accounting records. These bank reconciliations were re-performed without adequate documentation for the changes or Board discussion. Former Village Clerk Phillips re-performed bank reconciliations for the general account for 21 months going back to March 2011. The sewer and municipal division bank reconciliations were re-performed for periods going back to January 2012 and February 2012, respectively. The water bank reconciliations were re-performed for the 7 months of March 2011 through September 2011. The sanitation bank reconciliations were re-performed for the 2 months of September 2013 and October 2013 and the escrow bank reconciliations were re-performed for the 2 months of August 2013 and October 2013. We found 5 instances where deposit summary reports showed payments were incorrectly applied to the utility accounts of the Board Chairperson and the husband of the former Bookkeeper. However, a review of the actual receipt slips issued indicates the payments were received for balances due on other customer utility accounts. Manual receipts improperly recorded included:

Receipt number	Date of receipt	Receipt amount	Account received for	Account applied to*
793075	8/22/2011	\$ 82.01	210	103
793089	9/14/2011	79.81	210	151
793124	10/24/2011	71.35	210	151
793139	11/18/2011	77.35	351	103
793165	12/26/2011	81.11	210	151

*Utility account number 103 is the account of former Board Chairperson Kathy Byrd and utility account number 151 is the account of the former Bookkeeper DeScheda's husband.

An Audit Trail Report obtained on January 23, 2014, identified numerous changes to previously recorded deposit information. A review of a deposit totaling \$9,418 recorded on November 18, 2011, indicates the deposit was changed and then deleted on December 7, 2011. The transaction was re-recorded on December 8, 2011. As a result, deposit information obtained from the computerized financial system during audit procedures has likely been altered.



Village of Leasburg Management Advisory Report - State Auditor's Findings

A March 18, 2014, Audit Trail Report indicates 189 various invoices, payments, and deposits initially recorded from July 2010 through December 2013 were altered on February 13 and February 15, 2014, showing village officials continued to change financial information after records were subpoenaed and depositions were compelled on January 28, 2014. The report shows the date of initial entry into the system and then the dates any changes were made to the entry.

Conclusion

The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Board, as discussed in the remainder of this report, resulted in the untimely detection of missing monies, noncompliance with tax withholding and reporting requirements, and unauthorized utility account adjustments. It is apparent village financial activity was not adequately monitored. Due to inadequate or incomplete records, additional missing monies could exist but cannot be readily determined.

Recommendation

The Board of Trustees work with law enforcement officials regarding possible criminal prosecution related to the missing funds, including restitution.

Auditee's Response

At the conclusion of the audit, the Board will provide a copy of the audit to the appropriate law enforcement agency and work with them in regards to any possible criminal prosecution related to the missing funds, including restitution.

2. Accounting Practices, Reporting, and Monitoring

The village's accounting practices need improvement. Financial records have not been audited since the fiscal year ending June 30, 2007, and that report noted similar conditions.

2.1 Accounting practices

A lack of proper accounting for activities, not maintaining accurate accounting records, and using multiple bank accounts has led to commingling of funds, excessive transfers between bank accounts, and disbursing restricted revenues for reasons other than their intended purpose.

- The village has 8 checking accounts and 5 savings accounts. Most monies from various sources including restricted utility receipts are first deposited into the general bank account. Checks are then issued from the general account to transfer utility monies to each respective utility fund bank account. However, the village does not transfer all the utility monies it receives each month. Bond agreements require restricted utility monies to be kept separate and not commingled with other village funds. According to the village's accounting records, the village deposited approximately \$104,000 in water and sewer receipts into the general bank account but only transferred approximately \$88,500 to the



Village of Leasburg
Management Advisory Report - State Auditor's Findings

Water Fund and Sewer Fund bank accounts for the year ended December 31, 2013. As a result, the utility funds subsidize general operations of the village. Village officials transferred approximately \$108,000 from the general bank account to the other village bank accounts during the year ended December 31, 2013.

- The village does not maintain accurate accounting records. As a result, reports generated from the accounting system cannot be relied upon by village officials when making decisions. For example, December 2013 financial reports under reported cash balances. Cash totaling \$4,468 was transferred from the combined water and wastewater debt service savings account to open a maintenance and replacement savings account in December 2013, however, the balance of this new account was not reported until April 2014. In addition, 2014 financial reports continued to report the cash balance for an account that was closed in August 2012.
- The village has no documentation to justify the allocation of salaries and employee fringe expenses to various funds for employees that perform multiple activities. The allocation percentages by fund do not change and there is no documentation showing how the percentages were established. Transfers are made from the various fund bank accounts to the general bank account when payroll is processed. During the year ended December 31, 2013, the village paid payroll and employee fringe expenses totaling approximately \$36,500.

Most non-payroll expenditures are allocated equally between all funds regardless of expenditure activity and results in inappropriate borrowing of restricted monies. Transfers are made from the restricted fund bank accounts to the general bank account. Documentation is not maintained on how transfer amounts are determined. Approximately \$14,700 was transferred from various village fund bank accounts to the general bank account during the year ended December 31, 2013. Village officials also used \$2,000 from the Water Fund account to purchase a police vehicle in June 2012 without documentation to support the specific utility system purpose.

In addition, the Board does not reconcile approved payments to checks issued. Amounts due are not shown in total, instead they are shown by each accounts' portion of the bill. To ensure disbursements are properly approved, the Board should ensure the list of bills approved for payment is complete and accurate and checks issued are compared to this list.

- During the year ended December 31, 2013, the village deposited Law Enforcement Training (LET) fees totaling \$208 into the general account, without tracking the receipts, disbursements, and balances of these restricted monies. LET fees collected prior to 2013 were also not



Village of Leasburg Management Advisory Report - State Auditor's Findings

properly tracked. Additionally, the village paid \$250 to a vendor in 2013 for the police officer to receive Continuing Education Programs for the year ended December 31, 2013; however, the police officer did not attend any training programs in 2013. The village paid \$800 in January 2014 to the same vendor for continuing education classes for the village officer and reserve officers.

A lack of proper accounting for activities and using restricted monies for unintended purposes makes it more difficult for village officials to make good management decisions. Also, accurate and complete financial information is necessary to assist the Board in making informed decisions and to provide residents with reliable information about village finances. To be of maximum assistance to the Board and adequately inform the public, accounting records should accurately report financial activity and fund balances. To ensure restricted monies are used for the intended purpose, monies received should be credited to the appropriate fund and disbursements should be paid from the appropriate funds. Purchases from restricted funds should occur only for allowable and specific purposes, and reasons should be adequately documented.

In addition, Section 250.150, RSMo, restricts the use of water and sewer monies for operating the systems, payment of bonds, establishment of a reserve, fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems. Article IV, Sections 30(a) and 30(b), Missouri Constitution, requires motor vehicle-related receipts, such as those deposited in the village's Street Fund, apportioned by the state of Missouri be disbursed for street-related purposes. Also, Section 488.5336.2, RSMo, requires LET fees be used only for the training of law enforcement officers.

To help simplify village records, reduce the number of account transfers, and minimize the risk of errors, the Board should consider reducing the number of bank accounts.

2.2 Financial statements

The village did not comply with state law regarding publishing financial statements and submitting financial statements to the SAO. Village officials could not provide documentation that semiannual financial statements have been published for the village since the village's independent Certified Public Accountant (CPA) audit in June 2007. From 2008 through August 2015, village officials filed only the village's 2013 financial statement (in April 2014) with the SAO. In addition, the village's monthly finance report provided to Board members combines all accounts (General, Street, Water, Sewer, and Sanitation) into a consolidated statement, which does not allow for a clear, detailed analysis of each fund's financial status. The Board passed a motion to have semi-annual financial statements published on September 24, 2013; however, the Board has taken no further actions regarding this matter.



Village of Leasburg Management Advisory Report - State Auditor's Findings

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the SAO. Section 80.210, RSMo, requires the Board prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village.

2.3 Annual audits

The village does not obtain annual audits as required. The last audit of village finances occurred for the fiscal year ended June 30, 2007. The village fiscal year was changed to a calendar year beginning January 1, 2011.

Section 250.150, RSMo, requires the village to obtain annual audits of the combined waterworks and sewerage system, and the cost of the audit is to be paid from the revenues received from the system. Additionally, as a condition of bond covenants, grant, and loan agreements, the village is required to obtain annual audits. Bond covenants also require the village to annually submit audited financial statements to the United States Department of Agriculture, Rural Development (USDA).

In a May 2013 letter to the village, the USDA indicated village officials had failed to submit financial statements for the years ended December 31, 2012 and 2011, after numerous requests. The letter further indicated that because the USDA was not able to obtain the village's financial information, the agency requested the village either pay off or refinance the remaining debt balance of \$110,149 owed as of June 1, 2013, to the USDA. The village eventually submitted unaudited financial statements to the USDA in 2014. The March 26, 2013, meeting minutes indicate the Board approved hiring an independent accountant to examine the village's finances. Similarly, the March 25, 2014, meeting minutes indicate the Board approved hiring a CPA to perform an audit of the combined water and sewerage system in accordance with bond requirements and Section 250.150, RSMo. Other than these approvals, no further actions regarding an audit of the village financial statements have been taken by the Board. Compliance with the requirements of grant and debt agreements is the responsibility of the Board and failure to comply with the agreements could jeopardize future grant and/or financing opportunities for the village.

2.4 Budgets

Annual budgets do not contain all elements required by state law and the village has not established adequate procedures to monitor or amend budgets. As a result, during 2013 amounts budgeted for disbursements were overspent by \$3,826.

Budget preparation

The Board prepares budgets for each village department checking account. However, the 2013 budget did not include a budget message, comparative statements of actual or estimated receipts and disbursements for the 2 preceding years, and indebtedness. In addition, the budget reported inaccurate beginning cash balances, and actual 2012 disbursements were



Village of Leasburg Management Advisory Report - State Auditor's Findings

used as 2013 budgeted disbursements without considering financial circumstances for the ensuing year. As a result, the Board is not using all available information or carefully evaluating budgeted disbursements to assist in effectively managing the village, and the public is not provided a complete overview of village finances. Also, budgets are not approved timely. The Board approved the 2013 budget on March 26, 2013, the 2014 budget on March 25, 2014, and the 2015 budget on April 23, 2015.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and also sets specific guidelines for the format. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of village operations.

Budget monitoring

The Bookkeeper provides the Board with monthly financial statements at each Board meeting; however, the reports do not include budget-to-actual information and the financial statements are not broken down by fund. As a result, the Board is not reviewing information to ensure disbursements remain within budgeted appropriations. Budgeted disbursements for 2013 totaled \$173,250 while actual disbursements totaled \$177,076. Without preparing and reviewing budget-to-actual information by fund, the Board cannot effectively monitor the financial operations of the village.

Budget documents are an essential tool for the efficient management of village finances. Actively utilizing budget-to-actual status reports by fund when making spending decisions is necessary to improve the effectiveness of the budgets as a planning tool and ensure compliance with state law. Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget.

Recommendations

The Board of Trustees:

- 2.1 Require proper accounting of village activities, including reducing transfers from the general bank account to the fund bank accounts and properly document the calculations used to allocate expenses among the village's funds. In addition, the Board should consider reducing the number of village bank accounts. The Board should also ensure accounting records are accurately maintained, the list of bills approved each month is complete and reconciled to the corresponding checks issued, and LET funds are expended in accordance with state law.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

- 2.2 Ensure complete and accurate financial statements are published and submitted to the SAO as required by state law.
- 2.3 Obtain annual audits as required by law, bond covenants, and grant and/or loan agreements.
- 2.4 Ensure budgets comply with state law and monitor budget-to-actual information.

Auditee's Response

- 2.1 *As of this date, the village has already instituted proper accounting methods with proper calculations used in allocating deposit to match monies received per account. The practice of all deposits running through the general bank account has ceased. Expenses and deposits of LET monies are accounted for as line items as of the date of this response. As of the date of this response, the village has already reduced the number of bank accounts. As of the date of this response, the village has undertaken accurate account tracking for expenses to ensure LET funds are expended in accordance with state law. Also as of the date of this response, policy and procedural changes were made to properly allocate expenses amount village funds and to maintain documentation to support the allocation. As of the date of this response, procedure is to provide a complete list of bills being reconciled with corresponding checks issued. The Board is working diligently to ensure only proper allowable expenses are purchased for restricted funds.*
- 2.2 *The Board will work diligently towards ensuring complete and accurate financial statements are published and submitted to the State Auditor's Office as required by state law.*
- 2.3 *The village shall work diligently to obtain annual audits as required.*
- 2.4 *The Board will make every effort to ensure that the budgets comply with state law and to monitor budgeted-to-actual information, based on current information.*

3. Controls and Oversight

We identified serious weaknesses in the controls and oversight of several village functions.

3.1 Oversight

The Board did not take sufficient steps to properly segregate accounting duties or implement adequate independent reviews of the work performed by the Village Clerk and Bookkeeper. Despite becoming aware in early 2014 of alterations being made to village records and other concerns with



Village of Leasburg Management Advisory Report - State Auditor's Findings

village finances and records, lack of Board oversight continues to be a problem.

The Village Clerk is responsible for supervising the work performed by the Bookkeeper and ensuring the accuracy of village records. Bookkeeper duties include receipting, depositing and disbursing monies, handling invoice preparation and utility collections, payroll functions, performing bank reconciliations, preparing monthly financial reports, and acting as the Board's secretary. During the audit period, two signatures were required on checks and although another Board member was authorized to sign checks, Village Clerk Phillips and Board Chairperson Byrd signed a majority of checks issued in 2013 and prior years without adequate independent reviews of the work performed. The Board Chairperson, along with the Village Clerk, continues to sign the majority of checks issued.

The lack of adequate controls and the absence of proper oversight by the Board allowed unsupported and unnecessary payments, alteration of village records, and noncompliance with village policy and state law. Had proper controls and oversight procedures been in place, it is likely some of the problems noted in this report may have been detected more timely and/or prevented. The Board should adequately review invoices provided by the Bookkeeper and checks should be signed by at least one Board member not involved with the day-to-day operations of the village. In situations where there are limited personnel and individuals become responsible for all aspects of financial functions, it is imperative that independent reviews and adequate monitoring procedures be implemented and documented.

3.2 Electronic data security

The Board has not established adequate password controls to restrict access to computer systems and electronic data to only authorized users and has not limited user access rights. For example, the Bookkeeper and Village Clerk are not required to change passwords on a periodic basis and they share passwords. The deleted deposit transactions discussed in MAR finding number 1, were completed by personnel with unlimited computer administrative rights. A user with unlimited rights could delete an audit trail. In addition the village has not established procedures to disable computer access promptly upon employee terminations or changes in Board members.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords do not have to be periodically changed and are shared, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

Additionally, village officials had not established sufficient policies or procedures to ensure village computer systems were adequately protected from malware¹ and did not install adequate virus protection software until May 2014. At that time, the village's computer contained 25 malware and/or Trojan Horse infected files. Without adequate malware protection procedures, there is an increased risk that the confidentiality, integrity, or availability of data stored in the accounting system can be compromised. Additionally, adequate computer and malware protection controls have not been established for the police department computer.

3.3 Cash controls

Controls over cash have not improved since the change in Bookkeeper in January 2014 and Board members in April 2014. For example, in May 2014, the Bookkeeper, who is responsible for making deposits, held a utility deposit for 37 days prior to depositing the monies. Additionally, these monies were deposited over the weekend at a bank branch location approximately 30 miles from the village. Other general operation deposits made on the same date and at the same location were held in excess of 46 days. A review of these deposits revealed some monies deposited could not be identified to a manual receipt slip and monies recorded on some manual receipt slips during this period could not be located in the deposit records. The Bookkeeper could not provide an explanation.

To improve internal controls and reduce the risk of loss, theft, or misuse of monies, the Board should require someone independent of the cash custody and record-keeping functions perform periodic reconciliations of receipts to deposits.

3.4 Payroll check dates

Information in the computerized accounting records did not always agree with information on the actual payroll checks issued. The computerized accounting system allows the user to change the date posted to the system. As further discussed in MAR finding number 6.5, dates on many payroll checks issued to the former Bookkeeper differed from the accounting records and bank records. It appears changes were made to dates subsequent to check issuance so that the system dates would be consistent with the pay period to which the checks pertained.

To account for all monies disbursed, the information on actual checks issued should agree with the information posted to the accounting records and bank records. To ensure the integrity of disbursement information entered into the payroll accounting system and to prevent changes from being made to check information after the checks have been issued, the village should work with its software provider to add control features to prevent these changes.

¹ Malware includes viruses, worms, spyware, key-logging, etc.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Trustees:

- 3.1 Segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of the work performed and investigation into unusual items and variances is necessary. The Board should also consider appointing someone other than the Village Clerk as a check signer.
- 3.2 Establish policies and procedures to ensure village computer systems are protected against unauthorized access and malware and require confidential unique user identifications and passwords for all employees. In addition, the Board should ensure passwords are not shared and are periodically changed.
- 3.3 Establish the necessary cash controls to account for all revenues and ensure receipt slips are issued and accounted for properly and receipts are deposited timely.
- 3.4 Work with its software provider to add control features to the accounting system that will prevent changes from being made to check information after the checks have been issued.

Auditee's Response

- 3.1 *As of the date of this response, the village has already taken steps to ensure proper oversight/review of work performed relating to accounting duties. The Board will ensure timely audits are completed for another level of review of the village's accounting records. The Board will consider appointing someone other than the Village Clerk as a check signer.*
- 3.2 *The village will, at the next possible opportunity, take action to approve purchase of proper malware software. The village has already taken action to protect against unauthorized access by requiring confidential and unique identification(s)/password(s) for all employees with access to computer systems. The Board has ensured that passwords are not shared and are changed periodically.*
- 3.3 *As of the time of this report, the village has already established necessary cash controls to account for all revenues. Receipts are issued and accounted for properly and are deposited in a timely manner.*
- 3.4 *As of the time of this report, the village has already taken steps to prevent changes from being made to check data in the software system after the checks have been issued. As a further level of*



Village of Leasburg
Management Advisory Report - State Auditor's Findings

control the bank statement information is periodically matched with the accounting program to ensure no changes have been made.

4. Accounting Records and Procedures

4.1 Receipting and depositing procedures

We noted serious weaknesses with the village's receipting and depositing procedures and handling of petty cash.

The village does not maintain adequate records of receipts and depositing procedures are poor. As a result, there is no assurance monies collected were properly handled, recorded, or deposited.

- The village does not issue receipt slips for payments received by check or money order unless a receipt is requested and a receipt log is not maintained for payments placed in the village hall drop box.
- The only documentation available to support some cash register withdrawals were informal notes, some of which were initialed by village officials. Notes indicate \$1,399 was withdrawn for various purposes including purchases of fuel and supplies (\$819) and salary advances (\$155). Other withdrawals were made for unidentified reasons (\$425), and relevant details associated with the withdrawals were not recorded.
- The village does not issue manual receipt slips in date order, consistently indicate the method of payment, or reconcile the method of payment to the composition of receipts recorded in the computerized accounting system or to the deposit. We noted 5 receipts slips in 2013 dated out of sequence and issued to the Board Chairperson. The dates on these receipt slips give the appearance utility payments were made on time. The 5 receipt slips were dated before the monthly deadline, while the receipt slips issued immediately before and after were dated after the monthly deadline. In addition, 2 of the 5 payments (receipt slip numbers 169987 and 339012) were not deposited.
- Monies deposited are not reconciled to receipt records. Utility monies collected are posted to the computerized financial system and a deposit summary report is generated; however, amounts deposited did not always agree with the deposit summary report. Instances were identified where deposits were less than the deposit report amount and monies are missing (see MAR finding number 1). Also, instances were noted where deposits were more than the deposit report amounts, and some monies received and deposited were not recorded on the deposit report.

Failure to implement adequate receipting, recording, and depositing procedures increase the risk that loss, theft, or misuse of monies received will go undetected and accounting records will contain errors.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

4.2 Petty cash fund

The petty cash fund is not maintained on an imprest basis, a complete petty cash ledger is not maintained, and documentation to support disbursements is not adequate.

Village records indicate checks totaling at least \$6,440 were issued payable to cash or petty cash from July 2010 through December 2013. Check memo notations indicate \$935 was withdrawn to replenish monies in the cash drawer and the remaining \$5,505 to replenish petty cash. These checks were issued in amounts ranging from \$50 to \$500. Vendor receipts totaling \$3,298 for petty cash purchases were located, leaving an unidentified difference of \$2,207.

To provide proper accountability over cash on hand, and to ensure these monies are adequately safeguarded against loss, theft, or misuse, monies should only be requested as needed and the balance of the petty cash fund should be maintained on an imprest basis.

Recommendations

The Board of Trustees:

- 4.1 Require all receipt slips be issued in date order, the method of payment documented on the receipt slips, and the composition of receipts reconciled to the composition of deposits. The Board should ensure all monies are deposited intact and timely.
- 4.2 Maintain petty cash at a constant/imprest amount and review supporting disbursement documentation prior to replenishment of the fund.

Auditee's Response

- 4.1 *As of the time of this report, the village has already set procedures in place for all monies to have receipt slips issued in date order with the method of payment documented on the receipt slips and the composition of receipts reconciled to the composition of deposits, with monies deposited intact and in a timely manner.*
- 4.2 *As of the time of this report, the petty cash fund no longer exists.*

5. Utility System Controls

Some village residents are not connected to the village's utility system. Sewer rates were increased without preparing a statement of costs as required by law, controls over utility deposits need improvement, and a reconciliation of customer utility deposits to accounting records is not performed.

5.1 Water meters

Some village residents are not connected to the village's utility system. Municipal Ordinance 83 approved by the Board on September 19, 1989, requires all dwelling units within the village to have a water meter. In addition, revenue bonds issued on January 29, 2002, require the owners of



Village of Leasburg
Management Advisory Report - State Auditor's Findings

Meter replacement
program

all houses, buildings or properties, situated within the village, at the owner's expense to connect directly with the utility system within a reasonable time. We obtained a county assessment map of the village property limits and determined 6 properties (including a property owned by the Village Clerk) are not connected to the village's utility system. Based on 2013 water and sewer rates and using an average household usage of 5,000 gallons monthly, an estimated \$4,560 in utility revenue is not being received by the village from these properties.

Failure to comply with bond agreements and municipal ordinances over utility system connections could result in lost revenues for utility services and bond default. The Board should seek legal counsel regarding any action that should be taken.

Village officials entered into a 20-year loan agreement for \$17,401 in July 2010 with the Missouri Department of Natural Resources (DNR). This loan provided the required matching funds for a water meter replacement project in combination with receiving a Community Development Block Grant (CDBG) totaling \$106,197. Grant documents indicate the village agreed to replace 118 water meters, in addition to other water system program improvements. However, Board minutes from May 2014 indicate only 75 meters were purchased. In May 2014, we, along with the water/sewer contractor, observed about 50 meters in storage even though Board Chairperson Byrd signed CDBG close out documents in January 2012 reporting 118 new meters were installed.

In March 2014, Board members were not aware of the meter replacement conditions of the CDBG agreement until we brought them to their attention and they could not provide documentation of the meter replacement project. The village's water/sewer contractor provided us an accounting of the replaced meters. His listing indicated 29 meters had been replaced however, that list included some meters that had been replaced earlier using DNR loan monies. Our audit work determined 21 meters had been replaced with grant monies.

The Board's failure to properly plan and oversee the meter replacement project has resulted in meters purchased but not installed or accounted for accurately and improper reporting to the granting agency.

Further, the village spent \$16,390 for these meters and was eligible for an early payment discount of \$327 if paid by February 28, 2011. The village paid the vendor on February 1, 2011, but did not apply the discount.

Good business practices require adequate planning prior to approving significant capital improvement projects and entering into long-term financing arrangements. Adequate planning for major capital projects is necessary to ensure the projects are financially feasible and supported by the



Village of Leasburg Management Advisory Report - State Auditor's Findings

taxpayers, and to ensure projects are completed in accordance with written agreements.

5.2 Trash fees

The Bookkeeper indicated several utility customer accounts are not charged trash fees. Village Ordinance 400 authorizes trash fees and states that every user shall pay \$15 each month for trash removal services. Additionally, the solid waste contract dated September 1, 2011, states the trash contractor shall have the exclusive responsibility to collect, haul, and dispose of all trash from village residences. A representative of the village's trash contractor indicated the contractor provides trash services to all village residents. However, the village provided us with a list of 6 residents who do not pay for trash services. A review of Board meeting minutes indicated the Board waived fees for one residence; however, no explanation was given for this decision. We could not find documentation waiving trash service fees for the other 5 residents. Trash services fees not collected for these 6 residents total \$1,080 annually.

5.3 Water and sewer rate

Village officials increased sewer rates in May 2013 without preparing a statement of costs or maintaining documentation of how they calculated the rate increase. Additionally, accounting records are not accurately maintained to provide the financial data necessary to calculate the cost of operating the utility system. Board meeting minutes indicate village officials discussed rate increase requirements with the village's legal counsel, however, no written legal opinion was obtained. Without a current cost study, it is unclear whether the rates assessed for these services are set at an appropriate level.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs, which shows the increase is necessary to cover costs of providing the service. To ensure utility rates are set to cover the cost of providing the related services, the village should perform and document a detailed cost study of its water and sewer costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits.

5.4 Water reconciliations

The village did not perform monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services during 2013. Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected timely. In addition, the most recent water loss review performed by the water/sewer contractor was for the period ending 2011 and indicated water lost or unaccounted for was 39 percent of water pumped. Village officials did not receive or review this information until we obtained it from the water/sewer contractor.



Village of Leasburg Management Advisory Report - State Auditor's Findings

Monthly reconciliations of gallons of water billed to gallons of water pumped and tracking village water usage is necessary to help detect significant water loss and ensure all water use is properly billed.

5.5 Penalties

Some customers were not charged late fees on delinquent bills, and amounts assessed are not supported by village ordinance. Additionally, monies received for late fees and reconnection fees are transferred to the General Fund and used to fund general operations.

Late fees

The village assesses late fees on utility bills even though village Ordinance 400, approved by the Board on July 21, 2010, repealed the collection of late fees. Late fees are assessed on accounts when payments are not received by the 15th of the month. However, we noted numerous instances in the accounting records indicating Village Clerk Phillips and Board Chairperson Byrd waived late fees without supporting documentation indicating the Board's approval.

Utility fee transfers

In September 2010, village officials approved the transfer of utility system late fees and reconnection fees to the General Fund to fund general operations. However, village Ordinance 400 regulating the village's utility system indicates all charges generated from the utility system will be used for the purpose of operating and maintaining the public utility system. The village transferred late fees and reconnection fees totaling approximately \$4,700 during 2012 and 2013.

Conclusion

The Board does not provide adequate oversight related to assessing utility system fees and how the fees are handled by the village. Ordinances related to the utility system should be clarified and enforced consistently to ensure equitable treatment of customers. In addition, fees generated from the utility system should not be used to fund general village operations.

5.6 Utility deposits

Refundable water deposit monies held in the utility escrow account are not accounted for properly. Several questionable transfers were made to and from the utility escrow account. In February 2011, \$1,200 was transferred from the utility escrow account to the police checking account. In March 2011, \$200 was transferred from the street account to the utility escrow account. In August 2011, \$3,750 was transferred from the general account into the utility escrow account.

Board Chairperson Byrd and Village Clerk Phillips created a listing of utility deposits held in escrow in January 2014. However, this list was incomplete, lacked necessary details, and differed from amounts recorded in the accounting records. The bank account had an approximate balance of \$7,000 while the list totaled approximately \$5,400.

Refundable water deposit monies are restricted funds held for customers. To ensure all water deposit monies received from customers are accounted for



Village of Leasburg
Management Advisory Report - State Auditor's Findings

properly, the Board should review water deposit records to ensure all monies received were deposited and posted to the appropriate customer account, and prepare an accurate list of water deposits held by the village and reconcile the list monthly to monies held in the Utility Escrow Fund bank account.

Recommendations

The Board of Trustees:

- 5.1 Consult with legal counsel and investigate the village's legal obligations regarding some village residents not being connected to the utility system. The Board should also consult with appropriate state and federal agencies regarding incorrect reporting and noncompliance with grant or loan arrangements.
- 5.2 Assess and collect trash fees from all residents in accordance with ordinance and contracted terms.
- 5.3 Ensure a statement of costs is prepared to support utility rate increases and document formal reviews of water and sewer rates periodically to ensure revenues are sufficient to cover all costs of providing these services.
- 5.4 Ensure monthly reconciliations of system water loss amounts and amounts billed to amounts collected and delinquent accounts are performed. In addition, the Board should ensure documentation to support reconciliations is retained.
- 5.5 Consistently enforce utility account penalties as appropriate, clarify utility system ordinances, and cease transferring restricted utility fees to the General Fund.
- 5.6 Ensure an accurate list of utility deposits is prepared and reconciled monthly to monies in the Utility Escrow Fund bank account. Any discrepancies should be investigated and resolved.

Auditee's Response

- 5.1 *The village will consider consulting with legal counsel and conduct a cost analysis to determine expense with the goal towards mandating all residents be hooked up to the utility system. The village will also consider consulting with the appropriate state and federal agencies regarding any possible incorrect reporting and noncompliance with grant and loan arrangements.*
- 5.2 *In accordance with ordinance, the village will ensure all residents are charged a sanitation (trash) fee as required by municipal ordinance.*



Village of Leasburg
Management Advisory Report - State Auditor's Findings

- 5.3 *The village will institute a cost analysis policy to periodically review expenditures with revenues to coincide with yearly audit.*
- 5.4 *As of the time of this report, reconciliation of system water loss amounts and amounts billed to amounts collected and delinquent accounts are in place with adequate documentation in place.*
- 5.5 *As of the time of this report, the village has taken steps to cease transfer of funds into and out of the general account. All deposits are correctly deposited into the proper banking account. At the first opportunity, the Board will enact a new ordinance to simplify/clarify penalties.*
- 5.6 *At the first opportunity, the village will ensure that an accurate list of utility deposits is prepared and reconciled with the escrow account.*

6. Payroll and Related Matters

Significant improvement over payroll controls and procedures is needed. The village has not followed its personnel policies regarding employee leave and benefits, and numerous problems were identified with payroll disbursements. Additionally, the village did not comply with court orders timely and there is no evidence the Board is adequately monitoring annual payroll costs. The village's gross wage expenses were approximately \$36,500 and \$29,800 in 2014 and 2013, respectively.

6.1 Employee records security

Trustee Byrd was removed as Board Chairperson during a meeting on March 5, 2014, after the Board reviewed a recording of the village's closed circuit security system showing Board Chairperson Byrd removing a personnel file without authorization. Employee records are not properly secured to prevent improper access or removal from village hall. Without adequate safeguards over employee records, there is the risk of inappropriate access to personal, confidential employee information.

6.2 Withholding and reporting of compensation

Village officials failed to withhold federal taxes from employee pay checks. Village officials also do not properly maintain employee I-9 and W-4 forms as required by law.

In addition, the former Bookkeeper failed to file federal payroll tax reports for quarters ending March 31, 2012, September 30, 2012, and December 31, 2013. The village has not paid the taxes, penalties, and interest related to late filing of the 2012 reports. The amount due to the Internal Revenue Service (IRS) is at least \$870. The village paid penalties and interest totaling \$406 for the late 2013 report.

The IRS requires employers to withhold and remit federal income taxes and ensure a W-4 form is completed by each employee. If an employee does not submit a W-4 form the village is to withhold federal taxes based upon a



Village of Leasburg Management Advisory Report - State Auditor's Findings

single person with no withholding. Additionally, according to the Immigration Reform and Control Act of 1986, an individual may not begin employment unless an I-9 form is completed. Employers are subject to civil or criminal penalties if they do not comply.

The Internal Revenue Code requires Form 941 to be filed with the IRS on a quarterly basis along with payment of Social Security and Medicare taxes withheld from the employee and the employer's share, as well as federal income taxes withheld. The failure to withhold and properly report payroll and income taxes for workers makes the village potentially subject to additional tax liabilities along with penalties and interest.

To prevent unnecessary fees and charges, procedures should be in place to ensure bills are paid timely and account balances monitored.

6.3 Time records and overtime

We noted the following problems related to payroll records and disbursements.

- The village overpaid the police officer because compensation was based on working 12 hours each pay period. However, the officer did not always work 12 hours and notes on timesheets indicate exceptions. A review of the police officer's January and February 2013; timesheets indicate he worked between 5 hours and 12 hours, and once worked 16 hours, during each 2-week pay period for the 4 pay periods reviewed. Additionally, handwritten notes added to these 4 timesheets indicate the police officer owed the village approximately 14 hours in overpaid compensation. Records were not available to determine if the police officer's future pay was adjusted for the amount over compensated.
- The police officer was compensated at the overtime rate (time and one-half) for working on holidays, even though hours worked did not exceed 40 hours per week, which would require overtime compensation. The village's General Employee Handbook states holiday pay will be paid at the employees normal compensation amount. The officer was also paid overtime compensation for the day after Thanksgiving, even though this day is not listed as a holiday in the employee handbook. As a result, the village paid more than was required.
- The village did not have documentation for 14 of 18 payroll disbursements totaling \$3,505 to Board Chairperson Byrd's son (for more details regarding this employee, see MAR finding number 8.1) from March 2013 through December 2013. Documentation to support payroll checks issued indicate the employee was paid by the hour to perform mowing and clean up services for the village. However, Board minutes indicate the Board only approved compensation at \$100 each time village property was mowed.



Village of Leasburg Management Advisory Report - State Auditor's Findings

The practice of paying village employees for estimated hours may lead to errors and the potential for employees to be over/under paid. To adequately account for all payroll expenses and ensure the accuracy of hours worked, village employees should prepare and sign timesheets, and timesheets should contain documented supervisory or independent reviews and be approved by the Board. In addition, the Fair Labor Standards Act (FLSA) requires accurate records of actual time worked by employees be maintained.

6.4 Employee benefits

The village improperly paid and provided benefits to some employees even though village policy states employee benefits are not offered.

The village's General Employee Handbook indicates that benefits including health insurance, and vacation and sick leave are not offered. However, we noted an instance where paid vacation was approved for an employee. Also, the village paid several months of health insurance for the police officer. Individual health insurance benefits totaling \$920 and \$2,786 were paid by the village in 2013 and 2012, respectively. The village withheld \$939 from the police officer's paycheck to recover some of the costs of the insurance. In January 2014, the Board approved a \$75 monthly insurance allowance for the new Bookkeeper. In March 2014, 3 checks were issued to a healthcare provider totaling \$188 for personal medical bills of the Bookkeeper.

Strict compliance with the village's written personnel policies is necessary to provide guidance to village employees, ensure employees are treated equitably and properly compensated, and avoid misunderstandings.

6.5 Advance pay and bonuses

The village issued payroll checks prior to the pay period to which they pertained, provided pay advances to employees, and paid Christmas bonuses.

Our review of payroll transactions for the former Bookkeeper identified several problems. For the period December 2012 through December 2013, dates on most payroll checks issued to the Bookkeeper preceded the entire pay period noted on the payroll remittance advice. We also noted that several checks cleared the bank prior to the pay period. For all checks issued prior to October 2013, the dates on the payroll checks differed from the accounting records and bank records. Records indicate that after issuing these payroll checks, the check dates denoted on the remittance advice were manually changed to a later date which matched the date recorded in the accounting system and was subsequent to the pay period. For example, a check dated December 7, 2012, and pertaining to the pay period December 16 to 31, 2012, later showed a check issuance date of January 1, 2013, in the accounting system. This check cleared the bank account on December 7, 2012.



Village of Leasburg Management Advisory Report - State Auditor's Findings

For 2013 the village issued a W-2 form showing wages to the Bookkeeper totaling \$17,453, which differs from actual wages paid totaling \$14,917 and wages earned totaling \$15,564. Village officials could not explain the discrepancies, but they are likely related to check date changes and other unusual items noted in the payroll reports (multiple checks for same pay period and pay data with no corresponding check).

In addition, the village provided pay advances to 3 employees, in 2013 totaling \$1,768 (\$1,268 to the former Bookkeeper; \$400 to Board Chairperson Byrd's son; and \$100 to the police officer). One advance payment totaling \$100 was not deducted from Board Chairperson Byrd's son's final paycheck when his employment ended. Further, the village paid Christmas bonuses totaling \$350 to village employees and reserve police officers in December 2013. The remittance advices clearly indicate the checks were for payroll advances and Christmas bonuses. Those signing the checks, primarily Board Chairperson Byrd and Village Clerk Phillips, should have identified these as improper payments.

Advance payments of employee compensation are loans of the village's funds. The Board has no statutory authority to make loans and Article VI, Section 23, Missouri Constitution, specifically prohibits counties, cities, or other political subdivisions of the state from granting public money or things of value to any corporation, association, or individual.

Bonus payments appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, from June 14, 1955, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

Recommendations

The Board of Trustees:

- 6.1 Properly limit access to payroll records.
- 6.2 Monitor all payroll activity to ensure payroll taxes are withheld and deposited, and payroll checks are authorized. In addition, the Board should ensure payroll tax returns are filed timely and delinquent payroll taxes are remitted. The Board should also ensure I-9 and W-4 forms are maintained for all employees.
- 6.3 Ensure timesheets and time summaries are prepared and signed by employees and reviewed and approved by the Board, and employees record actual time worked. In addition, the Board should ensure the village's overtime policies are followed.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

- 6.4 Ensure the village's personnel policy is followed when determining employee benefits paid, and discontinue the practice of issuing checks for employees personal bills.
- 6.5 Discontinue paying employee bonuses and providing payroll advances. The Board should also ensure regular payroll checks are not issued prior to the pay period or end of the pay period to which they pertain.

Auditee's Response

- 6.1 *The village will consider improving controls to ensure employee records are properly secured at village hall.*
- 6.2 *As of the date of this response, the village has been utilizing the payroll function in QuickBooks and will continue processing payroll forms through the QuickBooks program. In addition, the program has a reminder feature to help with timely payroll tax returns and remittance of such forms. The village will ensure all required employment records are maintained for all employees.*
- 6.3 *As of the date of this response, proper procedures are in place to ensure timesheets and summaries are prepared, signed, and track actual time worked. This documentation is presented to the Chairman of the Board and Clerk for review and approval. Also, as of the date of this response, a personnel policy is in place and being followed when determining overtime/compensatory time.*
- 6.4 *As of the date of this response, a personnel policy is in place and being followed when determining employee benefits paid. The village stopped paying for employees personal bills.*
- 6.5 *As of the date of this response, procedures and practices are in place that have discontinued paying employee bonuses and payroll checks are issued after completion of work performed. All payroll checks are issued at the end of the pay period.*

7. Disbursements

Controls over disbursements need improvement.

7.1 Water and sewer services

The water/sewer contractor reads meters, replaces meters, provides maintenance and repair services, and collects water samples for testing. We identified the following concerns related to the water and sewer operator services:

- The village did not solicit bids for contracted water and sewer services or services to install water meters. Village Ordinance 94 requires village officials to solicit bids for the purchase of goods and services costing



Village of Leasburg Management Advisory Report - State Auditor's Findings

over \$2,000. Water and sewer services are not included on the list of bidding exemptions passed by the Board in November 2011.

- In a written statement, former Bookkeeper DeScheda indicated the water/sewer contractor is a relative of Board Chairperson Byrd who served on the Board until March 2014. Board Chairperson Byrd did not always abstain from voting on the contract approvals and payments to this relative. The village entered into a 2-year contract with this contractor in March 2013 and the Board Chairman signed the contract.
- The village did not adequately monitor the contract with the water/sewer contractor. The contract provides for various services, including collecting special water samples. However in September 2013, the village paid an additional \$200 for costs related to collecting water samples. In another instance, the village paid \$100 for the contractor to attend a conference sponsored by the Missouri Rural Water Association, which was not included in the contract terms.

The routine use of a competitive procurement process, which is required by village code for major purchases ensures the village has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in village business. Also, Board members serve in a fiduciary capacity and approving contracts and disbursements for relatives could create a conflict of interest and should be avoided. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so the public has assurance no village official has benefited improperly.

In addition, closely monitoring contractor performance with contract terms is important to ensure limited village resources and assets are used wisely and that expectations of village officials and the public are met.

7.2 Supporting documentation

The village did not maintain adequate supporting documentation for many disbursements. The only documentation for several disbursements was the check remittance advice. Examples of disbursements without adequate supporting documentation follow.

- The municipal division's cell phone was included on Board Chairperson Byrd's personal cell phone account from February 2012 to November 2012. The village issued reimbursement checks ranging from \$41 to \$53 monthly to Board Chairperson Byrd for the municipal division's portion of the account. However, Board Chairperson Byrd did not submit documentation to support these payments. In November 2012, the municipal division's cell phone was disconnected due to unpaid services. The village spent \$725 from December 2012 to February 2013



Village of Leasburg Management Advisory Report - State Auditor's Findings

to get the cell phone account in the village's name and resolve the unpaid balance.

- In December 2012, the village issued a check payable to petty cash in the amount of \$352. The check memo indicated winterizing supplies and materials. In November 2013, when we arrived at the village, adequate supporting documentation was not attached to the remittance advice, however, when records were subpoenaed in January 2014, a calculator tape was attached, signed by Village Clerk Phillips indicating the purchase of gloves, snow shovels, and antifreeze.

Detailed supporting documentation, such as itemized receipts and vendor invoices should be retained to ensure the obligation was actually incurred and the disbursement represents an appropriate use of funds.

7.3 1099-MISC forms

The village did not accurately report information on some 1099-MISC forms.

We compared the village's disbursement listing to the amount recorded on the water/sewer contractor's 1099-MISC form and identified a difference of \$1,155 from the total amount paid the vendor (\$29,700) and amount reported (\$28,585) on the 1099-MISC form. In addition, the 1099-MISC form issued to the village's attorney showed payments totaling \$8,350 were incorrectly reported as subsidized payments in lieu of dividends or interest rather than as nonemployee compensation.

To ensure compliance with IRS requirements, the village should establish procedures to ensure 1099-MISC forms are issued with accurate information.

7.4 Late fees and finance charges

The Village Clerk did not ensure bills were paid timely causing the village to incur late fees and finance charges. According to former Village Clerk Phillips, the Bookkeeper had this responsibility. However, the Village Clerk is responsible for supervising the Bookkeeper. Village officials also failed to monitor the village's cash balances incurring \$112 in bank minimum balance and overdraft charges.

Recommendations

The Board of Trustees:

- 7.1 Ensure bids are solicited for purchases of goods or services in accordance with village ordinance and policy and closely examine village transactions to identify apparent and actual conflicts of interest. The Board should also implement procedures to monitor contract compliance.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

- 7.2 Ensure sufficient supporting documentation is maintained for all disbursements.
- 7.3 Implement procedures to ensure 1099-MISC forms are accurately filed.
- 7.4 Implement procedures to ensure bills are paid timely and bank account balances are properly monitored to avoid late fees, finance charges, and bank overdraft fees.

Auditee's Response

- 7.1 *The village will ensure that bids are solicited when necessary. The village will thoroughly and consistently screen to avoid conflict of interest. The village will monitor contract compliance(s) scrutinizing and reviewing purchases of items avoiding improper use.*
- 7.2 *As of the date of this response, the village has implemented policy/procedure where proper documentation is provided for all checks. Documentation is provided to the Board along with checks before presentation for review and signatures.*
- 7.3 *As of the date of this response, the village has implemented the use of the tax form preparation feature in QuickBooks, which presents accurate records for filing 1099-MISC forms.*
- 7.4 *As of the date of this response, proper procedures are in place to ensure bills are paid timely and bank balances are properly monitored to help avoid late fees, finance charges, and bank overdrafts.*

8. Elected Officials and Election Procedures

A Board member's actions resulted in nepotism and the village has not established adequate procedures to ensure that individuals filing as candidates for the Board of Trustees meet statutory requirements to qualify as candidates. Election information was not submitted to the County Clerk prior to the deadline established by the state election authority.

8.1 Nepotism

According to the April 25, 2012, Board meeting minutes Board Chairperson Byrd voted to employ her son. Board meeting minutes subpoenaed on January 28, 2014, contained handwritten notes that were added to the official April 25, 2012, Board minutes on January 27, 2014, by Board Chairperson Byrd. The added notes indicate the minutes were not accurate when compared to the way Board Chairperson Byrd took the minutes during the meeting. Comments were also added indicating she did not vote on the employment of her son. In addition, in March 2013, Board Chairperson Byrd voted to contract with her first cousin's husband for water and sewer services and voted to hire another first cousin's husband to clean ditches in



Village of Leasburg Management Advisory Report - State Auditor's Findings

May 2011. The village provided us with a list of related parties, which we used in determining any nepotism and conflicts of interest.

Handwritten minutes for a February 24, 2014, Board meeting indicate Trustee Land made a motion to increase the village maintenance position, held by Board Chairperson Byrd's son, from a seasonal position to a year-round position and authorize a salary of \$672 per pay period. Only 3 trustees attended this meeting. Minutes indicate Board Chairperson Byrd abstained, and as a result, the increase in payroll costs were approved by only 2 of the village's 5 Trustees. On April 2, 2014, Trustee Land submitted a written letter to the Board indicating the February 24, 2014, minutes recording his actions regarding Byrd's son's employee status and maximum hours were inaccurate. In addition, we reviewed a text message sent to the Bookkeeper by Board Chairperson Byrd, authorizing a payroll disbursement in February 2014 for 2 weeks' gross wages totaling \$672 to her son. It is questionable whether the increase in compensation and change in position status was properly authorized and approved by the Board.

Section 80.070, RSMo, indicates at all meetings of the Board, a majority of the trustees shall constitute a quorum to do business. Additionally, Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. Because of the serious consequences resulting from appointing a relative, the Board should ensure its members abstain from any decision to appoint a relative and ensure that action is fully documented in the meeting minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so the public has assurance no village official has benefited improperly.

8.2 Candidate qualifications

The village has not established adequate procedures to ensure all candidates for the position of trustee are qualified to run for office.

- Although Trustee Kristina Richards pled guilty to a felony in 2005, she ran for the Board in April 2014 and was then appointed to fill a vacant seat in April 2014 after not being elected.
- Board Chairperson Byrd was listed on the April 2013 municipal election ballot when her village real estate and personal property taxes were in arrears for tax years 2011 and 2012. The last day for candidate certification for the April 2013 election was January 22, 2013. Board Chairperson Byrd's village property taxes were not paid until March 19, 2013.
- Trustee Jared West, elected to the Board in April 2013, owed 2012 village property taxes at the time he was elected to the Board. The



Village of Leasburg
Management Advisory Report - State Auditor's Findings

Village received a delinquent property tax list from the Crawford County Collector, which the Board reviewed on November 26, 2013. The list included Trustee West. He paid the delinquent taxes in June 2015.

Section 115.349, RSMo, states no candidate's name shall be printed on any official primary ballot unless the candidate has filed a written declaration of candidacy in the office of the appropriate election official and that if nominated and elected he or she will qualify and further states the declaration shall be subscribed and sworn to by the candidate before an official authorized to accept his or her declaration of candidacy. Section 115.350, RSMo,² states no person shall qualify as a candidate for elective public office if they have been convicted of, or have been found guilty of, or have pled guilty, to a felony under the laws of this state. Section 115.342, RSMo,³ provides that any person who files as a candidate for election to a public office, shall be disqualified from participation in the election if such person is delinquent in the payment of any state income taxes, personal property taxes, municipal taxes, or real property taxes on the place of residence, as stated on the declaration of candidacy.

8.3 Late municipal certification filings

Village officials failed to submit April 2012 Board candidate certifications to the Crawford County Clerk timely. The deadline for election certification to the County Clerk's office for the April 2012 election was 5:00 p.m. on January 24, 2012. That deadline was missed by the Village Clerk, requiring the village to hold its election in August 2012. The village incurred additional election costs totaling \$450 because the August 2012 election was a primary election that included candidates for federal office and fewer entities filed election certifications for that election.

Village officials again failed to submit Board candidate certifications to the county election authority timely for the April 2013 election. The village incurred \$550 in additional filing and attorney fees to provide the county election authority a required court order to have village candidates' names printed on the April 2013 election ballot.

² Section 115.350, RSMo, was repealed effective August 28, 2015. Section 115.306.1, RSMo (effective August 28, 2015), provides no person shall qualify as a candidate for elective public office if he/she has been found guilty of or pled guilty to a felony or misdemeanor under federal law or to a felony under state law.

³ Section 115.342, RSMo, was repealed effective August 28, 2015. Section 115.306.2.(1), RSMo (effective August 28, 2015), provides that any person who files as a candidate for election to a public office shall be disqualified from participation in the election for which the candidate has filed if such person is delinquent in the payment of any state income taxes, personal property taxes, municipal taxes, real property taxes on the place of residence, as stated on the declaration of candidacy.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

Section 115.125, RSMo, provides specific deadlines for candidate certification filings for each type of election with each governing election authority. In addition, as Missouri's chief election official, the Secretary of State provides an annual election calendar and valuable resources on the office's website to ensure integrity and fairness in Missouri elections.

Recommendations

The Board of Trustees:

- 8.1 Ensure Board members abstain from voting when a relative's appointment is involved and consult legal counsel regarding the village's position regarding this issue.
- 8.2 Ensure candidates for village office possess the statutory qualifications for holding office. The Board should also consider seeking legal advice from the Village Attorney regarding the current Board members without the statutory qualification to hold office.
- 8.3 Establish procedures to ensure municipal candidacy for elective official filings are submitted to the county election authority prior to the final certification deadline.

Auditee's Response

- 8.1 *The village will take every step to ensure proper abstaining from voting when required by law and will consult with legal counsel regarding the village's position on this issue.*
- 8.2 *The Village Attorney will prepare statutory summary and will work with the County Clerk and Election Authority if necessary.*
- 8.3 *As of the date of this response, the village has changed office procedures and practices to ensure proper submission to the county election authority and following all deadlines. The village will continue to closely monitor this issue.*

9. Monitoring of Excess Revenues

The village did not calculate the percent of annual general operating revenue from fines and court costs related to traffic violations for 2013 and 2014, determine whether excess revenues should be distributed to the state Department of Revenue (DOR), and provide an accounting of the percent in its annual financial report as required by state law.

The village's municipal division does not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected and transmitted to the village. In addition, the village's financial records do not provide a proper accounting of general operating revenues. This information is needed by the village to calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, determine whether excess revenues should be distributed to the



Village of Leasburg Management Advisory Report - State Auditor's Findings

state DOR, and provide an accounting of the percent in its annual financial report as required by state law. For 2013 we reviewed the court's monthly municipal division summary reporting forms submitted to the Office of State Courts Administrator to determine fines and court fees and village receipt records to determine total general operating revenue. Based on this information, the village may have collected excess court revenues.

The village's 2013 annual financial report was filed timely with the State Auditor's Office, but it did not provide an accounting of the percent. The village had not filed its 2014 annual financial report with the office as of September 10, 2015. That report was due by April 30, 2015, if unaudited and June 30, 2015, if audited. Also, with the completion of its current year (2015), the village will again be required to provide an accounting of the percent. Thus, the Board should work with the municipal division to develop records to identify applicable traffic violations and the related fines and court costs revenues to assist the city in complying with state law.

Section 302.341.2, RSMo, effective August 28, 2013, to August 28, 2015, was applicable for the scope of the audit and required cities to provide an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations (excess revenue calculation) in annual financial reports submitted to the SAO (as required by Section 105.145, RSMo), and required cities to remit any such revenues in excess of 30 percent of annual general operating revenue to the DOR. Section 302.341.2, RSMo, further provided that a city that was noncompliant with the law was subject to immediate loss of jurisdiction of the city's municipal court on all traffic-related charges until all requirements of the section were satisfied. Under Senate Bill 5 (2015), effective August 28, 2015, the sections related to excess revenues were further amended and moved to Section 479.359, RSMo.

Recommendation

The Board of Trustees work with the municipal division to develop procedures to monitor, track, and report excess revenues from traffic violations, and make appropriate payments to the DOR for any excess revenues.

Auditee's Response

The village will develop policies and procedures to monitor, track, and report fine/revenues collected and comply with state law to ensure the village stays under statutory thresholds with appropriate payments to the DOR for any excess revenues.

10. Sunshine Law Compliance and Ordinances

The village did not always ensure compliance with the Sunshine Law and significant improvement is needed with village ordinances.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

10.1 Board meetings

The village's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement. We noted the following problems with Board meetings and minutes.

Closed meetings

Closed meeting procedures need improved.

- Closed meetings were not always properly posted.
- Meeting minutes were not prepared for 32 of 46 closed Board meetings held from January 1, 2011, through December 9, 2014. In addition, closed meeting minutes are not always approved timely. For example, the meeting minutes for May 1, 2014, have not been approved by the Board. Meeting discussions on June 24, 2014, indicate the Board cannot agree on village business occurring at the meeting and as a result, the May 1, 2014, meeting minutes have not been approved as of April 2015.
- We identified numerous discussions in closed meetings that are not allowed by law. For example, the January 14, 2014, closed meeting minutes indicated discussions occurred regarding the village's contract with a security company. In another example, the Board discussed advertising employee positions in a June 24, 2014, closed meeting.

Meeting minutes

The Board procedures over meeting minutes need improved.

- Village officials were unable to locate official minutes for meetings prior to January 1, 2011. Meeting minutes are considered permanent records and should be archived and retained permanently according to the Secretary of State's established record retention guidelines for local government officials.
- Some open meeting minutes did not include the time and place of the meeting.

Conclusion

The minutes are the only official record of Board actions. Care should be taken to ensure minutes are complete and document discussions or reasons behind Board decisions. Inadequate or unclear minutes can lead to uncertainty as to the Board's intentions, possible incorrect interpretation by the general public or other outside entities of actions taken, and the inability to demonstrate compliance with legal provisions.

The Sunshine Law, Chapter 610, RSMo, limits discussions in closed meetings to only those specifically allowed by law; requires governmental bodies to prepare and maintain minutes of open and closed meetings; and requires minutes to include at a minimum the date, time, place, members present, members absent and votes taken, including roll call votes before closing a meeting. Further, to ensure all decisions are properly documented and minutes are properly maintained, meeting minutes should be prepared.



Village of Leasburg
Management Advisory Report - State Auditor's Findings

10.2 Ordinances

Ordinances are not comprehensive or maintained in an organized manner, village practices are not always consistent with ordinances, and the village has not established ordinances in all instances where needed.

- The Board's official meeting date and time is not set by ordinance. Section 80.060, RSMo, requires the Board to fix, by ordinance, the time and place of its meetings. In addition, many fees collected by the village are not authorized by ordinance. For example, Village Bill 202, approved in May 2008 and never assigned an ordinance number, covers the topic of authorizing the collection of bad check fees and indicates bad check fees are \$30; however, the village collects \$35 in bad check fees. Additionally, we noted the current ordinance governing the water system, Ordinance 400, does not allow for the collection of late fees.
- Ordinances are poorly maintained. Village officials have custody of 4 ordinance books, and many of the ordinances are old and are not updated. An index of all ordinances passed and rescinded by the village is not maintained making it difficult for the village to determine which ordinances are still active and which have been rescinded.

Since ordinances represent legislation passed by the Board to govern the village and its residents, it is important they are maintained in a complete, well-organized, and up-to-date manner.

Recommendations

The Board of Trustees:

- 10.1 Ensure all closed meetings are properly posted, prepare and properly approve minutes for all closed meetings, and limit discussions in closed meetings to only those specifically allowed by law. The Board should ensure meeting minutes are maintained in an orderly manner, include all information required by law, and prepared and approved for all meetings.
- 10.2 Maintain a complete updated set of village ordinances in an organized manner and adopt ordinances setting the rate for all village fees.

Auditee's Response

- 10.1 *As of the date of this response, the Board members have all been presented with the Sunshine Law Booklet for reading and reviewing to ensure all closed meetings are properly posted, minutes are prepared for all meetings, and discussions in closed meetings are limited to only those specifically allowed by law. The minutes are filed in an orderly manner, include all information required by law and are prepared in advance of the next Board meeting. At that next Board meeting, the previous meeting's minutes are available for review and are on the Board table for signatures when approved.*



Village of Leasburg
Management Advisory Report - State Auditor's Findings

10.2 *As of the date of this response, the village will review village ordinances with the goal of constructing a complete updated set of ordinances in an organized manner and adopt supplemental ordinances as necessary.*

11. Property Controls and Records

The village does not have adequate capital asset records and procedures.

11.1 Asset records and inventories

Capital asset records have not been updated since 2010; property is not tagged, numbered, or otherwise identified as village property; and an annual physical inventory is not performed. As a result, overall village property records are not complete and up to date. Additionally, some village assets could not be located.

- The April 22, 2014, Board meeting minutes indicate the Board approved the purchase of asset tags and employees performing a complete inventory of village property; however, no further actions have been taken by the Board as of April 2015.
- According to police report files, equipment owned by the village cannot be located. A review of police reports indicate witnesses provided statements on April 29, 2014, that the Board Chairperson's son was responsible for the removal of a brush hog on August 15, 2013, under the direction of the Board Chairperson and Village Clerk. On May 29, 2014, we discussed the missing equipment with former Board Chairman Land who indicated the village police officer was investigating this issue; however, no further action has been taken by the Board as of April 2015.

Adequate village property records and performance of annual physical inventories are necessary to secure better internal control over village property and provide a basis for determining proper insurance coverage. Property control tags help improve accountability and ensure assets are properly identified as village property.

11.2 Asset dispositions

The village has not maintained adequate records related to the disposition of capital asset items and no documentation was maintained to ensure these assets were disposed of properly.

On June 27, 2013, the Board reviewed 5 bids for the sale of a utility trailer. Two bidders, including the Board Chairperson's son, tied for the highest bid with the sale being awarded to the board member's son. Although the Board discussed an appropriate method of awarding the sale, no further discussion was documented to demonstrate how the Board determined to award the bid to the Board Chairperson's son. Board members serve in a fiduciary capacity



Village of Leasburg
Management Advisory Report - State Auditor's Findings

and approving the sale or disposal of assets to a relative, creates a conflict of interest and should be avoided. In addition, the village did not receive payment from the winning bidder until November 27, 2013.

Recommendations

The Board of Trustees:

- 11.1 Ensure property records are adequately maintained and include all pertinent information for each asset, such as cost, acquisition date, and identifying number; annual physical inventories are conducted; and village assets are tagged to display ownership.
- 11.2 Maintain documentation to support the disposition of all village assets and ensure asset sale proceeds are received timely. In addition, the Board should avoid situations where conflicts of interest exist.

Auditee's Response

- 11.1 The village will institute a policy whereby all property records are adequately maintained with identifying numbering with annual physical inventories and tagging.*
- 11.2 The village will develop a policy and procedures concerning disposition of valuable assets to convey accurate records and screen to avoid any conflict of interest and will ensure that monies from sales are received in a timely manner.*

Village of Leasburg

Organization and Statistical Information

The Village of Leasburg is located in Crawford County. The village was incorporated in 1919.

Village operations include law enforcement; water, sewer, and sanitation services; and recreational facilities.

Chairperson and Board of Trustees

The village government consists of a five-member board of trustees. The members are elected for 2-year terms. The Board of Trustees, at December 31, 2013, is identified below. Board trustees do not receive compensation. Board members vote for a Chairperson and Village Clerk each time they reorganize, which is usually once a year unless changes are made to the board prior to the annual election in April.

Kathy Byrd, Chairperson (1)
Nicky Phillips, Village Clerk (2)
Jared West (3)
Gary Land (4)
Debra Ransom (5)

(1) Kathy Byrd served as Trustee since 2007, served as Board Chairperson since 2008 and resigned in March 2014. Brenda Stephens was appointed in April 2014.

(2) Nicky Phillips served as Trustee since 2007, was appointed as Village Clerk upon her appointment to the Board and resigned in March 2014. Kristina Richards is the current Village Clerk and was appointed in June 2014 following her appointment to the Board in April 2014.

(3) Jared West was elected in April 2013 and serves as the current Chairman appointed in July 2014.

(4) Gary Land was elected in August 2012, served as Chairman from April 2014 until resigning from the Board in July 2014.

(5) Debra Ransom served as Village Clerk from April 2014 to June 2014.

Other Principle Officials

The village Bookkeeper, Police Chief, and Court Clerk are appointed positions. The village also employed 2 part-time employees at December 31, 2013. The village's principal officials at December 31, 2013, are identified below.

Tina DeScheda, Bookkeeper (1)
James Newcom, Police Chief (2)
Sandra Martin, Court Clerk

(1) Tina DeScheda was terminated in January 2014. Della Bishop was appointed Bookkeeper in January 2014.

(2) James Newcom was appointed as police officer in February 2011, began acting as the Police Chief in January 2014 and resigned in December 2014. Kim Devault was appointed as Police Chief in December 2014.

Village of Leasburg

Organization and Statistical Information

Financing Arrangements

The village issued \$126,000 in sewer revenue bonds in 1982, for the purpose of providing funds for extending and improving the Combined Waterworks and Sewerage System. The bonds are scheduled to be paid off in 2017. The remaining principal outstanding at December 31, 2013, was \$28,000. Interest remaining to be paid over the life of the bond totals \$3,575.

The Board issued \$135,000 in combined waterworks and sewerage system revenue bonds on April 25, 2005, for the purpose of providing funds for extending and improving the Combined Waterworks and Sewerage System. The bonds are scheduled to be paid off in January 2038 to the Registered Bondowner, the United States Department of Agriculture. The remaining principal outstanding at December 31, 2013, was \$107,997. Interest remaining to be paid over the life of the bond totals \$50,863.

The Board entered into a Small Borrower's Loan agreement with the Missouri Department of Natural Resources totaling \$17,401 in 2010, to replace water meters. The loan was obtained to provide matching funds as a condition of receiving \$94,069 in Community Development Block Grant funds for the purpose of financing the costs of drinking water improvements. The loan agreement is scheduled to be paid off in July 2030. The remaining principal outstanding at December 31, 2013, was \$15,001. Interest and administration fees remaining to be paid over the life of the bond totals \$2,038 and \$698, respectively.

Financial Activity and Questionable Transactions

A summary of the village's financial activity for the year ended December 31, 2013, is located at Appendix A. Supporting documentation for undeposited receipts and utility account adjustments is located at Appendix B and C, respectively.

Appendix A

Village of Leasburg

Schedule of Receipts, Disbursements, and Changes in Cash Balances - Cash Basis

Year Ended December 31, 2013

	General Account	Water Account*	Sewer Account*	Sanitation Account	Street Account	Court Account	Police Account	Escrow Account	Total
RECEIPTS									
Property taxes	\$ 8,073	0	0	0	0	0	0	0	8,073
Motor fuel and vehicle fees	0	0	0	0	12,246	0	0	0	12,246
Water, sewer, tap fees, trash and penalty	121,605	700	938	0	0	0	0	0	123,243
Court fines and costs	0	0	0	0	0	14,094	0	0	14,094
Permits, fees and other	1,766	141	16	0	0	0	1,905	1,200	5,028
Insurance reimbursement	0	0	18,513	0	0	0	0	0	18,513
Interest	0	12	21	0	0	0	0	0	33
Transfers in	51,175	44,916	43,622	17,785	200	333	4,653	0	162,684
Total Receipts	182,619	45,769	63,110	17,785	12,446	14,427	6,558	1,200	343,914
DISBURSEMENTS									
Salaries and fringes	34,030	0	0	0	0	1,878	548	0	36,456
Advertising	443	0	0	23	0	0	0	0	466
Insurance	8,922	0	0	0	0	0	0	0	8,922
Contract services	0	16,049	14,091	13,727	0	0	0	0	43,867
Professional services and fees	8,700	0	0	0	0	2,500	0	0	11,200
Membership dues and training fees	0	1,143	0	0	0	688	300	0	2,131
Supplies, materials and postage	3,029	1,580	714	0	1,066	269	426	0	7,084
Debt service	0	3,166	6,000	0	0	0	0	0	9,166
Interest	0	4,681	1,817	0	0	0	0	0	6,498
Equipment and equipment rental	1,567	710	1,315	0	0	0	4,513	0	8,105
Cash and petty cash	784	0	0	0	0	0	70	0	854
Fuel	1,697	0	0	0	0	0	0	0	1,697
Repair and maintenance	4,887	479	22,736	0	8	0	300	0	28,410
Utilities	5,612	0	0	0	0	0	0	0	5,612
Internet and phone	2,853	0	0	0	0	918	0	0	3,771
Bank charges	20	0	0	0	15	42	35	0	112
Other	1,483	0	451	0	0	591	0	200	2,725
Transfers out	107,608	21,032	18,361	783	10,992	2,173	1,735	0	162,684
Total Disbursements	181,635	48,840	65,485	14,533	12,081	9,059	7,927	200	339,760
RECEIPTS OVER (UNDER) DISBURSEMENTS	984	(3,071)	(2,375)	3,252	365	5,368	(1,369)	1,000	4,154
CASH, JANUARY 1, 2013	2,793	35,949	27,954	2,991	2,263	2,340	1,559	6,014	81,863
CASH, DECEMBER 31, 2013	\$ 3,777	32,878	25,579	6,243	2,628	7,708	190	7,014	86,017

*Includes related savings accounts

Appendix B

Village of Leasburg
Supporting Documentation of Undeposited Receipts

Date Received	Receipt Number	Purpose of Payment*	Customer Account Number	Method of Payment	Date Receipt was Deleted	Credit Memo Number	Receipt Amount
5/23/2011	328058	Pet tag	n/a	Cash	n/a	n/a	\$ 10.00
5/23/2011	328059	Pet tag	n/a	Cash	n/a	n/a	10.00
7/13/2011	328091	Business license	n/a	Cash	n/a	n/a	25.00
7/29/2011	793054	Copies	n/a	Cash	n/a	n/a	6.25
8/3/2011	793057	Pet tag	n/a	Cash	n/a	n/a	10.00
8/3/2011	793056	Utility deposit	Not indicated	Cash	n/a	n/a	100.00
8/5/2011	793061	Utility deposit	Not indicated	Cash	n/a	n/a	100.00
8/22/2011	793079	Utility deposit	Not indicated	Cash	n/a	n/a	100.00
8/26/2011	793081	Pet tag	n/a	Cash	n/a	n/a	10.00
9/9/2011	793087	Utility deposit	Not indicated	Cash	n/a	n/a	100.00
9/12/2011	793088	Pet tag	n/a	Cash	n/a	n/a	10.00
10/5/2011	793106	Pet tag	n/a	Cash	n/a	n/a	10.00
10/21/2011	793121	Bad check/fee	Not indicated	Cash	n/a	n/a	109.47
1/6/2012	793174	Bad check/fee	71	Cash	n/a	n/a	116.11
2/27/2012	340017	Utility payment	210	Cash	10/9/2013	n/a	81.11
3/5/2012	340019	Pet tag	n/a	Cash	n/a	n/a	10.00
3/5/2012	340020	Utility payment	245	Cash	11/6/2013	5508	77.35 A
3/7/2012	340021	Utility payment	190	Cash	11/6/2013	5551	107.35 A
3/7/2012	340022	Utility payment	166	Cash	11/6/2013	5547	71.35 A
3/7/2012	340023	Utility payment	28	Cash	11/6/2013	n/a	71.35
3/9/2012	340024	Utility payment	42	Cash	11/6/2013	5538	65.35 A
3/12/2012	340026	Utility deposit	Not indicated	Cash	n/a	n/a	100.00
3/12/2012	340025	Utility payment	210	Cash	10/9/2013	n/a	88.05
3/14/2012	340027	Utility payment	305	Cash	11/6/2013	5545	59.35 A
3/16/2012	340030	Building permit	40	Cash	n/a	n/a	259.40
3/16/2012	340028	Utility payment	234	Cash	11/6/2013	5562	65.35 A
3/21/2012	340029	Utility payment	40	Cash	10/9/2013	n/a	82.02
3/22/2012	340031	Copies	n/a	Check	n/a	n/a	0.30
3/23/2012	340032	Utility payment	25	Cash	11/6/2013	5533	68.22 A
3/23/2012	340033	Utility payment	253	Cash	11/6/2013	n/a	108.72
3/23/2012	340034	Utility payment	Not indicated	Cash	11/6/2013	5516	75.11 A
3/23/2012	340035	Utility payment	Not indicated	Cash	11/6/2013	5688	71.35 A
3/26/2012	340036	Utility payment	71	Cash	10/9/2013	n/a	86.38
3/26/2012	340038	Utility payment	350	Cash	11/6/2013	n/a	81.00
3/26/2012	340039	Utility payment	182	Cash	11/6/2013	n/a	81.25
3/26/2012	340040	Utility payment	19	Cash	11/6/2013	n/a	176.83
4/9/2012	340042	Pet tag	n/a	Not indicated	n/a	n/a	10.00
4/9/2012	340041	Utility payment	211	Cash	11/6/2013	5558	60.00 A
4/11/2012	340043	Utility payment	28	Cash	10/9/2013	n/a	65.35
4/11/2012	340044	Utility payment	190	Cash	11/6/2013	5552	107.35 A
4/13/2012	793198	Utility payment	245	Cash	n/a	5509	71.35 A
4/13/2012	340052	Utility payment	30	Cash	11/6/2013	n/a	60.00
4/13/2012	340055	Utility payment	42	Cash	11/6/2013	5539	60.00 A
4/16/2012	340045	Utility payment	10	Cash	11/6/2013	5517	69.12 A
4/16/2012	340046	Utility payment	12	Cash	11/6/2013	5520	72.72 A
4/16/2012	340047	Utility payment	250	Cash	11/6/2013	5563	81.42 A
4/20/2012	340049	Utility payment	25	Cash	11/6/2013	5534	68.22 A
4/20/2012	340050	Utility payment	Not indicated	Cash	11/6/2013	5528	65.35 A
4/23/2012	340051	Utility payment	182	Not indicated	11/6/2013	n/a	76.00
4/23/2012	340053	Utility payment	210	Cash	n/a	n/a	52.50
4/23/2012	340054	Utility payment	Not indicated	Not indicated	11/6/2013	n/a	111.54
4/23/2012	340057	Utility payment	242	Cash	11/6/2013	n/a	94.55
4/23/2012	340058	Utility payment	71	Cash	10/9/2013	n/a	76.02
4/23/2012	340059	Utility payment	40	Cash	10/9/2013	n/a	76.02
5/4/2012	340062	Utility payment	245	Cash	11/6/2013	5510	71.35 A
5/7/2012	340063	Utility payment	211	Not indicated	11/6/2013	5559	58.70 A
5/11/2012	340070	Pet tag	n/a	Cash	n/a	n/a	10.00
5/16/2012	340075	Utility payment	166	Cash	11/6/2013	5548	81.11 A

Appendix B

Village of Leasburg
Supporting Documentation of Undeposited Receipts

Date Received	Receipt Number	Purpose of Payment*	Customer Account Number	Method of Payment	Date Receipt was Deleted	Credit Memo Number	Receipt Amount	
5/25/2012	340078	Pet tag	n/a	Cash	n/a	n/a	10.00	
5/29/2012	340083	Utility payment	151	Cash	n/a	5455	83.35	A
6/25/2012	340120	Utility payment	233	Cash	11/6/2013	n/a	120.00	
6/25/2012	340121	Utility payment	40	Cash	11/6/2013	n/a	90.00	
6/26/2012	340127	Pet tag	n/a	Cash	n/a	n/a	10.00	
6/27/2012	340122	Utilities and reconnect fee	351	Cash	11/6/2013	n/a	114.70	
6/29/2012	340126	Pet tag	n/a	Not indicated	n/a	n/a	10.00	
7/2/2012	340128	Pet tag	n/a	Cash	n/a	n/a	10.00	
7/2/2012	340129	Pet tags	n/a	Cash	n/a	n/a	20.00	
7/9/2012	340136	Pet tag	n/a	Not indicated	n/a	n/a	10.00	
7/11/2012	340138	Pet tag	n/a	Cash	n/a	n/a	10.00	
7/13/2012	340139	Bad check/fee	Not indicated	Cash	n/a	n/a	106.35	
7/16/2012	340145	Pet tag	n/a	Cash	n/a	n/a	10.00	
7/18/2012	340148	Pet tag	n/a	Cash	n/a	n/a	10.00	
7/23/2012	340157	Pet tags	n/a	Cash	n/a	n/a	20.00	
7/23/2012	340155	Utility payment	20	Cash	11/6/2013	n/a	145.02	
8/3/2012	340162	Pet tags	n/a	Cash	n/a	n/a	20.00	
8/3/2012	340160	Utility deposit	Not indicated	Cash	n/a	n/a	100.00	
8/6/2012	340163	Pet tag	n/a	Cash	n/a	n/a	10.00	
8/22/2012	340176	Utility payment	303	Cash	10/9/2013	n/a	82.82	
8/22/2012	340177	Utility payment	350	Cash	11/6/2013	n/a	129.32	
8/24/2012	340178	Not indicated	Not indicated	Cash	11/6/2013	n/a	0.02	
8/27/2012	340182	Utility deposit	Not indicated	Cash	n/a	n/a	100.00	
8/27/2012	340179	Utility payment	25	Cash	11/6/2013	5532	70.00	A
8/27/2012	340180	Utility payment	210	Cash	11/6/2013	n/a	68.12	
9/7/2012	340184	Utility payment	Not indicated	Not indicated	n/a	n/a	75.00	
9/7/2012	340185	Utility payment	104	Check	n/a	n/a	168.12	
9/7/2012	340186	Utility payment	186	Check	n/a	n/a	59.35	
9/19/2012	340198	Utility deposit	Not indicated	Not indicated	n/a	n/a	100.00	
9/19/2012	340199	Utility payment	12	Cash	11/6/2013	n/a	71.27	
9/19/2012	340200	Utility payment	179	Not indicated	11/6/2013	5550	68.22	A
9/21/2012	169801	Utility payment	19	Cash	11/6/2013	5526	133.62	A
9/27/2012	169806	Building permit	n/a	Cash	n/a	n/a	9.60	
9/27/2012	169807	Not indicated	Not indicated	Cash	n/a	n/a	15.00	
10/5/2012	169810	Pet tag	n/a	Cash	n/a	n/a	10.00	
10/15/2012	169820	Utility payment	71	Cash	11/6/2013	5541	71.35	A
10/17/2012	169821	Utility payment	10	Cash	11/6/2013	5518	65.35	A
10/17/2012	169822	Utility payment	161	Cash	11/6/2013	5546	101.35	A
10/17/2012	169823	Utility payment	25	Cash	11/6/2013	n/a	64.68	
10/19/2012	169824	Utility payment	351	Cash	11/6/2013	n/a	65.35	
11/8/2012	169840	Utility payment	207	Cash	11/6/2013	n/a	71.35	
11/14/2012	169841	Utility payment	351	Cash	11/6/2013	n/a	75.12	
11/14/2012	169842	Utility payment	71	Cash	n/a	5542	77.35	A
11/19/2012	169845	Utility deposit	Not indicated	Cash	n/a	n/a	100.00	
12/3/2012	169847	Utility payment	82	Cash	11/6/2013	5513	77.35	A
12/3/2012	169848	Utility payment	163	Cash	11/6/2013	n/a	59.35	
12/5/2012	169849	Utility payment	190	Cash	11/6/2013	5553	59.35	A
12/10/2012	169850	Utility payment	253	Cash	11/6/2013	n/a	120.00	
12/11/2012	169851	Utility payment	207	Cash	11/6/2013	n/a	80.00	
12/14/2012	169853	Utility payment	71	Cash	11/6/2013	5543	77.35	A
12/14/2012	169854	Utility payment	166	Cash	11/6/2013	5549	71.35	A
12/14/2012	169855	Utility payment	9	Cash	11/6/2013	5515	83.35	A
12/17/2012	169857	Utility payment	12	Cash	11/6/2013	5522	81.12	A
12/17/2012	169858	Utility payment	191	Cash	11/6/2013	5555	106.32	A
1/7/2013	169869	Utility payment	184	Cash	n/a	n/a	20.00	
4/19/2013	169937	Pet tag	n/a	Check	n/a	n/a	10.00	
5/8/2013	169956	Pet tag	n/a	Cash	n/a	n/a	10.00	
5/31/2013	169968	Pet tag	n/a	Cash	n/a	n/a	10.00	

Appendix B

Village of Leasburg
Supporting Documentation of Undeposited Receipts

Date Received	Receipt Number	Purpose of Payment*	Customer Account Number	Method of Payment	Date Receipt was Deleted	Credit Memo Number	Receipt Amount	
6/3/2013	169972	Copies	n/a	Cash	n/a	n/a	0.60	
6/3/2013	169970	Mobile home permit	n/a	Cash	n/a	n/a	25.00	
6/3/2013	169969	Pet tag	n/a	Cash	n/a	n/a	10.00	
6/10/2013	169976	Pet tags	n/a	Cash	n/a	n/a	20.00	
6/15/2013	169987	Utility payment	103	Cash	11/6/2013	5494	53.35	A
6/17/2013	169983	Bad check/fee	233	Cash	n/a	n/a	79.35	
6/19/2013	169985	Utility payment	140	Cash	11/6/2013	5544	173.05	A
6/20/2013	169988	Utility payment	30	Cash	11/6/2013	5501	60.00	A
7/1/2013	169990	Pet tag	n/a	Cash	n/a	n/a	10.00	
7/15/2013	339012	Utility payment	103	Cash	11/6/2013	5468	54.11	A
7/15/2013	339013	Utility payment	151	Cash	11/6/2013	5497	78.59	A
8/5/2013	339016	Pet tag	n/a	Cash	n/a	n/a	10.00	
8/12/2013	339018	Utility payment	19	Cash	11/6/2013	5527	121.55	A
8/12/2013	339019	Utility payment	190	Cash	11/6/2013	5554	60.23	A
8/12/2013	339021	Utility payment	173	Cash	11/6/2013	5537	56.18	A
8/23/2013	339032	Utility deposit	Not indicated	Cash	n/a	n/a	100.00	
8/23/2013	339034	Utility payment	250	Cash	11/6/2013	5564	75.53	A
8/30/2013	339037	Pet tag	n/a	Check	n/a	n/a	20.00	
9/9/2013	339044	Pet tag	n/a	Cash	n/a	n/a	20.00	
9/11/2013	339047	Utility deposit	Not indicated	Cash	n/a	n/a	100.00	
9/23/2013	339058	Utility payment	210	Cash	11/6/2013	5514	90.34	A
9/30/2013	339060	Copies	n/a	Cash	n/a	n/a	1.80	
10/11/2013	339068	Utility deposit	Not indicated	Cash	n/a	n/a	100.00	
10/11/2013	339069	Utility deposit	Not indicated	Cash	n/a	n/a	100.00	
10/23/2013	339076	Utility payment	12	Cash	11/6/2013	5523	70.14	A
10/25/2013	339077	Utility payment	193	Cash	11/6/2013	5556	93.09	A
10/25/2013	339078	Utility payment	30	Cash	11/6/2013	5498	65.00	A
10/28/2013	339080	Utility payment	10	Cash	11/6/2013	5519	157.38	A
10/28/2013	339084	Utility payment	352	Cash	11/6/2013	n/a	10.00	
11/1/2013	339085	Utility payment	195	Cash	11/6/2013	n/a	70.14	
11/4/2013	339086	Utility payment	82	Cash	n/a	n/a	79.39	
11/8/2013	339087	Utility payment	245	Cash	11/6/2013	n/a	73.27	
11/8/2013	339088	Utility payment	6	Cash	n/a	n/a	61.03	
11/8/2013	339089	Utility payment	166	Cash	n/a	n/a	67.15	
11/25/2013	339099	Utility payment	351	Cash	n/a	n/a	75.00	
							<u>\$ 9,971.28</u>	

* - Utility payments include monthly charges for water, sewer, and trash.

A - Total of receipts entered into accounting system, not deposited, and corresponding credit memo issued is \$3,962.79.

Note: There is a difference of \$78.86 between the total receipts not deposited and the corresponding credit memo amounts (see Appendix C). Several corresponding credit memos were issued for amounts different than the original receipt.

Appendix C

Village of Leasburg

Supporting Documentation of Credit Memos Used to Conceal Theft and Reduce Account Balances

Credit Memos Used to Conceal Theft

Credit Memo Number	Date of Credit Memo	Transaction Number	Utility Account Number	Credit Amount	
5455	5/1/2012	13288	151	\$ 83.35	B
5468*	7/1/2013	13301	151	78.59	B
5494	6/1/2013	13361	103	53.35	A
5497*	7/1/2013	13364	103	54.11	A
5498*	10/1/2013	13506	30	62.19	
5501*	6/1/2013	13509	30	53.35	
5508	3/2/2012	13516	245	77.35	
5509	4/1/2012	13517	245	71.35	
5510	5/1/2012	13518	245	71.35	
5513	12/1/2012	13521	82	77.35	
5514	9/1/2013	13522	210	90.34	
5515	12/1/2012	13537	9	83.35	
5516	3/2/2012	13538	10	75.11	
5517	4/2/2012	13539	10	69.12	
5518	10/1/2012	13540	10	65.35	
5519*	10/1/2013	13541	10	82.38	
5520	4/1/2012	13542	12	72.72	
5522	12/1/2012	13548	12	81.12	
5523	10/1/2013	13549	12	70.14	
5526	9/1/2012	13552	19	133.62	
5527	8/1/2013	13553	19	121.55	
5528	3/2/2012	13554	20	65.35	
5532*	8/1/2012	13558	25	69.02	
5533	9/1/2012	13559	25	68.22	
5534	10/1/2012	13560	25	68.22	
5537*	8/1/2013	13563	351	54.11	
5538	3/2/2012	13564	42	65.35	
5539*	4/1/2012	13565	42	59.35	
5541	10/1/2012	13567	71	71.35	
5542	11/1/2012	13568	71	77.35	
5543	12/1/2012	13569	71	77.35	
5544*	6/1/2013	13570	140	182.35	
5545	3/2/2012	13571	305	59.35	
5546	10/1/2012	13572	161	101.35	
5547	3/2/2012	13573	166	71.35	
5548	5/1/2012	13574	166	81.11	
5549	12/1/2012	13575	166	71.35	
5550	9/1/2012	13576	179	68.22	
5551	3/2/2012	13577	190	107.35	
5552	4/1/2012	13578	190	107.35	
5553	12/1/2012	13579	190	59.35	
5554	8/1/2013	13580	190	60.23	
5555	12/1/2012	13581	191	106.32	
5556	10/1/2013	13582	193	93.09	
5558*	4/1/2012	13584	211	59.35	
5559*	5/1/2012	13585	211	59.35	
5562	3/2/2012	13588	234	65.35	
5563	4/1/2012	13589	250	81.42	
5564	8/1/2013	13590	250	75.53	
5688	3/12/2012	13733	307	71.35	
Total credit memos used to conceal theft				\$ 3,883.93	

Appendix C

Village of Leasburg

Supporting Documentation of Credit Memos Used to Conceal Theft and Reduce Account Balances

Credit Memos Issued to Reduce Account Balances

Credit Memo Number	Date of Credit Memo	Transaction Number	Utility Account Number	Credit Amount	
5451	1/1/2012	13284	103	\$ 71.35	A
5452	1/1/2012	13285	151	71.35	B
5453	3/2/2012	13286	151	95.35	B
5454	4/1/2012	13287	151	83.35	B
5456	6/1/2012	13289	151	95.35	B
5457	7/1/2012	13290	151	107.35	B
5458	8/1/2012	13291	151	90.15	B
5459	9/1/2012	13292	151	89.35	B
5460	10/1/2012	13293	151	77.35	B
5461	12/1/2012	13294	151	95.35	B
5462	1/2/2013	13295	151	83.35	B
5463	2/1/2013	13296	151	89.35	B
5464	3/1/2013	13297	151	77.35	B
5465	4/1/2013	13298	151	71.35	B
5466	5/1/2013	13299	151	77.35	B
5467	6/1/2013	13300	151	77.35	B
5469	8/1/2013	13302	151	72.47	B
5470	9/1/2013	13303	151	84.71	B
5471	10/1/2013	13304	151	78.59	B
5472	2/1/2012	13339	103	71.35	A
5473	3/2/2012	13340	103	77.35	A
5474	4/1/2012	13341	103	71.35	A
5475	5/1/2012	13342	103	71.35	A
5476	6/1/2012	13343	103	77.35	A
5477	7/1/2012	13344	103	71.35	A
5487	8/1/2012	13354	103	72.15	A
5488	9/1/2013	13355	103	77.35	A
5489	10/1/2013	13356	103	59.35	A
5490	11/1/2012	13357	103	53.35	A
5491	12/1/2012	13358	103	53.35	A
5492	1/2/2013	13359	103	53.35	A
5493	3/1/2013	13360	103	59.35	A
none	8/1/2012	13510	30	68.12	
5504	4/1/2012	13512	30	53.35	
5505	3/2/2012	13513	182	81.12	
5506	4/1/2012	13514	182	76.02	
5511	4/1/2012	13519	242	91.62	
5521	9/1/2012	13547	12	75.12	
5524	2/1/2012	13550	19	94.01	
5525	3/12/2012	13551	19	101.82	
5529	7/1/2012	13555	20	70.02	
5530	8/1/2012	13556	20	69.02	
5535	10/1/2013	13561	25	74.43	
5557	3/2/2012	13583	211	74.22	
5560	6/1/2012	13586	233	44.35	
5565	12/1/2012	13591	253	101.35	
5689	12/1/2013	13887	307	10.00	
5690	11/1/2013	13910	30	15.73	
Total credit memos issued to reduce account balances				<u>\$ 3,556.82</u>	
Total of all credit memos				<u><u>\$ 7,440.75</u></u>	

* Credit memo issued for a different amount than receipt.

A - Former Chairperson Byrd's account. Sixteen credit memos totaling \$1,047.16 were issued for this account.

B - Former Bookkeeper DeSheda's husband's account. Twenty credit memos totaling \$1,678.76 were issued for this account.

Village of Leasburg

Comments from Former Village Officials

The State Auditor's Office also discussed audit results with the former Board Chairperson and former Village Clerk because they, along with the former Bookkeeper, were primarily responsible for financial and accounting functions of the village for the period of our audit. Meetings with these individuals were held subsequent to fieldwork completion and their comments follow.

Comments from former Board Chairperson Byrd:

- 1 With regard to former bookkeeper Tina DeScheda's written statement to the State Auditor's Office, the Village of Leasburg never paid for any of my personal items. In fact, I spent my own funds numerous times for gas for Village vehicles and general office supplies. As far as credit memos to my account, there were numerous credit memos distributed throughout the village resident accounts that were done in QuickBooks. I have no knowledge of this software program and never had a desire to learn. I paid in cash, as did the others, but because I trusted our Bookkeeper I never requested a receipt. It was the sole responsibility of the Bookkeeper to receive utility payments, enter them into the accounting software, prepare and make bank deposits, as well as the bank reconciliations. On January 7, 2014, I received a phone call from former Clerk Phillips asking me to come to Village Hall. When I arrived I was informed of a bank deposit that was missing along with a resident's cash utility payment. Because of the missing monies I had no other recourse but to place the former Bookkeeper on administrative leave until I could convene with the other trustees for a closed session meeting concerning the matter. After much discussion, the trustees voted unanimously to terminate former Bookkeeper Tina DeScheda.
- 2.1 In April 2007, when I was first elected to the Board, the prior Board had depleted all reserve and restricted accounts. Therefore, the current Board had to allocate funds where they could to meet bond requirements. It happened that more funds were put in the Debt Service Account which exceeded the maximum amount allowed by the ordinance. The Board was informed by DNR that the excess monies needed to be taken out of that account at which time an account for Maintenance and Replacement expenditures was set up for the Water/Wastewater System.

In January 2014, the police officer requested that the Board allocate \$800 for continuing education for himself as well as the reserve officers which was approved by the Board. Then Board Clerk Phillips and I resigned in March 2014. Sometime after, the police officer and reserve officers resigned.
- 3.1 Payables were approved at the monthly Board meeting and checks needed to be signed so the Bookkeeper could get them in the mail the next day. This required staying after the Board meeting was adjourned and Clerk Phillips and I were the only ones willing to stay after the meeting. Trustee Gary Land had been appointed to sign checks as well and he would if he absolutely had no choice in the matter.
- 5.1 There are 6 (six) residents that do not have Village utilities. These properties are all located on Riegler Drive, which is on the other side of the railroad tracks. According to the history surrounding the water/wastewater system inception, those particular properties were not in the Village limits. It is not financially feasible to extend Village utilities to those 6 residents.

In March 2014, Board officials were not aware of the meter replacement agreement related to the CDBG because they were a new Board and were not present when the grant/loan took place. The small borrowers loan monies were for meters and necessary parts only. The Village was responsible for all labor, equipment rental, rock, etc. All meters and parts were ordered, the invoice submitted to CDBG program, and funds



Village of Leasburg
Comments from Former Village Officials

deposited at which time a check for the invoiced amount was produced. Therefore, it is inaccurate to say that grant monies were used for anything but meters and necessary parts.

CDBG program officials were fully aware that the Village would be replacing meters every 2-3 months as funds allowed. Not knowing how long that would take I was asked to sign off on the program so they could proceed on their end.

- 5.2 There are 8 (eight) residents who do not pay trash fees in the Village. The sanitation vendor refuses to pick up one resident because they were threatened with a gun, a second because they have a very large family and require a large dumpster, and a third resident who was forced by the Board prior to 2007 to have a water meter placed for a bed and bath that was added onto their residence. The remaining residents live on Riegler Drive and there is nowhere for the trash truck to turn around.
- 5.3 The Village had to apply for an emergency grant for a new well with the USDA and DNR in 2008. During a conference call with multiple entities, we were told that our rates were extremely substandard and would have to be increased 2 percent now and every year thereafter until ample monies were available for repairs and maintenance of the system. The reasoning for this was if they were going to invest a maximum of \$500,000 the Village had to have the funds to maintain the system.
- 5.5 Late fees are assessed on utility statements after the 15th of each month, therefore, Ordinance 400 should be amended. Any utilities not paid in full by the 4th Monday of the month would have their water meter turned off and locked until the entire invoice along with a reconnect fee of \$75 was paid. It was discussed and approved by the Board to give every resident 1 (one) "Free Pass" with regard to the \$75 reconnect fee. We were instructed by legal counsel that there was nothing illegal in doing this as long as every resident was treated equally.
- 5.6 Historically there had never been an escrow account for utility deposits for new service and in 2007 the new Board had no idea that there should be one. In 2010, when the Village hired a retired auditor, she was the one to bring it to our attention. The then Village Clerk and Board Chairperson had to manually pull each resident file to discern how much should be in escrow for refundable deposits. If memory serves me correctly we just had to list each resident paid a \$50 deposit based on what it was at that time. There were people still living in the Village that were here before the water and sewer systems were put in but back then they had to pay \$125 for their hook up and there had to be a certain amount of residents who wanted the service before the Village would run the lines. Therefore, it was impossible to actually know how much the deposit was in the past.
- 7.1 In 2007, an individual was hired to maintain the water/sewer system at the request of residents. This lasted two weeks and the individual quit because of the work involved. At that time a routine competitive procurement process was followed. The current water/sewer contractor was the only one to respond. January 2008 is when our well went down and the contractor worked around the clock to ensure the Village had water and he saw the new well and standpipe projects through to completion gaining him the knowledge of our entire system, which proved to be invaluable to the Village. Since 2007 when the first contract was signed between the Village and the water/sewer contractor there has been no rate increase at all. The only thing that was added to the contract in 2013 was for court appearances because those would cause him to miss work for upwards of a full day. Other than that the contract has not changed.



Village of Leasburg
Comments from Former Village Officials

With regard to me being related to the water/sewer contractor, he didn't even start dating my cousin until a few years after coming to work for the Village. Technically after they were married he did become my 4th cousin according to the Missouri Ethics Commission. Unfortunately I never thought of him as a relative but as our water/sewer contractor.

- 10.1 Prior to my resignation, there were meeting minutes dating back to at least 2005, but prior to that were a little sketchy due to a fire. However, it is a fact that a Board member had been taking documents from the Village Hall so I can only assume that's where they went.
- 11.1 With regards to a brush hog or any duties of the maintenance personnel, I did not get involved. Oversight of those duties were managed by then Clerk Nicky Phillips and Trustee Gary Land.

Comments from former Village Clerk Phillips:

1. In regards to the statements of the auditor concerning me re-performing reconciliations on the Village accounts, I did not do this without contacting the State Auditor's Office to discuss correcting any errors found in the preparation for the audit. The State Auditor's Office recommended corrections be made to records when errors were found. However in doing so I didn't realize the prior reconciliation records had been removed from the Village in some manner. All reconciliation records were kept in each account's folder and labeled as so. It was the duty of the previous Village Bookkeeper to perform the monthly reconciliations and print each record and to ensure all reconciliations and re-reconciliation records were filed once completed.

In January 2014 the State Auditor's Office received a statement from the Village's former Bookkeeper stating how I used Village funds to pay personal expenses for former Chairperson Byrd as well as altered records to alter payments from other existing customers to report former Chairperson Byrd's and former Bookkeeper DeScheda's accounts as paid. However, if I had been able to obtain the prior reconciliation records as stated above it would have given the balances prior to the changes to show when those changes were made as well as where the credit memos were applied. The action of manipulating records by credit memos or otherwise was not the actions of myself nor in anyway was I aware of the actions prior to preparing for the audit at which time I found the credit memos and reported them directly to the State Auditor's Office as well as the rest of the Board. I in no way agree with former Bookkeeper DeScheda's statements and this is only one of many actions within the Village books that hid missing monies and the manipulation of records as well as concealing these actions. These actions were not completed by me, who resided on the Board from September 2007 through March 2014.

- 2.3 The Village Board never received a notice from USDA in May 2013 indicating the 2011 and 2012 village financials had not been received. Therefore they could not comply with the request resulting in the further action letter produced by the USDA. According to my and the rest of the Board's knowledge at that time the 2011 financials as well as the 2012 financials had been completed and given to the former Bookkeeper to send in with the appropriate printouts requested with those forms. However an audit was not completed. I, as well as the other Board members at that time, thought we were in compliance by completing the year-end financials produced by the USDA as well as the paperwork requested by the State Auditor's Office in lieu of an audit.



Village of Leasburg
Comments from Former Village Officials

4.1

&4.2 At the time I left the Board in March 2014 it was to my knowledge that any and all receipts and checks made to cash that were issued to show cash register withdrawals, which included the petty cash fund, were in the Village folder labeled accordingly. Then forwarded to the State Auditor's Office via subpoena. All withdrawals were to be recorded into the Village's financial records each month by the former Village Bookkeeper.

5.1 According to Village records there are 6 residents not connected to the Village utility system. Estimating based on 2013/2014 water/sewer rates and using an average monthly usage of 5,000 gallons an estimate of \$4,560 in utility revenues are not being received. However, 5 of these households reside on the far southeast area of the village and could require the Village to install pumping stations and access under the railroad which would create additional expenses as well as loans for the Village greater than the annual income these households would generate. Therefore the municipal ordinance needs to be updated to exclude these residences so to comply with the Village's bonds.

5.2 According to Village records eight (8) residents do not participate in the trash services provided by the Village, five (5) of those residents are because they cannot participate in the water/sewer services due to location, however three (3) of those residents do not participate for other reasons that are unforeseen circumstances that each Village, Town and/or municipality may have. The 3 residents that do not participate are, first (1) a resident created an environment the sanitation company was not comfortable with and will not provide that resident with any further services. The second (2) resident requested a full size dumpster for their residence and the Village's contractor could not provide this service within the Village's contract. The third (3) resident is an addition onto an already existing home that pays for the resident's trash services. However, the sanitation contract and Village ordinance #400 should be updated to exclude the 8 residences so they shall be in compliance with state and local laws.

6.2 I was not responsible for filing federal tax reports as well as the 941 form. This was the duty of the former Bookkeeper each quarter. The Board was not informed of these taxes not being paid in a timely manner. The former Bookkeeper did not forward delinquent tax notices to the Board.

6.3 At the time the maintenance worker was employed by the Village, he compiled and then signed his timesheets prior to turning them in to me. I would re-enter the information onto the Village time sheets attaching the original and initialing them. All timesheets were turned in to former Bookkeeper DeScheda for payroll processing.

When I left the Board in March 2014 all hours were compensated by the police officer and all documentation was present to adequately show the recoupment of compensation hours paid.

8.1 A statement received by me states that the handwritten minutes from the February 24, 2014, meeting were accurate and true and passed by 2 of the 3 Board members present, me, former Board member Gary Land and former Chairperson Kathy Byrd, and those minutes were approved at the following meeting. Former Board member Gary Land did in fact make the motion to increase the maintenance position to full time with a \$672 salary. Current Board member Debra Ransom refused to attend the meeting and current Chairperson Jared West was unavailable at the time. Directly after the motion was cast by Land and seconded by me, it was considered passed by majority present at the meeting, Board members Ransom and West were present for an executive session after that motion passed and none of the Board members brought the vote of the



Village of Leasburg
Comments from Former Village Officials

maintenance position back to the table for discussion prior to adjourning the meeting. Mr. Land chose to submit a letter to the Board on April 2, 2014, after me and former Chairperson Kathy Byrd had left the Board, indicating the Board minutes recording his vote were inaccurate. However he signed the maintenance worker's payroll check, check #3012 dated February 27, 2014, for the \$672 salaried amount and voted to pass the February 24, 2014, minutes which contained his vote.

- 10.1 Former Chairperson Kathy Byrd and I stated that at the time we left the village in March 2014 all meeting minutes were accounted for and dated back to 2007 and kept within village hall.



Nicole R. Galloway, CPA
Missouri State Auditor

Phelps County



November 2015
Report No. 2015-117

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Phelps County

Prosecuting Attorney's Controls and Procedures	The prosecuting attorney has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting records. The prosecuting attorney does not restrictively endorse checks and money orders immediately upon receipt and does not deposit receipts timely.
Property Tax System Controls and Procedures	The county clerk and/or county commission do not adequately review the county collector's financial activities, including property tax collections. The county clerk does not maintain an account book or other records summarizing property tax records, and as a result, has not verified the accuracy of the county collector's annual settlement filed by the county collector in March 2015. The county commission also has not adequately restricted access to the property tax system. The county collector, who is responsible for collecting taxes, has inappropriate access rights in the property tax system that allows changes to be made to individual tax records throughout the tax year. Additionally, the county collector and county treasurer do not distribute payment in lieu of taxes received from the Department of Conservation to the applicable political subdivisions.
Sheriff's Liabilities	As noted in prior audits, sheriff's personnel do not prepare monthly lists of liabilities for the commissary account, and consequently, liabilities are not compared to the reconciled bank balance.
County Procedures	As noted in a prior report, the county commission does not maintain documentation supporting the annual transfer from the Unemployment Fund to the General Revenue Fund. The county commission has not adopted a formal policy related to the employment and supervision of related employees. The road and bridge department does not have a procedure in place to monitor fuel use.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Phelps County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Prosecuting Attorney's Controls and Procedures	4
2. Property Tax System Controls and Procedures	5
3. Sheriff's Liabilities	7
4. County Procedures	7

Organization and Statistical	10
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Phelps County

We have audited certain operations of Phelps County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Phelps County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

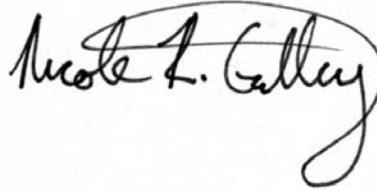
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Phelps County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Colby Dollens, CPA, CFE
Audit Staff:	Sara R. Walsh, MPA
	Shelbi Becker

Phelps County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney's Controls and Procedures

Despite similar conditions in prior audits, controls and procedures in the Prosecuting Attorney's office need improvement. The Prosecuting Attorney's office collected approximately \$235,000 in bad checks and court-ordered restitution and related fees and approximately \$23,000 in delinquent taxes for the Missouri Department of Revenue during the year ended December 31, 2014.

1.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties or performed an adequate supervisory review of the accounting records. One clerk has the ability to receipt payments, prepare and deposit monies, post transactions and adjustments to the accounting system, prepare checks, and perform the monthly bank reconciliations. Neither the Prosecuting Attorney nor the Office Manager performs documented supervisory reviews of the accounting and bank records, other than adjustments.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement and document an independent or supervisory review of accounting and bank records.

1.2 Receipts and deposits

The Prosecuting Attorney does not restrictively endorse checks and money orders immediately upon receipt and receipts are not deposited timely. The clerks normally make deposits about every 2 weeks. Monies are generally received daily and deposits may be as large as \$10,000.

Failure to implement adequate receipting and depositing procedures increases the risk of loss, theft, or misuse of monies and the likelihood that errors will go undetected. Procedures should be established to ensure all monies received are deposited timely and restrictively endorsed immediately upon receipt.

Recommendations

The Prosecuting Attorney:

- 1.1 Adequately segregate accounting duties or ensure an independent or supervisory review of accounting and bank records are performed and documented.
- 1.2 Establish procedures to ensure checks and money orders are restrictively endorsed immediately upon receipt and all monies received are deposited timely.

Auditee's Response

- 1.1 *I have taken steps to address the recommendations made in the report. I have segregated duties so the person receiving money is not preparing the deposit. A second individual prepares and makes*



Phelps County
Management Advisory Report - State Auditor's Findings

the deposit and performs the bank reconciliation. A third person verifies the bank reconciliation.

1.2 *The checks and money orders are immediately endorsed when received. We are now depositing at least weekly.*

2. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement.

2.1 Annual settlements

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector, who processed property tax collections of approximately \$24.3 million during the year ended February 28, 2015. The County Clerk has not approved the 2015 annual settlement as of September 23, 2015, although the annual settlement was filed by the County Collector in March 2015. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and as a result, the County Clerk could not verify the accuracy and completeness of the County Collector's annual settlement.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatement, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

2.2 Computer access

The County Commission has not adequately restricted access to the property tax system. The County Collector has access rights in the property tax system that allows changes to be made to individual tax records throughout the tax year. Because the County Collector is responsible for collecting tax monies, good internal controls require the County Collector not have access rights allowing alteration or deletion of tax rates, assessed valuations, and property tax billing information.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion or alteration of data files and programs, and increases the risk of loss, theft, or misuse of funds.



Phelps County
Management Advisory Report - State Auditor's Findings

2.3 Payment in lieu of taxes

The County Collector and County Treasurer do not distribute payment in lieu of taxes (PILT) received from the Department of Conservation. The county received PILT totaling \$1,551 for the year ended December 31, 2014. The County Collector annually receives PILT monies from the Department of Conservation and transmits the check to the County Treasurer but does not indicate to the County Treasurer how the monies are to be distributed. The County Treasurer deposits the monies into the county's General Revenue Fund. These monies are not distributed to the applicable political subdivisions or reported on the County Collector's annual settlement. In addition, the County Treasurer indicated the funds have been maintained in the General Revenue Fund and not distributed for many years.

Article IV, Section 43(b) of the Missouri Constitution requires the payments to be distributed to the appropriate political subdivisions as payment in lieu of taxes for privately-owned land acquired by the Conservation Commission.

Recommendations

- 2.1 The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlement.
- 2.2 The County Commission ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.
- 2.3 The County Collector and County Treasurer distribute PILT received from the Department of Conservation to the applicable political subdivisions and the County Collector include the receipt and distribution on the annual settlement. In addition, the County Collector and County Treasurer should determine if previous years' payments should also be distributed.

Auditee's Response

- 2.1 *A clerk in the County Clerk's office is working to maintain an account book. When the account book is up to date, we plan to use this account book to review the annual settlement.*
- 2.2 *As of October 30, 2015, the County Collector's rights have been limited in the County Assessor's system and the County Collector no longer has access to change individual tax records.*
- 2.3 *We agree with this recommendation and will distribute the PILT received from the Department of Conservation to the appropriate political subdivisions in the future. We will consult with our legal counsel regarding how to handle previous years' payments.*



Phelps County
Management Advisory Report - State Auditor's Findings

3. Sheriff's Liabilities

As similarly noted in prior audits, Sheriff's personnel do not prepare monthly lists of liabilities for the commissary account, and consequently, liabilities are not compared to the reconciled bank balance. Inmate commissary receipts totaled approximately \$230,000 during the year ended December 31, 2014.

Upon our request, Sheriff's personnel generated a list of liabilities totaling \$40,294 from the commissary computer as of June 29, 2015. This balance included inmate balances of \$8,090, payments due the commissary vendor of \$7,571, and monies to be turned over to the county of \$7,193. The Sheriff's office was unable to determine who is owed the remaining \$17,440.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected timely, and sufficient funds are available for payment of all liabilities. Any differences should be promptly investigated and resolved, and any unidentified monies should be disposed of in accordance with state law.

Recommendation

The Sheriff prepare a monthly list of liabilities for the commissary account and compare the list to the reconciled bank balance. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.

Auditee's Response

We have implemented this recommendation.

4. County Procedures

The County Commission procedures over the Unemployment Fund, personnel policies, and fuel use need improvement.

4.1 Unemployment Fund

As similarly noted in the prior report, the County Commission does not maintain documentation supporting the annual transfer from the Unemployment Fund to the General Revenue Fund to cover administrative costs for maintaining the Unemployment Fund and processing unemployment claims. The county transferred \$10,000 from the Unemployment Fund to the General Revenue Fund during the year ended December 31, 2014, and has transferred \$10,000 annually from the Unemployment Fund to the General Revenue Fund since 2000. However, no documentation was available supporting this amount or analyzing the impact of this transfer on the Unemployment Fund.

As allowed by law, the county has elected to not pay quarterly unemployment contributions to the Missouri Department of Labor and Industrial Relations and instead is responsible for the payment of unemployment claims as they occur. Although there are no statutory or regulatory requirements to establish such a fund, the county has voluntarily



Phelps County
Management Advisory Report - State Auditor's Findings

elected to set monies aside in the Unemployment Fund to pay unemployment claims.

To ensure transfers from the Unemployment Fund are appropriate, administrative transfers from the Unemployment Fund should approximate administrative costs incurred in the General Revenue Fund.

4.2 Personnel policies

The County Commission has not adopted a formal policy related to the employment and supervision of related employees. The road and bridge Department Head directly supervises his son who works as a full-time employee in the department. The supervision of a related employee could compromise a supervisor's objectivity when assigning duties or evaluating employee performance.

Complete and up-to-date personnel policies are necessary to ensure compliance and equitable treatment of employees and should address pertinent issues such as the employment of related employees.

4.3 Road and bridge fuel

The road and bridge department does not have a procedure in place to monitor fuel use. The road and bridge department incurred fuel costs of approximately \$211,000 during the year ended December 31, 2014.

The road and bridge department uses bulk fuel tanks for vehicles and equipment as well as fuel cards with contracted gas stations. A log of bulk fuel usage, including the vehicle or equipment being filled; the number of gallons dispensed; and fuel on hand is not maintained. Information on road and bridge vehicle use, such as a mileage log including odometer readings, destination, purpose, or other maintenance information is not recorded.

Mileage and fuel logs are necessary to document the appropriate use of vehicles and to support fuel charges. Failure to review fuel use and reconcile to fuel purchased could result in loss, theft, and misuse of fuel going undetected.

Recommendations

The County Commission:

- 4.1 Prepare and maintain calculations of the costs associated with the administrative functions related to the Unemployment Fund to support the administrative transfers made from the Unemployment Fund to the General Revenue Fund.
- 4.2 Revise the personnel policy to address issues involving related employees.
- 4.3 Ensure mileage and fuel use logs are required for all vehicles and equipment, and these logs are reviewed for accuracy and reconciled



Phelps County
Management Advisory Report - State Auditor's Findings

to fuel purchases. Any significant discrepancies should be investigated.

Auditee's Response

- 4.1 *We will evaluate the Unemployment Fund, establish a target balance, and determine if a transfer is needed based on the target balance. Any transfers made will be based on a percentage of the fund and we will maintain documentation to support the determination and calculation.*
- 4.2 *We agree. We have ensured the road and bridge Department Head is not directly supervising his son or signing his timesheet. We are researching personnel policies to implement.*
- 4.3 *We have identified one of the off-road bulk fuel tanks did not have a meter to indicate the amount dispensed. We have ensured all tanks have meters on the tanks so that the amount dispensed can be logged. We will require odometer readings for every fueling and will direct the road and bridge Office Manager to compare the odometer readings to fuel dispensed and purchased as she reviews fuel invoices.*

Phelps County

Organization and Statistical Information

Phelps County is a county-organized, third-class county. The county seat is Rolla.

Phelps County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 139 full-time employees and 26 part-time employees on December 31, 2014.

In addition, county operations include a Senate Bill 40 Board, Senior Companion Board, Law Enforcement Restitution Board, and the Phelps County Health Department.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Randy Verkamp, Presiding Commissioner	\$	38,393
Gary W. Hicks, Associate Commissioner		36,353
Larry J. Stratman, Associate Commissioner		36,353
Robin Kordes, Recorder of Deeds		55,080
Carol Bennett, County Clerk		55,080
John Beger, Prosecuting Attorney		125,287
Richard Lisenbe, Sheriff		63,771
Carol Green, County Treasurer		55,080
Larry Swinfard, County Coroner		19,584
Kathleen S. Oliver, Public Administrator		55,080
Davis R. Haas, County Collector (1), year ended February 28,	63,080	
Bill Wiggins, County Assessor (2), year ended August 31,		65,080
Louis Gilbert, County Surveyor (3)		

(1) Includes \$8,000 of commissions earned for collecting city property taxes.

(2) Includes \$10,000 of annual compensation for E911 addressing services.

(3) Compensation on a fee basis.



Nicole R. Galloway, CPA
Missouri State Auditor

INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION

Division of Professional Registration

Board of Therapeutic Massage



December 2015

Report No. 2015-118

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Board of Therapeutic Massage

Business Licenses	The Board of Therapeutic Massage does not have adequate follow-up procedures in place to ensure massage therapy businesses are licensed timely. As a result, the audit found a business operated for almost one year without a license. The internal licensing system tracks when applications are received and licenses are issued; however, board personnel do not periodically generate a report to determine which business licenses are in pending status to ensure timely action.
Continuing Education Requirements	The board does not have procedures in place to ensure continuing education requirements are met. As part of the license renewal process, the renewal application asks whether continuing education hours have been obtained, but the board relies on the applicant to confirm whether requirements were met. Board rules require licensees to keep documentation of completed continuing education courses. The board may request this documentation, but does not routinely do so, and periodic reviews are not in place to test compliance with continuing education requirements.
User Account Management	The board has not established adequate procedures to ensure access rights to the internal licensing system are appropriate. The licensing system is a division-wide system used by the various professional boards, which maintains confidential information on licensees, such as social security numbers and licensee complaints. Board personnel do not periodically review system access rights to ensure only proper personnel have access, which creates an increased risk that unauthorized changes could go undetected, and confidential data could be accessible to inappropriate users.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Division of Professional Registration

Board of Therapeutic Massage

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Business Licenses.....4
Findings	2. Continuing Education Requirements.....5
	3. User Account Management.....5

Organization and Statistical	7
Information	

Appendix

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments, Massage Therapy Fund, 2 Years Ended June 30, 2015.....	8
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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Huff, Director
Department of Insurance, Financial Institutions, and Professional Registration
and
Kathleen Steele Danner, Director
Division of Professional Registration
and
Board of Therapeutic Massage
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, Board of Therapeutic Massage, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015 and 2014. The objectives of our audit were to:

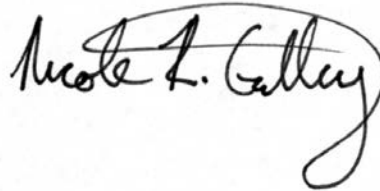
1. Evaluate the board's internal controls over significant management and financial functions.
2. Evaluate the board's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) a deficiency in internal controls, (2) noncompliance with legal provisions, and (3) a deficiency in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, Board of Therapeutic Massage.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA
Audit Staff:	Cody Gardner

Division of Professional Registration

Board of Therapeutic Massage

Management Advisory Report - State Auditor's Findings

1. Business Licenses

The Board of Therapeutic Massage (Board) does not have adequate follow-up procedures in place to ensure massage therapy businesses are licensed timely. As a result, for 1 of 8 business licenses reviewed, the business operated for nearly one year without a license. The Board received the application for licensure in March 2014; and all requirements were met except for a background check on the owner. The Board informally provided a 90 day grace period to complete the background check and allowed the business to operate on a provisional basis. The applicant submitted the background check in July 2014; however, clarification was requested due to inconsistencies with the original application. The Board continued to allow the business to operate without a required license until March 2015, when the Board received clarification on the background check results and the license was issued. There is no evidence Board personnel periodically monitored the outstanding license requirement or followed up with the business during this time.

The internal licensing system tracks when applications are received and licenses are issued; however, Board personnel do not periodically generate a report to determine which business licenses are in pending status to ensure timely action.

State regulation 20 CSR 2197-5.020(2) states a massage therapist may not practice massage therapy at a site, location, or place which is not duly licensed as a massage therapy business. As part of licensing, the business must complete the required application, pay a fee, provide proof of liability insurance, pass a site inspection, and obtain a background check if the owner is not a licensed massage therapist or has an outdated background check. During the 2 years ended June 30, 2015, the Board issued approximately 380 new massage therapy business licenses. Timely licensing procedures and follow up are necessary to ensure businesses are properly licensed and to protect the public.

Recommendation

The Board of Therapeutic Massage monitor outstanding license requirements and follow up with businesses to ensure licensing requirements are met timely or prohibit unlicensed massage therapy businesses from practicing on the public until all requirements are met.

Auditee's Response

The Board concurs with the recommendation that the tracking process for business applications should be improved. As the division migrates to a new licensure system, the system will include a tracking alert function that will allow licensing personnel to schedule a follow up with an applicant or inspector and to run reports regarding pending applications for business licensure.



2. Continuing Education Requirements

The Board does not have procedures in place to ensure continuing education requirements are met.

Individual licensees are required to complete 12 hours of continuing education every 2 years. As part of the license renewal process, the renewal application asks whether the applicant has obtained the required hours of continuing education. According to Board personnel, the Board relies on the applicant's attestation these requirements were met. While the Board's rules require licensees to maintain support of course completion to be submitted to the Board upon request, the Board does not routinely request supporting documentation and periodic reviews are not in place to test compliance with continuing education requirements.

According to state regulations 20 CSR 2197-2.050(1) and (2), massage therapy licensees are required to complete 12 hours of continuing education every 2 years, as a condition of renewal. State law further requires licensees to maintain support of course completion for at least 6 years, and such evidence must be submitted upon request from the Board. Without periodic reviews of continuing education requirements, the Board has no assurance the requirements are being met.

Recommendation

The Board of Therapeutic Massage establish procedures to periodically review licenses for compliance with continuing education requirements, including requesting supporting documentation to verify course completion.

Auditee's Response

Section 324.265.3(2), RSMo, provides in relevant part that "[t]he board shall renew any license upon:...(2) Proof, as provided by rule, that the therapist has completed twelve hours of continuing education...." The board's renewal application, submitted by the licensee under oath, requires that the licensee attest to the completion of the required continuing education. The board will consider amending the rule and renewal process.

3. User Account Management

The Board has not established adequate procedures to review user access to ensure access rights to the internal licensing system remain appropriate and are commensurate with job responsibilities.

The licensing system is a division-wide system used by the various professional boards. The licensing system maintains confidential information on licensees, such as social security numbers, personal information, and licensee complaints. User access to the licensing system is broadly divided into read-only access and data entry access dependent upon job duties and responsibilities. Data entry access allows changes to be made to the licensing system for a particular board and access can be further limited to a specific board or board function within the system.



Division of Professional Registration
Board of Therapeutic Massage
Management Advisory Report - State Auditor's Findings

The licensing system is administered by the Office of Administration, Information Technology Services Division (OA-ITSD). The Executive Director completes a form and sends it to the OA-ITSD to update system access when access needs to be granted or changed, or an employee terminates employment. Board personnel do not periodically review system access rights to ensure only proper personnel have access, access is limited to the employee's job responsibilities, and access changes occurred when requested. Our review of access rights to the Board's licensing system found the following:

- Accounts for 2 Division of Professional Registration (division) employees who terminated in November 2010 and February 2012 still had system access, including one with data entry access.
- Eleven temporary accounts used by the division were still active and included data entry access. According to personnel, these accounts had not been used for at least 2 years.
- Access rights for 5 division employees exceeded the level their job responsibilities required. These employees had data entry access when read-only access would have been appropriate for their research responsibilities.

Board personnel took action to resolve each of these issues after we inquired about them. The 2 terminated employees and 11 temporary accounts have been removed and the 5 employees with excess access had their access reduced to read-only.

A periodic review of system access rights ensures appropriate personnel have the correct level of access. Without a periodic review of user access rights, there is an increased risk that unauthorized changes to these rights would go undetected or that access rights would not be aligned with current job duties, and confidential data would be accessible to inappropriate users.

Recommendation

The Board of Therapeutic Massage work with the division and OA-ITSD to develop procedures to periodically review licensing system user access and ensure rights are limited to only necessary current personnel and appropriate usage levels.

Auditee's Response

The Missouri Board of Therapeutic Massage will review processes regarding access rights to electronic systems to maintain security.

Division of Professional Registration

Board of Therapeutic Massage

Organization and Statistical Information

The Board of Therapeutic Massage (Board) was established in 1998 under House Bill 1601 by an act of the 89th Missouri General Assembly. By Executive Order 06-04, the division moved from the Department of Economic Development to the reorganized Department of Insurance, Financial Institutions, and Professional Registration on August 28, 2006.

The board is responsible for the licensing and regulation of massage therapists and massage therapy businesses, investigating complaints, and disciplining licensees. At June 30, 2015, there were 6,360 active licenses. New issuance license fees were \$125 for a massage therapist and \$50 for a massage therapy business. Biennial renewal license fees were \$100 for a massage therapist and \$75 for a massage therapy business.

The Board consists of eight members, including six voting members who are licensed massage therapists, one voting public member, and one nonvoting member who is a member of the massage education community. Board members are appointed by the Governor with the advice and consent of the Senate and serve a term of 4 years. A member who has served for a total of 8 years is not eligible for reappointment. The Board members at June 30, 2015, were:

Member	Term Expires
Renate Brodecker, Chairperson	June 17, 2011
Brandy Mouser, Vice Chairperson	June 17, 2013
Jennifer Morgan, Secretary	June 17, 2014
Carl Nelson, Voting Member	June 17, 2010
Vacant	
Vacant	
Vacant	
Vacant	

From October 22, 2013, to March 26, 2014, the Board did not have enough members for a quorum and could not meet.

Board members receive compensation of \$70 per day while performing their duties and reimbursement for expenses. The Board appoints an executive director to perform the administrative duties of the Board. Loree Kessler serves as Executive Director. Three other employees perform administrative duties and responsibilities.

Appendix

Division of Professional Registration

Board of Therapeutic Massage

Massage Therapy Fund

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2015	2014
RECEIPTS		
Professional license or permit fees	\$ 591,575	122,575
Other fees	3,015	2,475
Penalties	3,250	1,700
Overpayments	1,334	550
Total Receipts	599,174	127,300
DISBURSEMENTS		
Licensure replacement system expense and equipment	4,214	15,400
State Central Services cost allocation	4,612	1,072
Total Disbursements	8,826	16,472
RECEIPTS OVER (UNDER) DISBURSEMENTS	590,348	110,828
TRANSFERS		
To Professional Registration Fees Fund (1)	312,056	257,461
To General Revenue Fund (2)	0	966
Total Transfers	312,056	258,427
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	278,292	(147,599)
CASH AND INVESTMENTS, JULY 1	747,983	895,582
CASH AND INVESTMENTS, JUNE 30	\$ 1,026,275	747,983

(1) For reimbursement of personal services, employee benefits, and operating expenses paid from the Professional Registration Fees Fund.

(2) For reimbursement of services provided by the Administrative Hearing Commission and the Attorney General's Office paid from the General Revenue Fund.



Nicole R. Galloway, CPA
Missouri State Auditor

REVENUE

Missouri State Lottery Commission



December 2015
Report No. 2015-119

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri State Lottery

Advertising and Sponsorships	The Missouri State Lottery needs to conduct further analysis to determine the appropriate amount of advertising expenditures needed to optimize sales and profits. Lottery officials have indicated increases in the advertising budget would result in higher funding for education, however, changes in the amount of budgeted advertising expenditures do not appear to have a direct correlation to the amount of funding generated for education. The Lottery has not developed written policies and procedures for investing in sponsorships. The Lottery entered into professional sports sponsorships that projected a negative return on investment, and has incurred expenses greater than the amount of benefits for many local community events it sponsored.
Contracts	As noted in a previous report, the Lottery continues to execute long-term contracts and to renegotiate and amend long-term contracts in lieu of periodically soliciting competitive bids/proposals. This practice does not require contracts to be awarded to the lowest and best bidder and presents legal issues regarding compliance with state purchasing laws and regulations. As a result of the long-term contracts, competitive bids/proposals might not be solicited for these services for a significant amount of time, and the lowest and best bidder might not be providing these services.
Points for Prizes	The Lottery has not determined whether the Points for Prizes program is profitable. A cost-benefit study has not been conducted to determine if the Points for Prizes program has resulted in increased ticket sales and additional funding for education. The Lottery has also not required prizes offered players be made in the United States or sold by a Missouri business, as required by state law.
Travel Expenses	As required by the contract, the primary instant ticket contractor pays some Lottery travel expenses, including travel costs of key Lottery employees who were involved in evaluating and awarding the instant ticket contract and negotiating amendments to that contract. Lottery employees did not timely report travel expenses paid by third parties on Personal Financial Disclosure statements filed with the Missouri Ethics Commission and did not always include travel expenses to be paid by third parties in the estimated costs on out-of-state travel authorization forms.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Missouri State Lottery Commission

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Advertising and Sponsorships4 2. Contracts.....9 3. Points for Prizes.....11 4. Travel Expenses14
-------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	16
---------------------------------------------	----

Appendixes

A	Comparative Statement of Appropriations and Expenditures 3 Years Ended June 30, 2014	19
B	Comparative Statement of Expenditures (From Appropriations) 5 Years Ended June 30, 2014	20
C	Statement of Changes in General Capital Assets 3 Years Ended June 30, 2014	21
D	Statements of Net Position As of June 30, 2014, 2013, and 2012	22
E	Statements of Revenues, Expenses and Changes In Net Position For the Years Ended June 30, 2014, 2013 and 2012	23
F	Statements of Cash Flows For the Years Ended June 30, 2014, 2013, and 2012	24
G	Revenue and Expenditure Charts January 20, 1986 Through June 30, 2014.....	25
H	Revenue and Expenditure Charts January 20, 1986 Through June 30, 2014.....	26



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

The Honorable Jeremiah W. Jay Nixon, Governor

And

Missouri State Lottery Commission

And

May Scheve Reardon, Executive Director

Missouri State Lottery Commission

Jefferson City, Missouri

The State Auditor is required under Section 313.315.1, RSMo, to audit the Missouri State Lottery Commission. The Lottery engaged CliftonLarsonAllen LLP, Certified Public Accountants (CPAs), to audit the Lottery's financial statements for the years ended June 30, 2014 and 2013. The Lottery engaged UHY LLP, CPAs, to audit the Lottery's financial statements for the year ended June 30, 2012. To satisfy our statutory obligation and minimize duplication of effort, the State Auditor has used the work of the CPA firms. We reviewed the reports of both firms and the substantiating working papers of CliftonLarsonAllen LLP, CPAs, to satisfy ourselves as to the appropriateness of using the reports, and we accept them in partial fulfillment of our duties. We have also audited certain operations of the Lottery in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014, 2013, and 2012. The additional objectives of our audit were to:

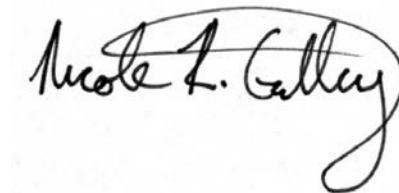
1. Evaluate the Lottery's internal controls over significant management and financial functions.
2. Evaluate the Lottery's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Lottery, as well as certain external parties; analysis of comparative data obtained from external and/or internal sources; review of contracts that are specific to the auditee's operations and significant within the context of the audit objectives; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Lottery's management and was not subjected to the procedures applied in our audit of the Lottery.

For the areas audited, we identified (1) a deficiency in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri State Lottery Commission.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Terese Summers, MSAS, CPA
	Steven Barton

Missouri State Lottery Commission

Management Advisory Report

State Auditor's Findings

1. Advertising and Sponsorships

The Missouri State Lottery (Lottery) needs to conduct further analysis to determine the appropriate amount of advertising expenditures needed to optimize sales and profits. In addition, the Lottery has no comprehensive policies and procedures for investing in sponsorships and most professional sports sponsorships and some local community event sponsorships do not provide a positive return on investment (ROI).

The Lottery contracts with an advertising agency for advertising services and assistance with major sports sponsorships. The Lottery makes arrangements for other sponsorships directly. The advertising agency develops annual marketing plans, procures media services, produces television commercials, and manages special promotions and prizes.

1.1 Advertising costs

The Lottery needs to conduct further analysis to determine the appropriate advertising spending to optimize sales and profits. Annual Lottery spending to the advertising agency has increased from about \$2.5 million in 2010 to nearly \$17 million in 2014, an increase of approximately 580 percent. Total sales increased from just under \$972 million to nearly \$1.16 billion over that same period, an increase of just over 19 percent. Lottery advertising costs as a percentage of sales increased from .26% in 2010 to 1.46% in 2014.

The following table summarizes advertising and professional sport sponsorship expenditures to the advertising contractor, Lottery ticket sales, and advertising as a percentage of sales for fiscal years 2010 to 2014.

Advertising Contractor Payments and Total Sales

		Year Ended June 30,				
		2014	2013	2012	2011	2010
Advertising services	\$	14,041,046	10,606,928	7,199,600	7,887,914	1,781,778
Media production & promotions		1,958,954	2,064,777	1,208,014	1,468,608	714,655
Professional sport sponsorships		943,725	368,821	389,500	0	0
Total advertising payments	\$	16,943,725	13,040,526	8,797,114	9,356,522	2,496,433
Total sales	\$	1,157,051,074	1,140,833,158	1,097,427,696	1,000,678,406	971,864,485
Advertising as a percentage of sales		1.46%	1.14%	0.8%	0.94%	0.26%

Comparison to other states

The Lottery provided us information on the budgeted advertising cost per capita, advertising as a percentage of sales, and total lottery sales for all 44 states that have a lottery. This information was obtained by the Lottery from La Fleur's World Lottery Almanac series. The information was self-reported by the states and not subjected to any verification procedures.

For the 5 year period of 2010 to 2014, the Lottery ranking for budgeted advertising cost per capita rose 34 places, from 2nd lowest (\$.32) to 9th highest (\$2.64). For the same period, the ranking for budgeted advertising expense as a percentage of sales rose 24 places, from 2nd lowest (.20



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

percent) to 19th highest (1.38 percent). The Lottery increase for the 5 year period in advertising both on a per capita basis and as a percentage of sales far exceeded increased advertising efforts in any other state. During the 5 year period, Missouri lottery sales increased 19 percent; however, 14 states reported a higher percentage in sales growth than Missouri. All 14 states had significantly lower increases, or even decreases, in both advertising cost measures discussed above.

Advertising and funding for education

During the budgetary process, Lottery officials indicated increases in the advertising budget would result in higher funding for education. The following table lists the budgeted advertising expenditures, the amount of funding provided by the Lottery for education, and the percentage of year to year change in those amounts for fiscal years 2010 to 2014.

Budgeted Advertising Expenditures and Funding for Education

		Year Ended June 30,				
		2014	2013	2012	2011	2010
Budgeted advertising expenditures ¹	\$	16,000,000	12,000,000	8,000,000	8,000,000	1,930,000
Percentage of change		33.3%	50.0%	0%	314.5%	n/a
Funding for education	\$	277,538,079	280,007,039	273,597,799	265,179,113	259,672,711
Percentage of change		(0.9%)	2.3%	3.2%	2.1%	n/a

¹ Budgeted advertising expenditures from the Lottery's internal budget

Changes in the amount of budgeted advertising expenditures do not appear to have a direct correlation to the amounts of funding for education generated by the Lottery. Lottery officials indicated there are many factors beyond advertising that affect sales and the amount of funding for education such as the size of draw game jackpots, the prize payout percentage for instant games, and other promotional activities such as the Points for Prizes program discussed in MAR finding number 3. Sales are also impacted by general economic conditions, extended periods of widespread inclement weather, natural disasters, and competition from the gaming industry and lotteries in other states.

The Lottery has not conducted a comprehensive analysis to determine the appropriate level of spending for advertising to optimize sales and funding for education. Reductions in advertising spending while sustaining or increasing sales could result in increased Lottery profits and funding for education. In September 2014, the Lottery reduced its total fiscal year 2015 budget for advertising by about \$4 million as part of overall efforts to reduce costs and increase funding for education.

1.2 Sponsorships

The Lottery has not developed written policies and procedures for investing in sponsorships. The Lottery considers the ROI, but the Lottery invested in



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

many sponsorships for professional sports and local community events with projected negative ROI. Lottery officials indicated other factors affect the investment decision, but those factors are not described in any document supporting the decision or based on any formal policy or procedure. Also, the Lottery did not determine the actual ROI for professional sports sponsorships.

Professional sports

The Lottery entered into professional sports sponsorships that had projected negative ROI. The Lottery's costs for the sponsorships of each of the state's 5 major professional sports teams usually exceeded the projected benefit from the sponsorships for 2014 and 2015. The Lottery has not subsequently determined the actual ROI realized for these sponsorships.

The costs of the sponsorships include licensing payments to the teams and additional related advertising and media expenditures. Under the terms of these sponsorships, the Lottery was provided certain rights and accesses including licensing rights for the team logo on Lottery instant tickets, in-stadium signage, rights to locate instant ticket vending machines in the stadiums, television or radio spots, web page ads, etc. The Lottery's advertising agency quantified the dollar amount of expected benefits to the Lottery based on the estimated audience size, number of impressions, and other factors. The Lottery negotiated the sponsorships and executed contracts with each team. Payments are passed through the advertising agency.

For fiscal year 2014 agreements, team sponsorship costs totaled about \$1.6 million and the estimated benefits totaled about \$1.1 million. All 2014 team sponsorships had a projected negative or breakeven ROI. The individual team sponsorship costs exceeded the expected benefits by amounts ranging up to about \$264,000. For fiscal year 2015 agreements, team sponsorship costs totaled about \$1.7 million and estimated benefits totaled about \$1.8 million. However, 3 of the 5 individual sponsorships had a projected negative ROI. A Lottery official indicated other considerations like brand loyalty that cannot be easily quantified contribute to additional value from the sponsorships. The Lottery did not prepare a subsequent analysis to determine how actual event attendance or other measurable benefit factors compared to those used in the initial estimated benefit values or otherwise attempt to determine the actual ROI for these sponsorships.

Local community events

The Lottery incurred expenses greater than the amount of benefits for many local community events it sponsored. The Lottery evaluates the events annually to determine whether it receives a positive ROI for these sponsored events. The Lottery contracts with a vendor to perform an analysis of the potential ROI for each community event prior to entering into a sponsorship agreement. Lottery officials indicated events should have a potential ROI of 1:1 or greater to be considered for sponsorship. Lottery officials indicated



Missouri State Lottery Commission Management Advisory Report - State Auditor's Findings

supporting local community events held by minority and women's organizations is an additional goal. There is no formal policy establishing the ROI criteria or how other considerations enter into the decision whether or not to fund a sponsorship request.

The Lottery sponsored 44 separate events held by 24 organizations during the 3 years ended June 30, 2014. Lottery officials indicated the sponsorship costs totaled about \$883,000 while the estimated benefits totaled nearly \$2,108,000. While many events were positive, 13 events had a negative ROI with total costs of \$173,472 and estimated benefits of only \$110,057. Some events sponsored by 2 organizations had a negative ROI for 2 consecutive events.

A similar condition was noted in our prior audit report.

Conclusion

To ensure lottery proceeds are spent in an efficient and effective manner and to provide guidance in the decision-making process, the Lottery should develop formal policies and procedures for the evaluation of sponsorships. The policies and procedures should provide for the identification of all relevant sponsorship benefits to be considered, the measurement of those benefits, the time periods over which the benefits are considered, and the means for comparing the benefits and costs and interpreting the results to support the investment decision. In addition, the Lottery should determine the actual ROI for professional sports sponsorships.

Recommendations

The Lottery:

- 1.1 Conduct further analysis to determine the level of advertising needed to optimize sales and funding for education.
- 1.2 Develop formal policies and procedures for the evaluation of sponsorships. In addition, the Lottery should determine the actual return on investment for professional sports sponsorships.

Auditee's Response

- 1.1 *The Office of Administration "Review of Missouri Lottery Operations" report dated September 2014 recommended that the Lottery implement a more systematic review of return on investment for both advertising and sponsorships. With the guidance of a new commission appointed by the Governor in September 2014, the Lottery has taken immediate and timely action on this and other review recommendations to ensure the Lottery is spending budget dollars appropriately and providing the maximum return for public education. In fiscal year 2015, the Lottery took several actions and self-imposed reductions to increase profit year over year. Those actions include:*



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

- *Pull-Tab vendor percentage was decreased beginning October 1, 2014, from 45% of net compensation to 40% (a \$135,000 annual savings).*
- *New Draw Games Computer Gaming System contract was competitively bid and awarded reducing costs by approximately \$700,000 per year beginning July 1, 2015.*
- *Points for Prizes Loyalty Program vendor percentage was decreased from 1.15% to 1.00% of net prize fund beginning October 21, 2014 (a \$745,000 annual savings).*
- *Reduced the amount of prize dollars spent on promotions.*
- *Advertising contract was rebid in 2015.*
- *Reviewed all available prize payout studies and other variables to validate optimum prize payout.*
- *Limited advertising spending to \$12 million.*
- *Self-imposed a 10% restriction of unobligated September 30, 2014 Expense and Equipment budget (estimated \$700,000 savings).*

The Lottery's advertising budget has increased during the audit period, but it remains near the industry average as a percentage of sales. The auditor accurately points out that the Lottery's budgeted advertising expense as a percentage of sales rose to 1.38% in 2014. This compares with the average of all state lotteries of 1.41% and the average of contiguous state lotteries of 1.57%. The Lottery's increased advertising budget has brought us in line with other lotteries.

The advertising budget of \$16 million includes production and media. The Lottery has calculated the optimum spend at \$14-\$16 million based on adjusting for annual local media cost inflation (5-8% per year), achieving an ideal repetition with current players at industry benchmarks for impulse purchase items with which the Missouri Lottery competes at the convenience store level (based on 9 campaigns, 10+ frequency in a two-week period statewide) and building awareness established with a new audience (millennials and social media channels).

- 1.2 *The Lottery utilizes the Pinpoint Sponsorship Evaluation System to evaluate Lottery-sponsored events including community events. While most of the Lottery's community events returned a positive ROI, a few did not. Community events by nature do not have many of the same value elements as other events. The Lottery works hard to exceed Executive Order 05-30 agency goal of spending 10% and 5% with minority and women-owned businesses (M/WBE) and organizations. One of the ways the Lottery meets and exceeds the goal is by participating in M/WBE events. The Lottery continues to*



Missouri State Lottery Commission Management Advisory Report - State Auditor's Findings

work with these event organizers to ensure we get at minimum a 1:1 ROI. If not, we will discontinue participation.

Due to the larger media elements involved with the five major sports team sponsorships, the Lottery has utilized its advertising agency (Barkley) media department to complete a detailed evaluation of each major sports sponsorship. While not all of these sponsorship evaluations showed a 1:1 media ROI during the audit period, these sponsorship values did exceed breakeven when you include the many other sponsorship elements not included in the agency's media evaluations. When evaluating sport sponsorships there are many additional elements beyond the cost to value ratio for in-stadium and broadcast media that add significant value to the sponsorship and increase Lottery sales and profits. In the future, the Lottery will include all costs and values in their final evaluations. Current season sports sponsorships are returning a positive ROI.

2. Contracts

The Lottery continues to execute long-term contracts and to renegotiate and amend long-term contracts in lieu of periodically soliciting competitive bids/proposals. This practice does not require contracts to be awarded to the lowest and best bidder and presents legal issues regarding compliance with state purchasing laws and regulations.

Computer gaming systems

The Lottery executed a new long-term contract for computer gaming systems and related services in October 2014. As noted in our prior audit report, Report No. 2012-141, issued in November 2012, the Lottery used long-term contracts with multiple additional renewal periods, and renegotiation and amendments to modify and extend 3 existing contracts for computer gaming systems and related services. These contracts had been in place since 2004 and 2007. The contracts were renegotiated and amended in 2011 and subsequently extended to June 2015. Payments to the vendor under these contracts during the 3 years ended June 30, 2014, totaled about \$48.8 million.

In March 2014, the Lottery, through the Office of Administration, Division of Purchasing and Materials Management, solicited bids for a new single contract that included all 3 services. The Lottery prepared the request for proposals indicating the contract would be for 7 years, with 3 possible additional one year renewal periods. Three vendors submitted qualifying bids. Lottery and OA officials conducted a formal bid evaluation and the contract was ultimately awarded to the current contractor. Under the new contract, the Lottery will pay the contractor about 4.2 percent of net weekly online (draw game) sales - a reduction from the total of about 4.4 percent of net weekly online sales paid under the 3 previous contracts. If the new contract rate had been in effect during state fiscal year 2014, the Lottery would have saved about \$680,000 on these contractual services. A Lottery



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

official indicated the use of longer-term contracts is necessary to attract competitive vendors because of the large capital investment and the substantial conversion costs involved.

Primary instant ticket printing The Lottery renegotiated and amended its primary instant ticket printing contract in October 2011 to include the Points for Prizes (PFP) program (see MAR finding number 3). The Lottery's contract for instant ticket printing services was executed in April 2011 for services through June 2014 with 7 possible additional one year renewal periods. The primary instant ticket game contractor's bid proposal as well as the proposals of the other 2 bidders offered the PFP as an optional service, though not all the proposals contained pricing information. This optional service was not included in the evaluation of bids.

Within 6 months after executing the initial contract in April 2011, the Lottery decided to add a PFP program. Subsequently, the Lottery negotiated with only the previously selected contractor for the PFP service and obtained a substantially lower rate than the contractor's initial proposal. A Lottery official indicated the overall value of the PFP program and other services obtained by the Lottery in the amendment exceeded the cost to the Lottery. During the 3 years ended June 30, 2014, payments to this contractor totaled about \$28.4 million, of which about \$9.8 million was related to the additional PFP program. Given the significant change in contract terms and additional cost, the Lottery should have solicited and considered prices for PFP services in the original bid process, or subsequently solicited proposals for stand-alone PFP services. Without such information, the Lottery has less assurance it has received the most competitive terms for either service.

The Lottery amended the contract in 2012, 2013, and 2014 each resulting in an extension of the contract and the PFP. The current contract expiration date is October 21, 2015, with 6 possible additional one year renewal periods. The 2014 amendment also resulted in reduction in the PFP payment rate.

Conclusion

As a result of the long-term contracts, competitive bids/proposals might not be solicited for these services for a significant amount of time, and the lowest and best bidder might not be providing these services.

The reasons provided by Lottery personnel do not justify failing to competitively procure these services regularly. The Lottery, in conjunction with the Office of Administration, handles the procurement of its goods and services and should abide by the state purchasing laws, rules, and regulations as provided by 12 CSR 40-30.180. State purchasing rules/regulations provide that a formal method of solicitation, such as Request for Proposals, should be utilized for purchases exceeding \$25,000.



Missouri State Lottery Commission Management Advisory Report - State Auditor's Findings

In addition, Section 313.270, RSMo, provides that Lottery contracts be awarded ". . . on the basis of lowest and best bid . . ."

In its report, *Review of Lottery Operations - September 2014*, the Office of Administration, Division of Budget and Planning, recommended the Lottery reduce its reliance on vendor contract extensions and indicated such extensions may result in the loss of efficiencies gained through competitive bidding.

Although the Lottery is a specialized industry, there is little assurance these long-term contracts will offer the most benefit to the Lottery in the future. Regular, competitive bidding would help provide assurance the Lottery is receiving goods and services at fair value with the most benefits to the Lottery.

Similar conditions were also noted in our prior audit report.

Recommendation

The Lottery regularly solicit competitive bids/proposals for these service contracts.

Auditee's Response

The auditor accurately points out that the Office of Administration "Review of Missouri Lottery Operations" report dated September 2014 recommended the Lottery reduce its reliance on vendor contract extensions. Since the report was issued, the Lottery has executed a new long-term contract for a computer gaming system and a new contract for advertising services, our two largest vendor expenditure areas. The Lottery is estimated to save more than \$7 million for public education over the life of the new computer gaming system contract. The new advertising contract rate is 8% less than the rate under the previous contract. The Lottery will continue to solicit competitive bids/proposals for service contracts.

3. Points for Prizes

The Lottery has not determined whether the Points For Prizes (PFP) program is profitable and has not ensured the prizes were manufactured in the United States and purchased from a Missouri business, as required by state law.

Lottery officials indicated the primary goal of PFP, which is part of the MyLottery Loyalty Program, is to increase engagement with Lottery customers, add value to products, provide incentives to purchase at retail locations and reward player loyalty, all in an effort to increase profits for Missouri education. Lottery officials indicated, as part of the negotiations to establish PFP and the related PFP contractor fee, the Lottery received licensing fee and merchandise discounts valued at approximately \$3.1 million and services primarily related to the development and maintenance of the MyLottery website to operate the PFP program valued at approximately \$2 million at no additional cost.



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

The PFP program allows players to establish accounts on the Lottery website and earn points for non-winning instant and draw game tickets that can then be redeemed for various prizes such as clothing, electronics, tools, household appliances, and entries in second chance drawings and other promotional games. Players must sign up and enter a code from each non-winning ticket. The PFP system assigns various point values based upon the cost of the non-winning ticket and a prize point matrix. On average, the player will earn points equivalent to 2.5 times the purchase price of the ticket. The points have no monetary value and cannot be redeemed for cash. Using information provided by Lottery officials, we estimated entering 100 \$1 non-winning scratcher tickets into PFP would likely yield 250 points redeemable for approximately \$3.75 in merchandise at the retail price. The point range for the merchandise redemption is from 1 point to about 90,000 points. The Lottery made PFP available to players in August 2012 for instant games and added draw games to PFP in May 2014.

The primary instant ticket printing contractor operates PFP for the Lottery. Under the PFP program terms, the Lottery paid the contractor monthly for PFP at the rate of 1.15 percent of the prize fund of participating instant ticket games. The prize fund for each game was determined from the product of the monthly dollar sales and the total prize percentage built into the game. The Lottery payments to the contractor for PFP from August 2012 through June 2014 totaled about \$9.8 million. The contractor provided monthly reports indicating the total retail value of the prizes redeemed by players over that same time period was \$8.4 million. In addition, the contractor reported nearly 197,000 players were members of the MyLottery players club and held over 393 million points valued at nearly \$5.9 million that had not been redeemed as of June 30, 2014. Beginning in October 2014, the PFP contractor rate was reduced to 1 percent of the prize fund.

3.1 Profitability

The Lottery has not conducted a cost-benefit study to determine if the PFP program is profitable and has resulted in increased ticket sales and additional funding for education.

Lottery instant game ticket sales increased \$16.4 million (2.2 percent) during fiscal year 2013 and \$7.7 million (1 percent) during fiscal year 2014. The annual average growth rate was 1.6 percent for the 2 year period the PFP program has been in place. Total sales from draw games fell \$8.5 million (2.2 percent) in fiscal year 2014. In addition to PFP, the Lottery had also significantly increased advertising expenditures as discussed in MAR finding number 1. A Lottery official indicated a cost-benefit study will be performed in state fiscal year 2016.

The Lottery should conduct a cost-benefit study to determine if the PFP has increased sales of lottery tickets, resulted in additional funding for education, and warrants continuation.



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

3.2 Prize origins

The Lottery has not required prizes offered players be made in the United States or sold by a Missouri business, and the Lottery has not required the contractor to provide the Lottery with information on the origin of the prizes offered in the PFP store. The contractor and its wholly-owned subcontractor operating the PFP program are based in Georgia, none of the subcontractors providing fulfillment services are located in Missouri, and many prizes available for redemption are produced in other countries. The contract terms do not address the state or country of origin of prizes. Lottery officials indicated the contractor has been unable to find any businesses in Missouri that could provide the fulfillment services and the many types of merchandise available are generally not made in the United States.

Section 313.270, RSMo, indicates the Lottery may purchase goods made in the United States and sold by a Missouri business to be given away as prizes and 12 CSR 40-60.010 indicates the Lottery may award merchandise as prizes when such goods are made in the United States and sold by a Missouri business.

Recommendations

The Lottery:

- 3.1 Conduct a cost-benefit study to determine if the PFP has increased sales of lottery tickets and resulted in additional funding for education.
- 3.2 Ensure Lottery prizes are manufactured in the United States and sold by a Missouri based company. If it is impractical to meet these statutory and regulatory restrictions, the Lottery should work with the General Assembly to revise those restrictions.

Auditee's Response

- 3.1 *To fund the PFP loyalty program, the Lottery effectively lowered the cash prizes in the Scratchers games to offset the PFP prizes paid through the loyalty program, so the Lottery would be within our "optimal" payout. Also, draw games were not eligible during most of fiscal year 2014 as cited in the report.*

The Lottery will bid the Points For Prizes loyalty program to ensure we are getting the best value.

- 3.2 *Executive Order 04-09 allows agencies to contract with a vendor for goods produced outside the United States when "no comparable domestically-provided good or service can adequately duplicate the unique features of the good or service provided by the vendor" or when "a significant and substantial economic cost factor exists that outweighs the economic impact of providing the function or professional services within the United States." Going forward, the*



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

Lottery will bid the Points For Prizes loyalty program and will make Made in the USA products a requirement of the RFP.

Auditor's Comment

- 3.1 The Lottery's response fails to address the recommendation. As stated in the finding, even with significant additional advertising expenditures, sales increases have averaged just 1.6 percent annually. A cost-benefit study should be performed to determine if the PFP is meeting the Lottery's objectives and resulting in increased funding for education.

4. Travel Expenses

As required by the contract, the primary instant ticket contractor pays some Lottery travel expenses, including travel costs of key Lottery employees who were involved in evaluating and awarding the instant ticket contract and negotiating amendments to that contract. Lottery employees did not timely report travel expenses paid by third parties on Personal Financial Disclosure (PFD) statements filed with the Missouri Ethics Commission and did not always include travel expenses to be paid by third parties in the estimated costs on out-of-state travel authorization forms.

4.1 Expenses paid by contractor

The Lottery requires, as part of the contract terms, the primary instant ticket contractor to pay some Lottery travel expenses including travel costs of the Executive Director and key Lottery employees. Those employees are involved in evaluating and awarding the instant ticket contract and negotiating amendments to that contract. Because the costs are paid directly by the contractor, these costs are excluded from the financial statements of the Lottery.

The Lottery forwarded travel related invoices totaling \$92,174 to the instant ticket contractor for payment by the contractor. The costs included \$31,393 for conference fees, \$21,808 for lodging, and \$38,973 for flights, covering part of the costs related to 30 trips during the 3 years ended June 30, 2014. The Lottery paid the remainder of the travel costs totaling \$129,881 for these trips from Lottery appropriations. Lottery personnel indicated most of the trips were for interstate conferences, seminars, or meetings not directly related to the contractor. Lottery travel costs should be paid by the Lottery and reported on Lottery financial statements to allow for full disclosure and transparency for costs of Lottery operations.

4.2 Personal Financial Disclosure statements

The Lottery did not ensure that employees timely reported travel expenses paid by third parties on PFD statements filed with the Missouri Ethics Commission (MEC). In September 2014, the Lottery Executive Director and other applicable employees filed amended statements for previous years after the Lottery was notified by the MEC of the requirement to disclose travel expenses paid by third parties. The Executive Director amended previously filed statements and reported amounts paid by third parties for 2013, 2012, and 2011 totaling \$11,157, \$12,168, and \$4,784, respectively.



Missouri State Lottery Commission Management Advisory Report - State Auditor's Findings

Four other employees filed amended statements for either 2012 or 2013 to report travel costs paid by third parties totaling \$7,205. The original statements filed by these individuals for those years reported no travel expenses paid by third parties.

Section 105.485(9), RSMo, requires the PFD statements contain lodging and travel expenses provided by any third party for expenses incurred outside the state of Missouri whether by gift or in relation to the duties of office of such official.

4.3 Out-of-state travel authorizations

Travel expenses to be paid by third parties were not always included in the estimated costs on out-of-state travel authorization forms. We reviewed these forms for 3 trips and noted the forms did not include costs paid by the primary instant ticket contractor totaling \$13,286 for lodging, registration, and airfare.

Lottery policy requires a properly completed and approved out-of-state travel authorization form for each trip to include names of individuals traveling, purpose of the trip, and estimated costs including any paid by third parties. The failure to include travel expenses to be paid by others results in underestimated trip costs, inhibiting the ability of supervisors to consider all factors when approving out-of-state travel.

Recommendations

The Lottery:

- 4.1 Require travel costs of Lottery personnel be paid by the Lottery and disclosed on the Lottery financial statements.
- 4.2 Ensure employees properly complete personal financial disclosure forms including travel expenses paid by third parties.
- 4.3 Ensure out-of-state travel authorizations include estimated costs to be paid by third parties.

Auditee's Response

- 4.1 *The third-party travel funding identified by the auditor is a contractual requirement of the current instant ticket print contract. This requirement will not be included in future contracts so that travel costs of Lottery personnel are paid by the Lottery.*
- 4.2 *All third-party travel expenditures were disclosed for the 2014 filings and will continue to be disclosed on future personal financial disclosure statements.*
- 4.3 *We agree and will ensure all out-of-state travel authorizations include costs to be paid by third parties.*

Missouri State Lottery Commission

Organization and Statistical Information

Pursuant to Sections 313.200 to 313.350, RSMo, the Missouri State Lottery Commission (Lottery) was created in June 1985. That action followed voter approval of a lottery amendment to the Missouri Constitution at the November 1984 general election. The Lottery began selling instant game tickets on January 20, 1986. From 1986 to 1993, lottery proceeds less prizes and expenses were transferred to the General Revenue Fund for appropriation by the General Assembly. Effective July 1, 1993, pursuant to a voter approved lottery amendment to Article III, Section 39(b), Missouri Constitution, lottery proceeds are transferred to the Lottery Proceeds Fund for appropriation by the General Assembly for educational purposes.

Section 313.321 RSMo, provides that money received from the sale of lottery tickets shall be divided as follows: A minimum of 45 percent shall be awarded as prizes; administration, advertising, promotion, and retailer compensation costs shall be paid as appropriated by the General Assembly; and the remainder shall be transferred to the Lottery Proceeds Fund to be appropriated solely for public institutions of elementary, secondary, and higher education.

Traditionally, the Lottery has paid out more than the minimum 45 percent of sales as prizes. The pay-out percentage has averaged 60.8 percent from 1986 to 2014. The prize percentage fluctuates each year based on factors such as the type of scratcher tickets sold (each game has a different prize structure) and the timing of payouts related to on-line sales such as the Powerball and Mega Millions games. Lottery officials believe that more people will play if there are more prizes to receive.

Lottery retailers are authorized to redeem prizes up to \$600, or players may claim any prizes in person at any of the Lottery offices. Prizes paid by the Lottery are paid from an imprest checking account, and the account is reimbursed from the Lottery Enterprise Fund (LEF). Prizes redeemed by retailers, as well as commissions and incentives due the retailers, are deducted from sales of the retailers in determining the net sales due from retailers to the LEF.

Estimated Transfers of Profits

Article III, Section 39(b), of the Missouri Constitution requires Lottery profits be transferred to the Lottery Proceeds Fund to be appropriated solely for public institutions of elementary, secondary and higher education. In September each year, as part of the state budget process, the Lottery develops estimates of the transfer for the subsequent fiscal year in its budget request submitted to the Office of Administration and Governor. For example, the estimate for fiscal year 2015 (which began July 2014) was developed by the Lottery in September 2013. The Lottery's estimates provide a basis from which the Governor incorporates estimates into the budget submitted to the General Assembly for determining appropriations to schools from the Lottery Proceeds Fund.



Missouri State Lottery Commission
Organization and Statistical Information

Estimated and actual transfers for the last 4 fiscal years were as follows:

Estimated and actual transfers

		Year Ended June 30,			
		2015	2014	2013	2012
Lottery estimate ¹	\$	298,563,213	288,563,213	267,172,000	259,000,000
Actual cash transfer		270,701,018	267,324,620	288,804,006	280,042,095
Actual over (under) estimate	\$	(27,862,195)	(21,238,593)	21,632,006	21,042,095
Variance from estimate		(9.4%)	(7.3%)	8.2%	8.1%

¹ Agrees to amount included in the budget approved by the General Assembly and signed by the Governor.

According to a Lottery official, profits and transfers decreased in fiscal year 2014 after increasing for many years as the growth rate of sales slowed due to the maturation of the Lottery and overall decreasing consumer demand for draw games. Due to the slower growth, in September 2014 the Lottery estimated transfers for fiscal year 2016 using the average of the total actual transfers for the preceding 3 fiscal years rather than assuming continued growth as in estimations for previous years. As a result, the Lottery's estimated transfer for fiscal year 2016 was about \$278.7 million, an amount lower than the estimated transfers of the previous 2 fiscal years. However, despite the Lottery lowering its estimate, the actual budget approved by the General Assembly and signed by the Governor remained at the higher amount of \$299 million. The Governor recommended increases in the transfer amount of \$2 million and \$6.828 million for fiscal years 2014 and 2013 respectively. The General Assembly did not approve the Governor's recommended transfer increase. The Lottery official indicated the Lottery changed its estimation method to a 5 year average transfer amount beginning with the fiscal year 2017 budget year.

Commission

A five-member Lottery commission is appointed by the Governor with the advice and consent of the Senate. The commission must meet at least quarterly. The commission has the authority to promulgate rules as it deems necessary and desirable to fully implement the Lottery as mandated by the people in Article III, Missouri Constitution. The commission appoints an executive director to act as secretary of the commission and keep all books and records of the commission. The executive director of the Lottery oversees the commission's operation and administration. At June 30, 2014, May Scheve Reardon served as Executive Director, and members of the commission were:



Missouri State Lottery Commission Organization and Statistical Information

Commissioner	Term Expired
Pamela Wright	September 2010
Kevin Roberts	September 2011
Stephen Snead	September 2011
Gina Hoagland	September 2012
Jacque Land	September 2011

Section 313.125, RSMo, requires appointments to be made within 30 days of the expiration of a term. However, the current practice is for the member to serve until reappointed or a new member is appointed.

In September 2014, the Governor appointed the following new members to the commission: John Twitty, Terry Adams, Dr. Judene Blackburn, Dr. Phyllis Chase, and Paul Kincaid. Terry Adams was not confirmed by the Senate, and the Governor has not appointed a replacement.

The Lottery staff is organized into three divisions: Executive; Sales, Marketing, and Communications; and Risk Management. Each division is headed by a director who coordinates activities to meet the commission's objectives. At June 30, 2014, the Missouri State Lottery Commission employed 153 individuals.

Appendix A

Missouri State Lottery Commission
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2014			2013			2012		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
LOTTERY ENTERPRISE FUND									
Lottery prizes	\$ 162,800,590	162,800,590	0	152,910,227	152,910,227	0	141,200,000	141,120,859	79,141
Advertising expenses	16,000,000	16,000,000	0	0	0	0	0	0	0
Personal Service	6,829,466	6,614,485	214,981	6,786,206	6,438,560	347,646	6,865,837	6,513,253	352,584
Payment of real property leases, related services, utilities, system furniture, and structural modifications - expense and equipment	462,487	455,165	7,322	480,778	470,852	9,926	487,044	476,310	10,734
Expense and equipment	36,218,992	35,095,929	1,123,063	45,752,632	45,749,994	2,638	39,294,808	39,293,647	1,161
Total Lottery Enterprise Fund	\$ 222,311,535	220,966,169	1,345,366	205,929,843	205,569,633	360,210	187,847,689	187,404,069	443,620

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2014	2013	2012
Lottery Enterprise Fund			
Personal Service	\$ 0	0	192,000

Appendix B

Missouri State Lottery Commission
Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2014	2013	2012	2011	2010
Personal service	\$	6,614,485	6,438,560	6,513,253	6,775,402	6,837,782
Travel, instate		118,879	108,997	119,596	84,502	64,071
Travel, out-of-state		47,158	45,605	37,118	25,282	10,813
Fuel and utilities		41,245	40,632	38,713	37,902	34,242
Supplies		633,931	644,021	641,130	686,548	514,062
Professional development		101,377	92,310	92,601	96,154	66,167
Communication services and supplies		425,961	341,774	588,125	4,146,137	4,137,041
Services:						
Printing and binding		8,208,242	7,175,094	7,052,599	8,368,321	8,046,603
Advertising		14,056,807	10,623,384	7,226,510	7,982,054	1,855,338
Other business		13,738,344	13,367,331	12,083,984	8,514,643	8,521,109
Accounting and auditing		196,215	186,167	169,723	176,087	160,510
Public relations		1,733,761	1,962,670	1,685,677	1,108,247	567,966
Other professional		4,974,385	4,927,581	3,268,775	3,004,103	2,313,615
Housekeeping and janitorial		50,248	55,849	63,621	73,560	71,934
Maintenance and repair		962,948	960,901	813,868	1,150,715	1,187,127
Equipment:						
Computer		731,754	578,298	929,049	661,469	726,898
Motorized		302,000	248,328	238,383	110,058	34,980
Office		12,774	13,940	17,188	2,067	6,529
Other equipment		831,292	557,417	539,387	57,447	420,631
Property and improvements		126,117	47,158	47,659	311,876	178,335
Real property rentals and leases		436,002	452,494	438,930	439,209	428,225
Equipment rental and leases		3,416,216	3,475,958	3,143,991	1,911,077	1,494,240
Lottery prizes		155,959,740	148,365,884	140,468,469	121,549,770	124,825,871
Lottery prizes-merchandise		6,840,850	4,544,343	652,390	1,647,181	173,435
Lottery retailer-incentives		276,018	207,628	350,466	370,637	506,138
Lottery retailer incentive - merchandise		66,957	24,210	68,477	104,769	47,234
Agency provided food		27,715	20,447	15,590	5,221	10,353
Miscellaneous expense		29,248	58,692	93,246	58,819	30,584
Refunds		5,500	3,960	5,551	4,365	1,097
Total Expenditures	\$	<u>220,966,169</u>	<u>205,569,633</u>	<u>187,404,069</u>	<u>169,463,622</u>	<u>163,272,930</u>

Appendix C

Missouri State Lottery Commission Statement of Changes in General Capital Assets Lottery Enterprise Fund

	Furniture and Equipment	Buildings	Software and Intangibles	Vehicles	Land	Total
Balance, June 30, 2011	\$ 6,479,250	4,807,276	1,707,438	1,172,500	352,973	14,519,437
Additions	772,391	132,353	55,286	155,154	0	1,115,184
Dispositions	(803,454)	0	0	(134,292)	0	(937,746)
Balance, June 30, 2012	6,448,187	4,939,629	1,762,724	1,193,362	352,973	14,696,875
Additions	629,273	0	58,287	271,446	0	959,006
Dispositions	(327,343)	0	(37,930)	(108,640)	0	(473,913)
Balance, June 30, 2013	6,750,117	4,939,629	1,783,081	1,356,168	352,973	15,181,968
Additions	313,485	281,785	109,995	446,965	0	1,152,230
Dispositions	(253,124)	0	(14,085)	(286,580)	0	(553,789)
Balance, June 30, 2014	\$ <u>6,810,478</u>	<u>5,221,414</u>	<u>1,878,991</u>	<u>1,516,553</u>	<u>352,973</u>	<u>15,780,409</u>

Missouri State Lottery Commission
 (An Enterprise Fund of the State of Missouri)
Statements of Net Position As of June 30, 2014, 2013, and 2012

	2014	2013	2012
Current Assets			
Cash and cash equivalents	\$ 26,183,442	19,928,948	23,454,082
Investments held for grand-prize winners	5,249,538	6,500,661	7,618,239
Accounts receivable, net of allowances for returns	46,385,549	43,652,392	43,575,947
Other assets	340,474	419,917	303,778
Total current assets	<u>78,159,003</u>	<u>70,501,918</u>	<u>74,952,046</u>
Noncurrent Assets			
Capital assets			
Capital assets not being depreciated	352,973	352,973	352,973
Capital assets being depreciated	15,499,965	15,168,953	14,767,057
Accumulated depreciation	<u>(12,993,194)</u>	<u>(12,398,394)</u>	<u>(11,677,762)</u>
	2,859,744	3,123,532	3,442,268
Investments held for grand-prize winners	<u>37,568,189</u>	<u>39,677,407</u>	<u>49,218,868</u>
Total noncurrent assets	<u>40,427,933</u>	<u>42,800,939</u>	<u>52,661,136</u>
Total assets	<u>118,586,936</u>	<u>113,302,857</u>	<u>127,613,182</u>
Current Liabilities			
Accounts payable	209,989	141,631	220,320
Due to Lottery Proceeds Fund	13,730,103	3,204,099	11,805,372
Accrued prize liabilities	54,703,710	56,364,049	51,402,199
Grand-prize winner liabilities	5,252,000	6,504,000	7,623,000
Other accrued liabilities	<u>4,544,351</u>	<u>4,521,409</u>	<u>4,258,888</u>
Total current liabilities	<u>78,440,153</u>	<u>70,735,188</u>	<u>75,309,779</u>
Long-term Liabilities			
Due to Lottery Proceeds Fund	2,581,056	2,893,601	3,089,296
Grand-prize winner liabilities	<u>32,676,305</u>	<u>34,043,715</u>	<u>39,539,115</u>
Total long-term liabilities	<u>35,257,361</u>	<u>36,937,316</u>	<u>42,628,411</u>
Total liabilities	<u>113,697,514</u>	<u>107,672,504</u>	<u>117,938,190</u>
Net Position			
Investment in capital assets	2,859,744	3,123,532	3,442,269
Unrestricted	(2,859,744)	(3,123,532)	(3,442,269)
Restricted for unrealized gain/loss on investments held for grand-prize winners	<u>4,889,422</u>	<u>5,630,353</u>	<u>9,674,992</u>
	<u>\$ 4,889,422</u>	<u>5,630,353</u>	<u>9,674,992</u>

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

Missouri State Lottery Commission
 (An Enterprise Fund of the State of Missouri)
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2014, 2013, and 2012

	2014	2013	2012
Operating Revenues			
Scratchers ticket sales	\$ 766,609,691	758,900,234	742,541,015
Draw Game ticket sales	373,416,444	381,932,924	354,886,681
Pull-Tab ticket sales	17,024,939	0	0
Total sales	<u>1,157,051,074</u>	<u>1,140,833,158</u>	<u>1,097,427,696</u>
Other	92,041	706,055	1,294,455
Total operating revenues	<u>1,157,143,115</u>	<u>1,141,539,213</u>	<u>1,098,722,151</u>
Operating Expenses			
Scratchers prizes	539,763,719	537,224,413	521,263,401
Draw Game prizes	211,219,379	215,740,436	200,816,218
Pull-Tab prizes	15,243,828	0	0
Scratchers retailer commissions and incentives	48,798,359	48,489,399	47,258,571
Draw Game retailer commissions and incentives	21,403,707	21,836,612	20,572,297
Pull-Tab retailer commissions and incentives	358,331	0	0
Cost of tickets sold	17,911,043	16,395,935	15,318,902
Depreciation	1,137,244	1,188,952	1,048,608
Advertising	16,025,166	10,599,791	7,261,102
Wages and benefits	9,770,278	9,380,734	9,378,026
Other general and administrative	12,559,473	15,486,243	12,693,246
Total operating expenses	<u>894,190,527</u>	<u>876,342,515</u>	<u>835,610,371</u>
Operating income	<u>262,952,588</u>	<u>265,196,698</u>	<u>263,111,780</u>
Nonoperating Revenues (Expenses)			
Interest income	82,805	91,150	94,134
Unclaimed prizes	14,437,266	14,695,619	10,385,777
Gain on sale of capital assets	65,420	23,572	6,109
Net increase (decrease) in the fair value of investments held for grand-prize winners	1,077,556	(884,228)	5,882,052
Amortization of grand-prize winner liability	(1,818,487)	(3,160,411)	(2,509,798)
Transfers to State of Missouri Lottery Proceeds Fund	(277,538,079)	(280,007,039)	(273,597,799)
Total nonoperating revenues (expenses)	<u>(263,693,519)</u>	<u>(269,241,337)</u>	<u>(259,739,525)</u>
Changes in net position	<u>(740,931)</u>	<u>(4,044,639)</u>	<u>3,372,255</u>
Total Net Position, Beginning of Year	<u>5,630,353</u>	<u>9,674,992</u>	<u>6,302,737</u>
Total Net Position, End of Year	<u>\$ 4,889,422</u>	<u>5,630,353</u>	<u>9,674,992</u>

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

Missouri State Lottery Commission
 (An Enterprise Fund of the State of Missouri)
Statements of Cash Flows
For the Years Ended June 30, 2014, 2013, and 2012

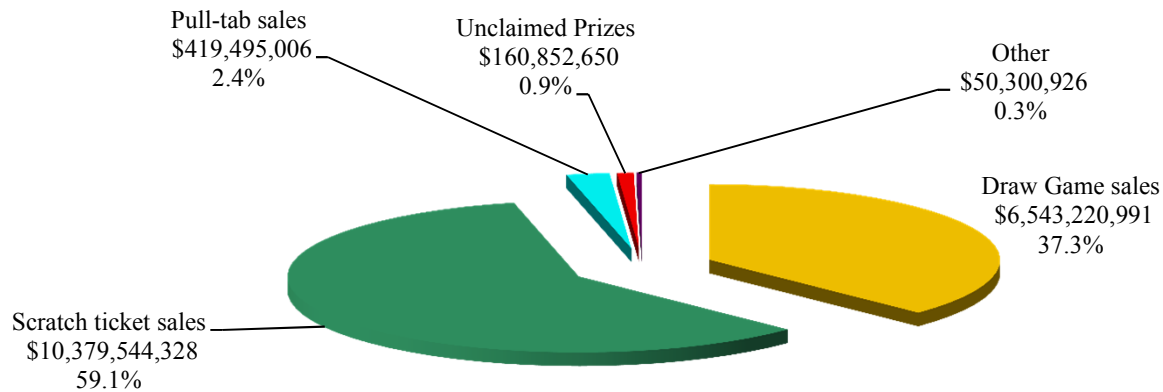
	2014	2013	2012
Cash Flows From Operating Activities			
Cash received from retailers and others:	\$ 1,154,078,653	1,141,593,066	1,105,403,763
Cash paid for prizes	(759,953,999)	(745,048,609)	(715,920,045)
Cash paid for retailer commissions	(70,518,291)	(70,264,698)	(67,581,359)
Cash paid for employee services	(9,702,327)	(9,315,715)	(9,430,729)
Cash paid for other expenses	(46,103,691)	(42,670,907)	(35,231,038)
Net cash provided by operating activities	267,800,345	274,293,137	277,240,592
Cash Flows From Noncapital Financing Activities			
Transfers to State of Missouri	(267,324,620)	(288,804,006)	(280,042,095)
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(877,448)	(870,438)	(1,174,870)
Proceeds from sale of capital assets	69,412	23,795	54,828
Net cash used for capital and related financing activities	(808,036)	(846,643)	(1,120,042)
Cash Flows From Investing Activities			
Proceeds from maturity of investments:	6,504,000	11,741,229	8,614,000
Interest received	82,805	91,150	94,134
Net cash provided by investing activities	6,586,805	11,832,379	8,708,134
Net Increase (Decrease) in Cash and Cash Equivalents	6,254,494	(3,525,133)	4,786,589
Cash and Cash Equivalents, Beginning of Year	19,928,949	23,454,082	18,667,493
Cash and Cash Equivalents, End of Year	26,183,443	19,928,949	23,454,082
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	262,952,588	265,196,698	263,111,780
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,137,244	1,188,952	1,048,608
Unclaimed prizes	14,437,266	14,695,619	10,385,777
Payments to grand-prize winners	(6,504,000)	(11,741,229)	(8,614,000)
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable, net	(2,733,157)	(76,445)	6,193,230
(Increase) decrease in other receivable:	(256,673)	1,893	100,636
(Decrease) increase in prepaid expenses:	336,116	(118,033)	(104,662)
(Decrease) increase in accounts payable and other accrued liabilities	91,300	183,833	731,428
(Decrease) Increase in accrued prize liabilities:	(1,660,339)	4,961,850	4,387,796
Net cash provided by operating activities	267,800,345	274,293,138	277,240,593
Noncash Activities			
Net increase (decrease) in the fair value of investment held for grand prize winners	1,077,556	(884,228)	5,882,052
Amortization of grand-prize winner liability	\$ 1,818,487	3,160,411	2,509,798

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

Appendix G

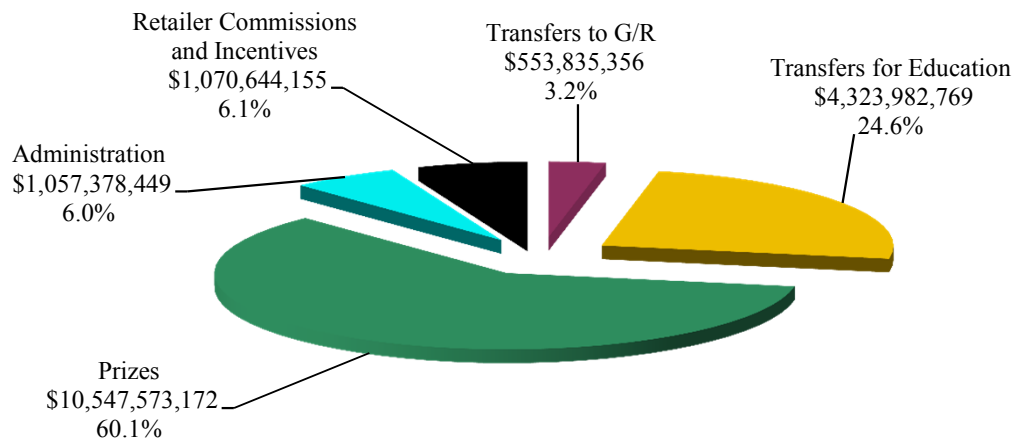
Missouri State Lottery Commission Revenue and Expenditure Charts January 20, 1986 Through June 30, 2014

Revenues



Total Revenues: \$17,553,413,901

Expenditures

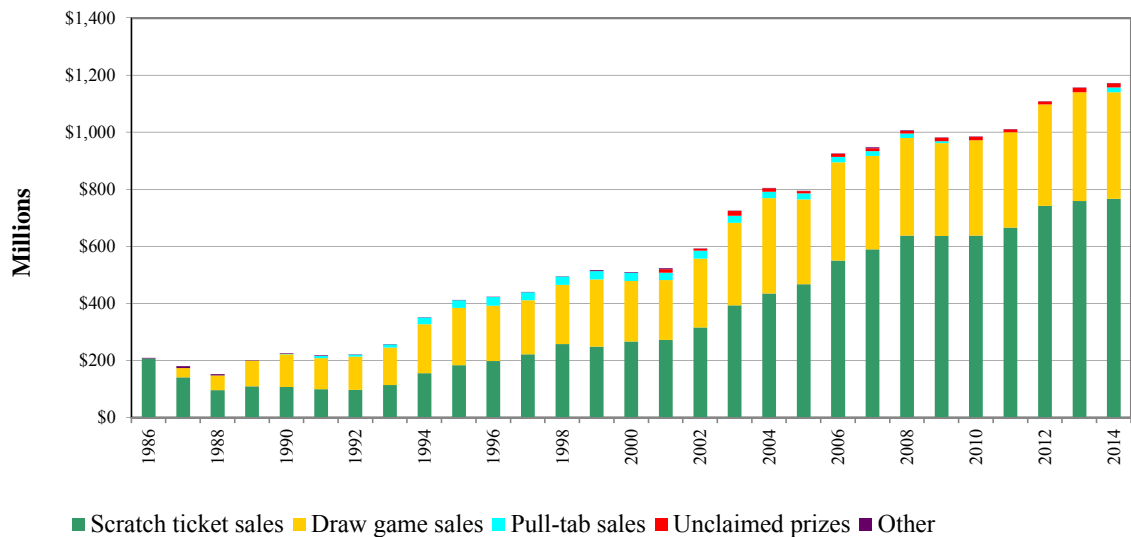


Total Expenditures: \$17,553,413,901

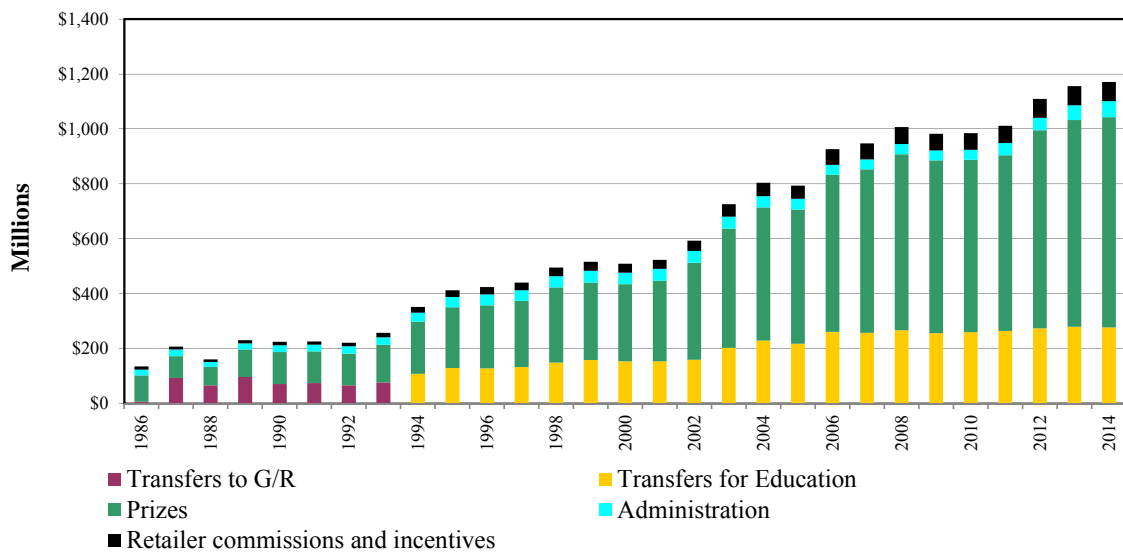
Appendix H

Missouri State Lottery Commission
Revenue and Expenditure Charts
January 20, 1986 Through June 30, 2014

Revenues



Expenditures





Nicole R. Galloway, CPA
Missouri State Auditor

Pemiscot County



December 2015
Report No. 2015-120

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Pemiscot County

Financial Condition and Budgets	The financial condition of the county is weak, and the county commission does not adequately monitor budgets. The General Revenue Fund cash balance at December 31, 2014 was (\$1,427,470). Budgetary procedures are not adequate and contribute to the county's poor financial condition. The county commission continues to approve deficit budgets for multiple funds.
Sheriff's Inmate and Commissary Monies	As noted in a prior report, the sheriff's office does not account for the numerical sequence of receipt/transaction numbers in the computerized accounting system, and the method of payment is not always indicated in the system accurately or reconciled to the composition of deposits. As noted in a prior report, the sheriff's office has not attempted to reconcile the inmate bank account since October 2014. As noted in three prior reports, office personnel do not identify inmate balances to determine month-end liabilities and do not reconcile the liabilities to available cash balances to ensure the bank account balance is adequate to cover amounts due to inmates.
County Assessor's Controls and Procedures	One employee is primarily responsible for collecting receipts and transmitting the monies to the county treasurer. An independent or supervisory review is not performed to ensure all monies received are transmitted to the county treasurer. Office personnel do not issue receipt slips for monies received or record receipts in a ledger. When a receipt slip is requested, information is written on scrap pieces of paper and given to the requestor. In addition, checks are not restrictively endorsed when received.
Public Administrator's Controls and Procedures	The public administrator does not file annual settlements timely in compliance with state law. In addition, the circuit court, probate division does not follow up with the public administrator when annual settlements are not filed by their due date. The public administrator does not always timely prepare monthly bank reconciliations.
County Procedures	As noted in three prior reports, neither the county clerk nor the county commission adequately reviews the financial activities of the county collector, who processes property taxes and other collections. The county clerk does not use the information she maintains to create a detailed account book or other records summarizing property tax charges, transactions, and changes. No evidence was provided to indicate procedures are performed to verify the accuracy and completeness of the county collector's annual settlements. There is no evidence a public hearing on the county's proposed tax rates was held in 2014 or that tax rates were approved by the county commission. The county has not entered into a formal written agreement with the vendor providing diesel fuel for 7 tanks located throughout the county.

Additional Information

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Pemiscot County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Financial Condition and Budgets4 2. Sheriff's Inmate and Commissary Monies.....6 3. County Assessor's Controls and Procedures.....8 4. Public Administrator's Controls and Procedures.....9 5. County Procedures 10
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Organization and Statistical Information	13
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NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Pemiscot County

We have audited certain operations of Pemiscot County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Pemiscot County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

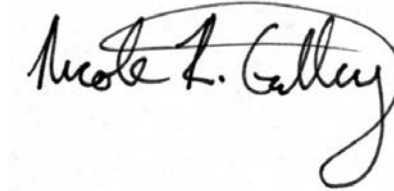
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Pemiscot County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Erica Schroer, MBA
Audit Staff:	Samantha Sieg

Pemiscot County

Management Advisory Report

State Auditor's Findings

1. Financial Condition and Budgets

Several county funds are in poor financial condition, and the financial condition has been affected by poor budgeting procedures.

1.1 Financial condition

The financial condition of the county is weak, and the County Commission does not adequately monitor budgets. The cash balances of the General Revenue and Assessment Funds continue to deteriorate although some improvement is expected during the year ended December 31, 2015. Additionally, the county continues to operate some funds with negative cash balances. As a result, the county is using other county funds included in its bank account, including restricted funds, to meet general cash flow needs.

The following table shows the ending cash balances for the General Revenue and Assessment Funds over the last 4 years and the projected ending cash balances for 2015, as reported in the county's audited financial statements and budget documents.

Fund	Ending Cash Balance, Year Ended December 31,				
	2015 Budgeted	2014 Actual	2013 Actual	2012 Actual	2011 Actual
General Revenue	\$ (1,072,490)	(1,427,470)	(931,518)	(718,445)	(933,872)
Assessment	(48,549)	(48,236)	(114,004)	(131,834)	(126,938)

The General Revenue Fund cash balance has decreased by \$781,176 since our last audit, when the balance was (\$646,294) at December 31, 2010. The county continues to spend more than budgeted for some funds, including funds with existing negative cash balances. While the Assessment Fund's cash balance improved during the last 2 years, the balance is still projected to be negative at December 31, 2015.

Funds with the 5 largest cash balances at December 31, 2014, were \$560,425 for the Special Road and Bridge Fund, \$395,000 for the Federal Forfeiture Fund, \$211,582 for the Johnson Grass Fund, \$150,149 for the Sheltered Workshop Fund, and \$124,642 for the Capital Improvement Sales Tax Fund and totaled \$1,441,798. When the total cash balance for those funds are subtracted from the county's total cash balance of \$312,888 at December 31, 2014, for all funds, the cash balances of these funds are short by \$1,128,910 due to the negative balances of other funds (primarily, General Revenue Fund) in the county.

The County Commission and County Clerk indicated they are aware of the financial concerns with the General Revenue and Assessment Funds. In 2014, voters passed 2 sales taxes to help fund law enforcement and emergency services, which should help ease the burden on the General Revenue Fund. According to the 2015 budget, the county is anticipating the



Pemiscot County Management Advisory Report - State Auditor's Findings

new law enforcement sales tax and emergency services sales tax to generate \$400,000 and \$1.3 million in revenue, respectively. Although County Commissioners indicated they review monthly reports comparing budget and actual receipts and disbursements for all county funds, actual disbursements still exceeded budgeted disbursements for several funds. Spending more than budgeted further contributes to the county's weak financial condition. The additional revenue that will be generated by the new sales taxes may not be enough to offset the county's spending.

Even with the passage of 2 new sales taxes, it is essential the County Commission continue to address the situation both in the immediate and long-term future. To ensure the financial condition of these funds is improved, the County Commission should reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, attempt to maximize all sources of revenue, and closely monitor budgets.

1.2 Budgetary procedures

Budgetary procedures are not adequate and contribute to the county's poor financial condition. The County Commission continues to approve deficit budgets for multiple funds, including the General Revenue, Assessment, Juvenile Grant, and Deputy Sheriff Salary Supplement Grant Funds for 2015. The County Commission approved deficit budgets for the General Revenue, Assessment, Juvenile Grant, Emergency 911, Firing Range, and Task Force Funds in 2014. The County Commission indicated the county has reduced disbursements as much as possible, but the County Commission continues to approve budgeted disbursements in excess of budgeted receipts for funds with deficit balances.

Missouri Constitution, Article VI, Section 26(a), and Section 50.610, RSMo, prohibit deficit budgeting.

Similar conditions previously reported

Similar conditions were noted in our 3 prior audit reports. Our follow-up report to our prior audit, *Follow-Up Report on Audit Findings - Pemiscot County* (No. 2012-140, issued in November 2012), noted the county was in the process of implementing the recommendations.

Recommendations

The County Commission:

- 1.1 Closely monitor the financial condition of the General Revenue and Assessment Funds and take the necessary steps to improve the financial condition of the county. The County Commission should also perform long-term planning and ensure receipts are maximized and disbursements are closely monitored. In addition, the County Commission should also ensure budgets are adequately monitored and established procedures to ensure disbursements are made within the constraints of the budget.



Pemiscot County
Management Advisory Report - State Auditor's Findings

Auditee's Response

1.2 Refrain from budgeting deficit balances.

1.1 *We will continue to monitor the financial condition of the county and take steps to improve the financial condition. We will continue with our long-term planning and ensure receipts are maximized and disbursements are monitored. We will also continue to monitor the budgets and make our best effort to make disbursements within the constraints of the budget.*

1.2 *We will attempt to refrain from budgeting deficit balances as much as possible.*

2. Sheriff's Inmate and Commissary Monies

2.1 Receipts

Records and procedures over inmate and commissary monies need improvement. The Sheriff's office collected inmate and commissary monies totaling approximately \$161,000 during the year ended December 31, 2014.

The Sheriff's office does not account for the numerical sequence of receipt/transaction numbers in the computerized accounting system. The computer system automatically assigns a transaction number to every transaction entered into the system, including receipts posted. During our review of inmate collections reports, we noted several blocks of missing receipt/transaction numbers. Office personnel could not determine why some receipt/transaction numbers were not accounted for on reports generated from the system. In addition, the method of payment (cash, check, or money order) is not always indicated in the system accurately or reconciled to the composition of deposits.

To ensure all monies received are properly recorded and deposited and reduce the risk of loss, theft, or misuse of funds, the numerical sequence of receipt/transaction numbers should be accounted for properly, method of payment should be accurately entered in the accounting system, and the composition of receipt slips issued should be reconciled to the composition of deposits.

2.2 Bank reconciliations

The Sheriff's office has not attempted to reconcile the inmate bank account since October 2014. According to office personnel, since our last audit conducted in 2011, they have attempted to receive assistance from the commissary system vendor in performing a bank reconciliation; however, the issues remain unresolved. We confirmed this information with the vendor.

Follow up procedures have not been performed on reconciling items shown on detailed bank reconciliations for the inmate bank account. Although office personnel post checks and deposits that clear the bank to the computer system to reconcile the Sheriff's accounting and bank records on a



Pemiscot County
Management Advisory Report - State Auditor's Findings

monthly basis, detailed bank reconciliations, which show all reconciling items, are not generated from the computer system and follow-up procedures are not performed to resolve reconciling items. At our request, personnel generated a detailed bank reconciliation showing all individual reconciling items from the inmate bank account as of October 14, 2014. We noted 244 checks and debit cards totaling \$13,397 outstanding with the oldest check dating back to 2005. Inmates released from jail with an account balance do not always retrieve their funds when released.

At October 14, 2014, the inmate and commissary bank account had an adjusted balance of \$4,430, but the office's accounting system showed the balance as negative \$10,317. Office personnel could not determine why there is a large difference between the bank account balance and the system balance or why the accounting system is showing a negative checkbook balance. The Sheriff has requested help from the software vendor to determine how to correct the system balance.

Preparation and review of detailed monthly bank reconciliations and adequate follow up of reconciling items are necessary to ensure bank activity and accounting records are in agreement, detect and correct errors timely, and ensure all monies are properly recorded and/or disbursed to the payee.

2.3 Liabilities

Office personnel have not identified month-end liabilities (inmate balances) and reconciled the liabilities to available cash balances to ensure monies in the bank account are adequate to cover amounts due to inmates. At our request, a report was generated and as of October 14, 2014, inmate balances totaled \$2,494. Office personnel could not explain why this total did not agree to the adjusted bank account balance.

A complete and accurate list of liabilities should be prepared monthly and reconciled to the inmate bank account to ensure records are in balance and sufficient funds are available for the payment of all liabilities. Office personnel should investigate any differences noted and take appropriate action.

Similar conditions previously reported Recommendations

Similar conditions to 2.1 and 2.2 were noted in our prior audit report and similar conditions to 2.3 were noted in our prior 3 reports.

The Sheriff:

- 2.1 Ensure the numerical sequence of receipt/transaction numbers is accounted for properly. The Sheriff should also ensure the method of payment is accurately entered into the system and the composition of receipt slips is reconciled to the composition of deposits.



Pemiscot County
Management Advisory Report - State Auditor's Findings

- 2.2 Perform bank reconciliations monthly. In addition, the Sheriff should review the reconciling items and ensure any differences are promptly investigated.
- 2.3 Ensure individual inmate account balances and various liabilities are compared to the reconciled bank account balance monthly and any discrepancies are promptly investigated.

Auditee's Response

2.1, 2.2

& 2.3 *I will again work with the commissary system vendor concerning the problems with the banking issues. If the vendor cannot get it corrected I will close this account and start over as suggested.*

3. County Assessor's Controls and Procedures

Controls and procedures in the County Assessor's office need improvement. According to the County Treasurer's records, the County Assessor's office remitted approximately \$17,000 to the County Treasurer for maps, plat books, data requests of property records, and miscellaneous fees during the year ended December 31, 2014.

3.1 Segregation of duties

One employee is primarily responsible for collecting receipts and transmitting the monies to the County Treasurer. An independent or supervisory review is not performed to ensure all monies received are transmitted to the County Treasurer.

Proper segregation of duties is necessary to ensure receipts are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the County Assessor should implement an adequate independent or supervisory review when receipts are transmitted to the County Treasurer.

3.2 Receipting procedures

Office personnel do not issue receipt slips for monies received or record receipts in a ledger. When a receipt slip is requested, information is written on scrap pieces of paper and given to the requestor. In addition, checks are not restrictively endorsed when received. According to office personnel, receipts are transmitted to the County Treasurer immediately when received. Without receipting or recording the receipts, there is no assurance that all monies received are transmitted to the County Treasurer.

To reduce the risk of loss, theft, or misuse of monies and to properly account for all monies, official prenumbered receipt slips should be issued for all monies received, the method of payment should be recorded, and the composition of receipts should be reconciled to the composition of monies transmitted to the County Treasurer. Also, checks should be restrictively endorsed immediately upon receipt.



Pemiscot County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Assessor:

- 3.1 Adequately segregate duties for collection of receipts or ensure independent or supervisory reviews of receipts and transmittals are performed and documented.
- 3.2 Establish procedures to ensure all monies received are properly receipted, promptly recorded, and checks are restrictively endorsed immediately upon receipt.

Auditee's Response

- 3.1 *We will ensure independent or supervisory reviews of receipts and transmittals are performed and documented.*
- 3.2 *We are now properly issuing receipt slips for all monies received. We will consider restrictively endorsing checks immediately upon receipt.*

4. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need improvement. During the year ended December 31, 2014, the Public Administrator was the court appointed personal representative for 49 individuals (wards) and decedent estates. Of those 49 estates, the Public Administrator is the conservator for 11 estates.

4.1 Annual settlements

The Public Administrator does not file annual settlements timely in compliance with state law. In addition, the Circuit Court, Probate Division does not follow up with the Public Administrator when annual settlements are not filed by their due date.

Timely filing

We requested the most recent annual settlement for all 11 wards that are required to have annual settlements. For one case, an annual settlement has not been filed since the ward was assigned to the Public Administrator in November 2011 and an annual settlement for another case has not been filed since March 2011. In addition, 7 annual settlements were filed on or after the date we requested annual settlements to review. Also, of the 9 annual settlements we reviewed, 7 covered more than a one year period and had periods ranging from 13 months to 39 months.

Probate Division review

The Circuit Court, Probate Division does not follow up on annual settlements not filed by the required date. In addition, the Circuit Court, Probate Division approved an annual settlement covering the period of June 2013 through October 2014 that did not include bank statements for 11 months.

Conclusion

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely



Pemiscot County
Management Advisory Report - State Auditor's Findings

settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

4.2 Bank reconciliations

The Public Administrator does not always timely prepare monthly bank reconciliations. We noted numerous instances where the Public Administrator completed multiple monthly bank reconciliations for the same account on the same day. Timely preparation of monthly bank reconciliations is necessary to ensure bank accounts are in agreement with accounting records and to detect and correct errors.

Recommendations

The Public Administrator:

- 4.1 File annual settlements timely. In addition, the Circuit Court, Probate Division should follow up with the Public Administrator on all annual settlements not filed by the required date.
- 4.2 Prepare bank reconciliations monthly for all wards' bank accounts.

Auditee's Response

The Public Administrator provided the following responses:

- 4.1 *I will try to file in a more timely manner.*
- 4.2 *I will try to prepare bank reconciliations monthly.*

The Circuit Judge, Probate Division and the Probate Clerk provided the following response:

- 4.1 *Our new system will automatically notify the Probate Clerk of due dates and past due dates for annual settlements. The notifications will be passed on to the Public Administrator.*

5. County Procedures

Improvement is needed in the county's procedures over property taxes, the annual tax rate hearing, and written contracts.

5.1 Review of property taxes

As noted in our prior county audit report (No. 2011-65, *Pemiscot County*, issued in September 2011), subsequent follow-up report (No. 2012-140, *Follow-Up Report on Audit Findings-Pemiscot County*, issued in November 2012) and County Collector audit report (No. 2013-104, *Pemiscot County Collector and Property Tax System*, issued in October 2013), neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector, who processed property taxes and other collections of approximately \$11.9 million during the year ended February 28, 2015. The County Clerk does not use the information she maintains for tax charges, additions and abatements, and the County Collector's monthly settlements to create a detailed account book or other records summarizing



Pemiscot County Management Advisory Report - State Auditor's Findings

property tax charges, transactions, and changes. No evidence was provided to indicate procedures are performed to verify the accuracy and completeness of the County Collector's annual settlements. Although the County Clerk indicated in the *Follow-Up Report on Audit Findings-Pemiscot County* and *Pemiscot County Collector and Property Tax System* reports that other counties were contacted to determine the best way to maintain an account book for use in reviewing the County Collector's annual settlements, current audit work shows a continuation of this significant weakness.

Property tax years ended February 28, 2014, and February 28, 2015, have been completed since the release of our last audit report, *Pemiscot County Collector and Property Tax System*, and the related annual settlements were filed for review without the benefit of a detailed account book to assist in verifying the information. As a result, there continues to be an increased risk of loss, theft, and misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all person chargeable with monies payable to the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlement. Such procedures are intended to establish checks and balances related to the collection of property taxes.

5.2 Tax rate hearing

There is no evidence a public hearing on the county's proposed tax rates was held in 2014 or that the tax rates were approved by the County Commission. According to the County Clerk, the tax rates were approved by the County Commission even though the vote and any related discussion is not documented in the minutes.

Section 137.055, RSMo, states the county governing body shall hold a public hearing, at which citizens shall be heard, prior to approval of the proposed tax rate. In addition, the County Commission minutes are the only record of the discussions held and decisions made by the County Commission and should be complete and accurate.

5.3 Written contracts

The county has not entered into a formal written agreement with the vendor providing diesel fuel for 7 tanks located throughout the county. The county purchased approximately \$117,000 in fuel from the vendor during the year ended December 31, 2014.



Pemiscot County
Management Advisory Report - State Auditor's Findings

Section 432.070, RSMo, requires government contracts to be in writing. Written contracts, signed by the parties involved, should specify the services to be performed and the manner and amount of compensation to be paid, and are necessary to ensure parties are aware of their duties and responsibilities and to prevent misunderstandings. Proper monitoring and oversight of fuel costs are necessary to ensure all county funds are properly disbursed.

Recommendations

- 5.1 The County Clerk maintain a detailed account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 5.2 The County Commission should hold a public hearing each year to determine and set the tax levies and ensure meeting minutes document the public hearing and the commission's approval of the levies.
- 5.3 The County Commission should enter into a written contract with the fuel provider.

Auditee's Response

- 5.1 *The County Clerk will be working with another county to develop a detailed account book. Once the account book is developed we will use the book to review the accuracy and completeness of the County Collector's annual settlements.*
- 5.2 *A tax rate hearing was held in 2014 but was inadvertently omitted from the minutes. The 2015 tax rate hearing has been held and documented in the minutes. The County Commission's approval of the levies is also documented in the minutes.*
- 5.3 *This recommendation has been implemented.*

Pemiscot County

Organization and Statistical Information

Pemiscot County is a county-organized, third-class county. The county seat is Caruthersville.

Pemiscot County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 82 full-time employees and 4 part-time employees on December 31, 2014.

In addition, county operations include the Law Enforcement Restitution Board and Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
James Atchison, Presiding Commissioner	\$	29,060
Steve Watkins, Associate Commissioner		27,060
Ben H. Baker, Associate Commissioner		27,060
Pam Strawbridge, Recorder of Deeds		41,000
Pam Treece, County Clerk		41,000
William Carter, Prosecuting Attorney		133,716
Tommy Greenwell, Sheriff		45,000
Frankie R. Stewart, County Treasurer		41,000
James Brimhall, County Coroner		13,000
Carol DeRousse Miller, Public Administrator		41,000
Terry Swinger, County Collector (1), year ended February 28,	44,381	
Patsy Hinklin, County Assessor, year ended August 31,		41,000

(1) Includes \$3,381 of commissions earned for collecting drainage district property taxes.

Other Information

In April 2014, voters approved 2 new sales taxes for the county. A 1/4-cent sales tax provides funding for law enforcement services. A 1-cent sales tax provides funding for central dispatching of fire protection and emergency ambulance services, including emergency telephone services and other emergency services.



Nicole R. Galloway, CPA
Missouri State Auditor

AGRICULTURE

Missouri State Fair



December 2015
Report No. 2015-121

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri State Fair

Background	The Missouri State Fair is responsible for promoting Missouri agriculture and creating understanding and education of the industry and its related fields. The fair is held annually in August on the state fairgrounds in Sedalia, and provides a showcase for livestock, agricultural products, commercial exhibits, and other displays. The Missouri State Fair Commission oversees Missouri State Fair operations, with organizational assistance provided by the Missouri Department of Agriculture. In addition, the Missouri State Fair has a long-standing arrangement with the Missouri State Fair Foundation to promote and operate various activities at the annual state fair and throughout the year.
Reemployed State Retiree	The Missouri State Fair reemployed a state retiree and did not track the actual hours the employee worked to ensure compliance with state laws. Instead, the employee received a daily per diem regardless of the number of hours worked. From November 2013 through June 2015 the employee was paid approximately \$66,000. During this time, the employee continued to receive retirement benefits.
Missouri State Fair Foundation	In 2006, and at the recommendation of a previous audit, the Missouri State Fair Commission entered into an agreement with the Missouri State Fair Foundation to define the relationship of the two parties and further clarify the role of the Missouri State Fair Foundation; however, the Missouri State Fair does not ensure compliance with this agreement. For example, the Missouri State Fair does not seek compensation for some administrative and facility support provided to the foundation, as required by the agreement. The fair uses state resources (personnel, office space, equipment, and supplies) to maintain the records of the foundation's Agriculture Youth account for youth agriculture scholarships, but these expenses are not reimbursed by the foundation. The foundation has not received an audit as required by the agreement. Additionally, the agreement does not outline all duties and responsibilities of each party, or specify the activities the foundation participates in during the fair.
Closed Meeting Minutes	Minutes are not prepared for closed session meetings of the Missouri State Fair Commission.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Missouri State Fair

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Reemployed State Retiree4 2. Missouri State Fair Foundation5 3. Closed Meeting Minutes7
-------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	9
---------------------------------------------	---

Appendixes

	Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments, Year Ended -	
A-1	June 30, 2015	11
A-2	June 30, 2014	12
B	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2015	13
C	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2015	14



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Richard Fordyce, Director
Department of Agriculture
and
Missouri State Fair Commission
and
Mark Wolfe, Director
Missouri State Fair
Sedalia, Missouri

We have audited certain operations of the Missouri State Fair, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015, and 2014, and the 2014 Fair. The objectives of our audit were to:

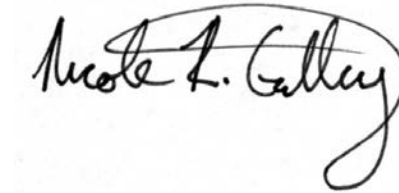
1. Evaluate the state fair's internal controls over significant management and financial functions.
2. Evaluate the state fair's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the state fair, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the state fair's management and was not subjected to the procedures applied in our audit of the state fair.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri State Fair.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Matthew Schulenberg, CFE
Audit Staff:	Nancy McDowell
	Samantha Sieg
	Christopher A. McClain

Missouri State Fair Management Advisory Report State Auditor's Findings

1. Reemployed State Retiree

The Missouri State Fair (MSF) reemployed a state retiree and did not track the actual hours the employee worked to ensure compliance with state laws. In addition, the MSF paid the employee a daily per diem regardless of the number of hours worked and did not define a minimum number of work hours. The employee continued to receive retirement benefits.

The reemployed state retiree was paid \$24,434 for working 150 days during the 8-month period from November 2013 through June 2014, and \$41,998 for working 250 days during the year ended June 30, 2015. This number of days equates to working substantially every work day during these periods. The daily per diem rate paid from November 2013 to January 15, 2015, was approximately \$163 and on January 16, 2015, the rate increased to \$175. To claim the per diem, each pay period the employee reports the number of days worked and the Fair Director approves this report; however, the number of hours actually worked by the employee is not tracked.

MSF personnel have indicated that if the retiree was not in this position, the MSF would need to hire a full-time manager and reemploying the state retiree was the most cost-effective way to fill the position. However, documentation of this analysis could not be provided. Based on the number of days worked and the MSF personnel contention of needing a full-time employee if not for this arrangement, it would seem this position is one normally requiring 1,040 or more hours per year. If so, the employee's retirement benefits should have been discontinued while reemployed.

Section 104.380, RSMo, requires that state retirees reemployed in state positions normally requiring 1,040 or more hours per year shall have their retirement payments discontinued while reemployed. Without tracking and monitoring actual hours worked, the MSF is unable to ensure compliance with state laws or to substantiate the cost effectiveness of the arrangement. As a result, this employee may have been incorrectly classified as part-time, and therefore improperly received retirement payments while reemployed.

Recommendations

The MSF better define the expectations of the reemployed state retiree, including the expected number of days and hours to be worked. In addition, the MSF should establish procedures to track and monitor the actual hours worked to ensure compliance with state laws.

Auditee's Response

We agree with your finding on this matter. The Missouri State Fair has begun corrective action. A request has been made to human resources for a personnel action request changing the employee from per diem to hourly status effective November 1, 2015. The employee's hours will be monitored to assure they do not surpass the 1,040 limit for part-time employees.



Missouri State Fair
Management Advisory Report - State Auditor's Findings

2. Missouri State Fair Foundation

The MSF does not ensure compliance with the agreement with the Missouri State Fair Foundation (Foundation). In addition, the agreement does not outline all duties and responsibilities of both the MSF and the Foundation.

The Foundation, established in 1998, is a not-for-profit 501(c)(3) tax exempt public benefit corporation. Its mission is to cultivate the future of agriculture through preservation, improvement, and educational initiatives. The business and affairs of the foundation are managed by a board of directors that includes the Director of the Department of Agriculture and several MSF Commissioners. In addition, the State Fair Director is a non-voting ex officio member of the board.

The MSF has a long-standing arrangement with the Foundation where the MSF and the Foundation work together to promote and operate various activities at the annual state fair and throughout the year. During 2006, the MSF Commission entered into an agreement with the Foundation to cooperate to further the MSF's objectives through mutually agreed upon programs, projects, missions, and objectives. If the MSF intends to continue with this arrangement, the MSF should ensure the contract is up to date and addresses all activities to be performed by the Foundation and outlines all duties and responsibilities of each party.

2.1 Foundation agreement compliance

While the MSF Commission entered into a written agreement with the Foundation, the MSF does not ensure compliance with this agreement.

In November of 2006, as recommended in our prior audit, the MSF entered into a written agreement with the Foundation to define the relationship between the MSF and the Foundation. This agreement broadly discusses the Foundation's undertakings, MSF administrative and facility support, and financial records and auditing. Our review of the agreement and the MSF's procedures related to the Foundation identified the following concerns:

- The MSF does not seek compensation for some administrative and facility support provided to the Foundation, as required by the agreement. The agreement allows the Foundation to seek administrative and facility support from the MSF, and states that if the MSF provides such support, the Foundation shall compensate the MSF for direct costs in an amount to be mutually agreed upon.

For example, the MSF uses state resources (personnel, office space, equipment, and supplies) to maintain the records of the Foundation's Agriculture Youth account for youth agriculture scholarships. However, as similarly noted in our prior report, these expenses are not reimbursed by the Foundation.



Missouri State Fair Management Advisory Report - State Auditor's Findings

- The MSF has not ensured the Foundation has received an audit as required by the agreement. The agreement requires the Foundation to maintain financial and accounting records and have the records audited at least bi-annually by an independent certified public accountant. However, the Foundation has not been audited since entering into the written agreement with the MSF. In addition, the Foundation does not report financial activity to the MSF as required by the agreement. Given the purpose of the Foundation and its association with the MSF, it is imperative that the Foundation report financial activity to the MSF in order to provide complete transparency and full disclosure to the public.

Without ensuring compliance with the agreement with the Foundation, the MSF has less assurance that state resources are used effectively for state authorized purposes, or that contributions from state resources and compensation from the Foundation are proportionate.

2.2 Duties and responsibilities

The agreement between the MSF Commission and the Foundation does not specify any of the activities the Foundation participates in during the annual fair and does not outline all duties and responsibilities of each party.

The Foundation utilizes the state fairgrounds for various activities during the annual fair and does not compensate the MSF for the state property used. For example, the Foundation operates VIP parking during the annual fair and retains all profits, but does not compensate the MSF for the use of the state parking lot. In addition, the Foundation purchases bottled water to resell at a profit during the annual fair; however, the Foundation does not pay a fee to the MSF to rent concession space as all other fair vendors do.

The MSF also provides various goods and services to the Foundation during the annual fair and does not seek reimbursement from the Foundation. For example, during the 2014 annual fair, the MSF provided more than 2,250 fair admission tickets, valued at approximately \$18,000, to be included in Foundation membership packages. In addition, the MSF paid \$7,500 in expenditures related to the Sale of Champions during the 2014 annual fair although all revenues associated with the Sale of Champions go to the Foundation.

Without properly documenting all duties and responsibilities of both parties in the Foundation agreement, the MSF has less assurance that state resources are used effectively for state authorized purposes, or that contributions from state resources and compensation from the Foundation are proportionate.

Recommendations

- 2.1 The MSF should ensure compliance with the agreement with the Foundation.



Missouri State Fair Management Advisory Report - State Auditor's Findings

- 2.2 The MSF should ensure the agreement with the Foundation is up to date and outlines all duties and responsibilities of both the MSF and the Foundation.

Auditee's Response

The Missouri State Fair Director provided the following response:

At its November 16, 2015 meeting, the Missouri State Fair Commission reviewed the Memorandum of Understanding (MOU) between the Commission and the MSF Foundation. The Fair Commission agrees with your recommendation that it is in the best interest of both the State Fair and the Fair Foundation to enter into an updated, more detailed MOU with the Foundation and moving forward ensure compliance with the MOU. The chairman and executive director of the Foundation have been made aware that the MOU is under Commission review and will need to be updated.

I will be working with the Commission's executive committee to draft the new document. The Commission chair has asked that a proposed (updated) MOU be presented to the Fair Commission at its December 16, 2015 meeting. Once the proposed agreement receives approval by the Commission in December, a meeting will be set with the Foundation's Executive Board to discuss the contents of the document. It is expected that the Foundation's Executive Board will request the opportunity to review the specifics of the MOU and perhaps discuss it with their board, so setting a definite date when the new MOU will be signed and implemented is difficult. My goal is that all parties will have signed off on the agreement and we can have it in place prior to February 1, 2016.

3. Closed Meeting Minutes

Minutes are not prepared for closed session meetings of the Missouri State Fair Commission. The Commission held 14 closed session meetings during the 2 years ended June 30, 2015. Open session meeting minutes indicate the topics to be discussed during the closed sessions and indicate no decisions were made during the closed sessions; however, there were no additional minutes taken for the matters discussed during closed session that provided further detail on the specific issues discussed.

Section 610.020, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings, and specifies details that must be recorded.

Recommendations

The Missouri State Fair Commission ensure minutes are prepared and retained for all closed meetings. These minutes should include the information necessary to provide a complete record of all significant matters discussed and actions taken.

Auditee's Response

We are in agreement that creating separate closed session minutes will provide the opportunity to better memorialize topics discussed during closed



Missouri State Fair
Management Advisory Report - State Auditor's Findings

executive session. We will also continue the practice of reporting during open session and in open session minutes any motions made and votes taken during closed executive session. This addition will be made beginning with the minutes of the November 16, 2015 Commission meeting.

Missouri State Fair

Organization and Statistical Information

The Missouri State Fair is responsible for promoting Missouri agriculture and creating understanding and education of the industry and its related fields. The fair is held annually in August on the state fairgrounds in Sedalia. The fair provides a showcase for livestock, agricultural products, commercial exhibits, and other displays. In addition, a number of entertainment events are held at the fair. The fairgrounds are also utilized throughout the year for various exhibits, sales, private functions, and entertainment.

The operation of the Missouri State Fair is financed from fees collected for admissions, parking, concessions, exhibitions, and other sources that are deposited to the State Fair Fees Fund and the State Fair Escrow Fund; annual appropriations from the Agriculture Protection Fund; and funding provided by the Missouri State Fair Foundation. The Missouri State Fair Foundation receives funding from private donations, as well as earning money from bottled water sales, VIP parking, and other activities at the annual state fair.

The Missouri State Fair was established in 1899 and became a program of the Department of Agriculture in 1933. Senate Bill 692, passed during the Second Regular Session of the 87th General Assembly, transferred control and supervision of the Missouri State Fair from the Department of Agriculture to a nine-member commission, effective September 1, 1995. The commission consists of the director of the Department of Agriculture and eight members appointed by the Governor for four year terms. Of the eight appointed members, two are farmers, two are current or past presidents of county or regional fair boards, one is employed in agribusiness, and three are at-large members.

Members of the Missouri State Fair Commission as of June 2015 were:

Name	Term Expires
Jack Magruder	December 29, 2012*
Don McQuitty	December 29, 2015
Lowell Mohler	December 29, 2013*
Barbara Hayden	December 29, 2009*
Sherry Jones	December 29, 2014*
Janet Crafton	December 29, 2015
Teddy Sheppard	December 29, 2012*
Kevin Roberts	December 29, 2014*
Richard Fordyce	Not Applicable

* These commission members continue to serve on the Missouri State Fair Commission after their term has expired until a replacement is appointed.



Missouri State Fair Organization and Statistical Information

The Director of the Missouri State Fair is appointed by the Commission to administer the Missouri State Fair. Mark Wolfe has served as Director of the Missouri State Fair since January 2009.

The Missouri State Fair employed approximately 22 full-time and 45 seasonal part-time employees as of June 30, 2015.

The following chart shows the estimated state fair attendance since 2008:

Year	Attendance
2008	313,415
2009	337,851
2010	320,322
2011	343,397
2012	353,704
2013	366,218
2014	361,496
2015	352,888

Appendix A-1

Missouri State Fair
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2015

	State Fair Fees Fund	State Fair Trust Fund	State Fair Escrow Fund*	Total (Memorandum Only)
RECEIPTS				
Agency collected sales tax	\$ 90,399	0	0	90,399
Other taxes	42,972	0	0	42,972
Admission fees	1,366,316	0	0	1,366,316
Other fees	1,402,887	0	0	1,402,887
State facilities rentals/leases	222,119	0	0	222,119
Concessions and recreation rentals/leases	861,348	0	0	861,348
Other leases and rentals	211,778	0	0	211,778
Interest	5,941	0	0	5,941
Private donations	0	1,561	0	1,561
Grandstand revenues	0	0	1,172,470	1,172,470
Carnival revenues	0	0	560,148	560,148
Miscellaneous revenues	1,170	0	300,538	301,708
Total Receipts	4,204,930	1,561	2,033,156	6,239,647
DISBURSEMENTS**				
Salaries and wages	1,072,129	0	0	1,072,129
Fringe benefits	236,020	0	0	236,020
Travel	130,035	0	0	130,035
Supplies	381,756	2,855	0	384,611
Professional development	11,170	0	0	11,170
Communication service and support	31,454	0	0	31,454
Professional services	854,768	0	0	854,768
Housekeeping and janitor services	49,826	0	0	49,826
Maintenance and repair services	85,687	0	0	85,687
Equipment	41,376	0	0	41,376
Building and equipment rental and leases	794,698	0	0	794,698
Miscellaneous expenses	240,688	0	272,126	512,814
Refunds	26,030	0	0	26,030
Program distributions	8,842	0	0	8,842
Cost allocation plan	43,889	0	0	43,889
Prizes and awards	462,604	663	0	463,267
Grandstand expenses	0	0	867,023	867,023
Carnival expenses	0	0	270,253	270,253
Total Disbursements	4,470,972	3,518	1,409,402	5,883,892
RECEIPTS OVER (UNDER) DISBURSEMENTS	(266,042)	(1,957)	623,754	355,755
TRANSFER FROM STATE FAIR ESCROW FUND TO STATE FAIR FEES FUND	586,500	0	(586,500)	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	320,458	(1,957)	37,254	355,755
CASH AND INVESTMENTS, JULY 1	1,351,684	7,671	1,649,011	3,008,366
CASH AND INVESTMENTS, JUNE 30	\$ 1,672,142	5,714	1,686,265	3,364,121

* Fund is maintained outside the state treasury in accordance with Section 262.261, RSMo.

** Disbursements on this statement will not agree to fund expenditures on Appendix B due to disbursements made by the Department of Agriculture's Office of Director and the Office of Administration.

Appendix A-2

Missouri State Fair
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2014

	State Fair Fees Fund	State Fair Trust Fund	State Fair Escrow Fund*	Total (Memorandum Only)
RECEIPTS				
Agency collected sales tax	\$ 82,883	0	0	82,883
Other taxes	72,017	0	0	72,017
Admission fees	1,351,852	0	0	1,351,852
Other fees	1,341,114	0	0	1,341,114
State facilities rentals/leases	220,823	0	0	220,823
Concessions and recreation rentals/leases	861,014	0	0	861,014
Other leases and rentals	215,590	0	0	215,590
Interest	5,076	0	0	5,076
Private donations	0	1,636	0	1,636
Grandstand revenues	0	0	1,182,208	1,182,208
Carnival revenues	0	0	460,356	460,356
Miscellaneous revenues	95	0	123,665	123,760
Total Receipts	4,150,464	1,636	1,766,229	5,918,329
DISBURSEMENTS**				
Salaries and wages	957,190	0	0	957,190
Fringe benefits	188,225	0	0	188,225
Travel	134,076	0	0	134,076
Supplies	309,218	800	0	310,018
Professional development	11,391	0	0	11,391
Communication service and support	31,031	0	0	31,031
Professional services	806,299	0	0	806,299
Housekeeping and janitor services	61,045	0	0	61,045
Maintenance and repair services	28,739	0	0	28,739
Equipment	29,996	0	0	29,996
Building and equipment rental and leases	783,859	0	0	783,859
Miscellaneous expenses	214,145	0	105,285	319,430
Refunds	29,214	0	0	29,214
Program distributions	41,189	0	0	41,189
Workers' compensation	8,536	0	0	8,536
Cost allocation plan	40,766	0	0	40,766
Prizes and awards	411,302	1,030	0	412,332
Grandstand expenses	0	0	867,766	867,766
Carnival expenses	0	0	235,180	235,180
Total Disbursements	4,086,221	1,830	1,208,231	5,296,282
RECEIPTS OVER (UNDER) DISBURSEMENTS	64,243	(194)	557,998	622,047
TRANSFER FROM STATE FAIR ESCROW FUND TO STATE FAIR FEES FUND	271,250	0	(271,250)	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	335,493	(194)	286,748	622,047
CASH AND INVESTMENTS, JULY 1	1,016,191	7,865	1,362,263	2,386,319
CASH AND INVESTMENTS, JUNE 30	\$ 1,351,684	7,671	1,649,011	3,008,366

* Fund is maintained outside the state treasury in accordance with Section 262.261, RSMo.

** Disbursements on this statement will not agree to fund expenditures on Appendix B due to disbursements made by the Department of Agriculture's Office of Director and the Office of Administration.

Appendix B

Missouri State Fair
Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,					
		2015			2014		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
FACILITIES MAINTENANCE RESERVE FUND							
Statewide Facilities Maintenance Reserve Fund Expenditure	\$	217,664	179,363	38,301	217,285	157,721	59,564
Unprogrammed Maintenance and Repair		0	0	0	13,830	13,830	0
Abatement Removal and Remediation		51,903	50,902	1,001	0	0	0
Plumbing Improvements		150,123	150,123	0	1,688,292	1,490,211	198,081
Total Facilities Maintenance Reserve Fund		419,690	380,388	39,302	1,919,407	1,661,762	257,645
AGRICULTURE-FEDERAL AND OTHER FUND							
MSF-Tornado Shelters/Restrooms		1,734,315	310,219	1,424,096	1,875,000	140,685	1,734,315
Total Agriculture-Federal And Other Fund		1,734,315	310,219	1,424,096	1,875,000	140,685	1,734,315
STATE FAIR FEES FUND							
Funding To Start Fair		74,250	69,540	4,710	74,250	69,540	4,710
State Fair Administration Personal Service		1,326,261	1,036,376	289,885	1,309,240	957,190	352,050
State Fair Administration Expense and Equipment		2,599,740	2,512,116	87,624	2,553,468	2,306,576	246,892
State Fair Equipment Replacement		165,962	24,213	141,749	165,962	1,200	164,762
Total State Fair Fees Fund		4,166,213	3,642,245	523,968	4,102,920	3,334,506	768,414
STATE FAIR TRUST FUND							
Funding To Start Fair		9,900	3,518	6,382	9,900	1,830	8,070
Total State Fair Trust Fund		9,900	3,518	6,382	9,900	1,830	8,070
AGRICULTURE PROTECTION FUND							
State Fair Administration Personal Service		518,207	493,110	25,097	512,030	511,652	378
MSF-Tornado Shelters/Restrooms		591,213	97,479	493,734	625,000	33,787	591,213
State Fair Infrastructure Improvement Expense and Equipment		0	0	0	500,000	500,000	0
State Fair Administration Expense and Equipment		0	0	0	46,272	46,272	0
Total Agriculture Protection Fund		1,109,420	590,589	518,831	1,683,302	1,091,711	591,591
Total All Funds	\$	7,439,538	4,926,959	2,512,579	9,590,529	6,230,494	3,360,035

Appendix C

Missouri State Fair

Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2015	2014	2013	2012	2011
Salaries and wages	\$ 1,529,486	1,468,842	1,389,324	1,395,672	1,391,987
Travel, in-state	120,552	125,176	104,001	117,221	120,282
Travel, out-of-state	9,483	8,899	4,740	8,169	3,444
Fuel and utilities	1,357	1,423	598	1,040	1,569
Supplies	383,028	490,005	364,319	376,734	302,307
Professional development	11,170	11,391	11,269	11,033	5,531
Communication service and supplies	31,454	31,031	30,264	22,808	24,247
Services:					
Professional	913,737	934,789	853,032	713,597	724,913
Housekeeping and janitorial	49,826	62,733	75,893	62,648	55,080
Maintenance and repair	83,702	164,296	59,008	83,624	69,523
Equipment:					
Computer	0	8,995	0	0	0
Motorized	14,420	343	20,298	16,000	540
Office	17,715	16,505	760	3,368	1,474
Other	7,803	66,342	28,186	13,364	1,180
Property and improvements	724,893	1,856,294	82,346	90,277	60,805
Building lease payments	1,215	1,875	1,055	1,830	1,070
Equipment rental and leases	315,037	292,071	287,607	274,701	254,646
Miscellaneous expenses	685,051	626,477	608,840	608,321	604,091
Refunds	26,030	29,214	23,673	35,526	22,458
Program distributions	1,000	33,793	23,901	15,707	22,292
Total Expenditures	\$ <u>4,926,959</u>	<u>6,230,494</u>	<u>3,969,114</u>	<u>3,851,640</u>	<u>3,667,439</u>



Nicole R. Galloway, CPA
Missouri State Auditor

Hope Academy Charter School



December 2015
Report No. 2015-122

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Hope Academy Charter School

Background	<p>The State Auditor's Office initiated an audit of the Hope Academy Charter School in November 2013 after receiving information from the Department of Elementary and Secondary Education that falsification of attendance data had occurred at the Hope Academy Charter School. Hope Academy was a charter school operating in Kansas City from August 2009 until June 2014. The school's sponsor, the University of Missouri-Kansas City, notified the school of its plans to withdraw its sponsorship in December 2013. The school board voted in April 2014 to close the school as of June 30, 2014, and the last day of classes was June 11, 2014.</p>
Attendance Data and Procedures	<p>Hope Academy attendance data for 2012-2013 and 2013-2014 school years was incomplete and inaccurate, and significantly overstated actual attendance. School attendance data was reported to the Department of Elementary and Secondary Education and certified by the former Hope Academy Core Data Consultant or superintendent. Falsification of attendance data provided to the state resulted in Hope Academy receiving significantly more funding than it should have. As a result, the school received overpayments in state funding totaling approximately \$3.1 million for the 2012-2013 school year and \$1.24 million for the 2013-2014 school year.</p>
Academic Integrity	<p>School officials did not follow board policies to properly track academic information, including student time spent logged on to the online learning system, which was not always completed under the supervision of a certified teacher. Service learning records were not properly maintained or approved and service learning activities did not meet established criteria. A review of available service learning records showed the school allowed credit for questionable activities, including babysitting, cutting grass, grocery shopping, cleaning house and dog walking. These activities were not aligned with state service learning standards.</p> <p>Student enrollment was not always properly documented or verified. In addition, documentation and reporting of eligibility and participation in the Free and Reduced Lunch and English Language Learners programs was not adequate. Some attendance and graduation information reported to the state was not accurate, and the school did not verify adequate credits were earned by all graduates. Students with excessive consecutive absences were not withdrawn and student withdrawals or transfers were not always properly documented.</p>
Closure and Outstanding Liabilities	<p>Hope Academy was overpaid by approximately \$1.24 million in state funding for the first 9 months of the 2013-2014 school year. In an attempt to recoup this overpayment, the Department of Elementary and Secondary Education withheld payments totaling approximately \$600,000 to Hope Academy for the last 3 months (April-June) of the school year and requested reimbursement for an additional \$640,000. In June 2014, the board offered to pay back \$200,000 and enter into a payment plan for the remaining liability until the debt was paid or legal matters could be resolved. As of August 2015, the settlement had not been accepted and Hope Academy had not reimbursed the remaining \$640,000 in overpayments. In addition, Hope</p>

Academy was overpaid by at least \$3.1 million dollars based on inflated attendance for the 2012-2013 school year, resulting in an additional liability.

Procurement Procedures and Contracting

The school board did not bid the purchase of building supplies, instructional supplies, office supplies, and homeless student uniforms totaling \$190,000 for the 2012-2013 school year, including \$104,000 in supply purchases from one vendor. In addition, concerns were noted with the board's procurement and contracting procedures for professional service providers.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Hope Academy Charter School

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory	
Report - State Auditor's	
Findings	
1. Attendance Data and Procedures	8
2. Academic Integrity	13
3. Closure and Outstanding Liabilities	22
4. Procurement Procedures and Contracting	23

Organization and Statistical	26
Information	

Appendix - Auditee's	28
Additional Comments	



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the Board of Directors
Hope Academy Charter School

The State Auditor conducted an audit of the Hope Academy Charter School (Hope Academy) under authority granted in Section 29.205, RSMo. A request for an audit was received from the Department of Elementary and Secondary Education (DESE) after concerns arose and the DESE found credible evidence of, among other concerns, attendance reporting issues. The Hope Academy Board of Directors also requested the audit. The charter school engaged Ralph C. Johnson & Company, Certified Public Accountants (CPAs), to audit the charter school's financial statements for the year ended June 30, 2014, and Daniel Jones & Associates, CPAs, to audit the charter school's financial statements for the years ended June 30, 2013, 2012, and 2011. To minimize duplication of effort, we reviewed the reports of the CPA firms. The scope of our audit included, but was not necessarily limited to, the 5 years ended June 30, 2014. The objectives of our audit were to:

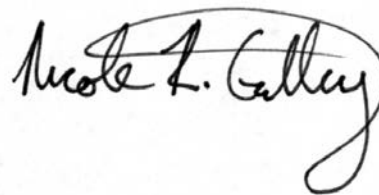
1. Evaluate the charter school's internal controls over significant management and financial functions.
2. Evaluate the charter school's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Evaluate the internal controls and accuracy of the charter school's enrollment and attendance recording and reporting and impact on state funding.
5. Evaluate the planning and oversight of the charter school's closure.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, electronic communications, and other pertinent documents; interviewing various personnel of the charter school, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from charter school's management and was not subjected to the procedures applied in our audit of the charter school.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, (4) inaccurate attendance and enrollment reporting, and (5) deficiencies in the planning and oversight of the charter school closure. The accompanying Management Advisory Report presents our findings arising from our audit of the Hope Academy Charter School.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
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	Ruben Lara

Hope Academy Charter School

Introduction

Background

On November 5, 2013, the State Auditor's Office (SAO) received substantial, credible evidence from the Department of Elementary and Secondary Education (DESE) that falsification of attendance data had occurred, among other concerns, at the Hope Academy Charter School (Hope Academy).

On November 6, 2013, the SAO served subpoenas on designated administrators and staff of the Hope Academy to ensure the preservation of evidence. SAO personnel met with the Hope Academy Board of Directors (Board) and legal counsel at that time and were advised of the Board's request for an audit and their willingness to fully cooperate and support the audit process. On November 14, 2013, SAO staff visited the Hope Academy and auditors conducted interviews with school representatives and gathered and secured school records including attendance records.

The Hope Academy was a charter school operating in Kansas City from August 2009 until June 2014. In accordance with Section 160.400, RSMo, the Hope Academy formed as a nonprofit corporation on December 27, 2007. The Board voted in April 2014 to close the school as of June 30, 2014, and the last day of classes was June 11, 2014.

The Hope Academy was designed as a dropout recovery school with a mission to provide students who had dropped out or were contemplating dropping out of a formal educational program an opportunity to obtain a quality education leading to a diploma. The Hope Academy was sponsored by the University of Missouri-Kansas City (UMKC) and served students ages 16 to 21 in grades 9 through 12. Educational programs included individualized online reading and online core instruction programs as well as curriculum-based community service opportunities (service learning).

The Hope Academy occupied and/or operated the following campuses/facilities from 2009 thru 2014:

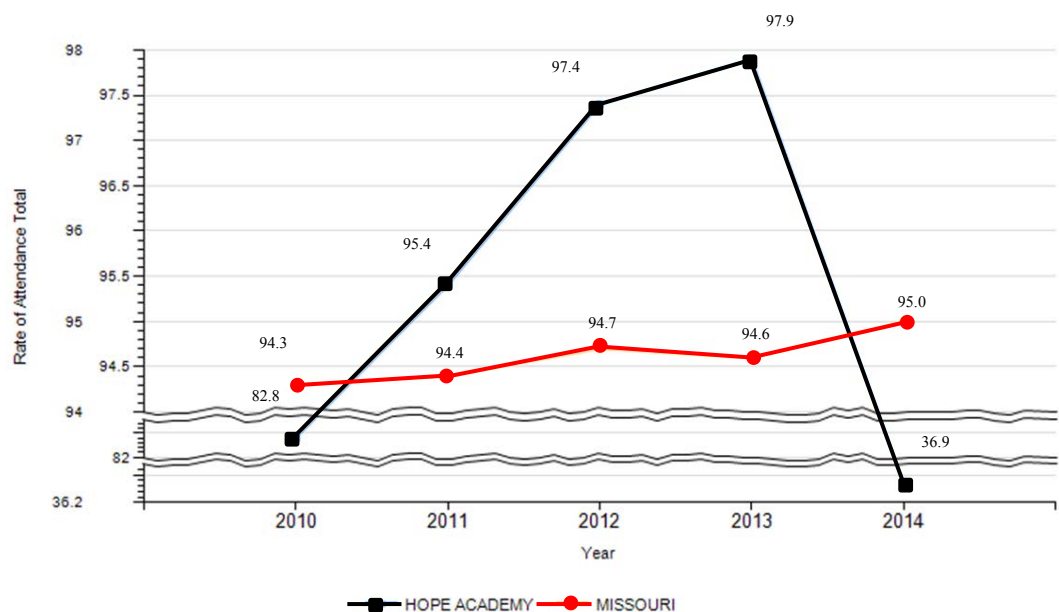
- Zion Grove campus - Leased from June 2009 to September 2013.
- Bennington campus and Administration Center - Leased from May 2012 to December 2014 (lease payments were suspended from April 2014 to December 2014).
- Paseo campus - Purchased December 2012 and conveyed to the lender through a deed in lieu of foreclosure in May 2014. The Paseo campus was open from July 2013 to December 2013.
- Meyer campus - Purchased January 2013 and conveyed to the lender through a deed in lieu of foreclosure in May 2014. No classes were held at this campus.



Hope Academy Charter School Introduction

DESE

According to DESE officials, they performed unannounced visits to the Bennington and Paseo campuses of the Hope Academy on October 9, 2013, to review attendance reporting procedures and service learning components. DESE officials performed these visits because they noted the Hope Academy had reported a 97.9 percent attendance rate for the 2012-2013 school year. DESE officials considered this rate to be unusually high, especially for an alternative, or dropout recovery, high school. As noted in the following graph,¹ the Hope Academy had reported attendance exceeding 95 percent, higher than the state average, since the 2010-2011 school year, its second year of operation.



During DESE's visits, officials performed a physical count of the Hope Academy students present and only 174 of 636 students (27 percent) were in attendance. DESE officials also obtained hardcopy and electronic attendance data for October 1 - 8, 2013, which they subsequently reviewed and confirmed an actual attendance rate of approximately 30 percent, much lower than what the school reported.

In addition to concerns with the Hope Academy's attendance, the DESE also reported concerns regarding the following:

- A 4-year trend of low academic performance and a 2013 Annual Performance Report percentage score of 17.1 percent (earning 24 out of

¹ Source: DESE's Missouri Comprehensive Data System
<<http://mcds.dese.mo.gov/guidedinquiry/District%20and%20Building%20Student%20Indicators/District%20Attendance%20Rate.aspx>>, accessed April 24, 2015.



Hope Academy Charter School Introduction

a possible 140 points) reflecting an overall poor performance. The Hope Academy's sponsor, the UMKC, had previously placed (on October 14, 2013) the school on probationary status for this reason pursuant to Section 160.405.8 (2), RSMo.

- Student residency issues for a number of students transferring to the Hope Academy from other school districts outside the Kansas City Public School District during their senior year.
- A majority of Hope Academy service learning activities having limited or no alignment to service learning requirements, and therefore the hours charged were not eligible for state reimbursement.
- Academic integrity issues involving testing irregularities, transcript discrepancies, and awarding and reporting of course credits earned towards graduation.

On November 4, 2013, the Board placed various administrators and staff on administrative leave. Some of these administrators and staff, including former Superintendent Dr. Vonnelle Middleton and former Core Data Consultant Lisa Sowell, were terminated soon after because of their role in reporting and certifying attendance to the DESE. On November 19, 2013, the Hope Academy notified the UMKC it was closing the Paseo campus and selling it and the Meyer campus, which was never used for classes. The Board also notified UMKC it would be releasing a number of staff members after Thanksgiving and moving all students to the Bennington campus as of the end of December 2013. On November 25, 2013, the Hope Academy provided a corrective action plan to the UMKC addressing the DESE's concerns.

Closure

On December 2, 2013, the UMKC notified the Board of its decision to not continue as the Hope Academy's sponsor after June 30, 2014, indicating "The decision is heavily influenced by the low Missouri Assessment Plan (MAP) scores the Hope Academy students have posted for the last four years, therefore identifying the Hope Academy as a persistently low achieving school by the Department of Elementary and Secondary Education."²

The Board disagreed with the UMKC's position and, as a result, the Board sued the State Board of Education (SBE) in April 2014, in order to have the SBE require the UMKC to follow state law and its own internal processes. The case was dismissed by the trial court and the Board appealed the

² Source: December 2, 2013, letter from UMKC Charter School Center School of Education to the Hope Academy's Board President.



Hope Academy Charter School Introduction

decision. In June 2014, the school was forced into closure as UMKC had withdrawn its sponsorship and no other sponsor was obtained. On June 9, 2015, the Western District Appeals Court affirmed the trial court's decision to dismiss the case.

The following table reflects the Hope Academy's revenues and expenditures for the 2 years ended June 30, 2014.

	Year Ended June 30,	
	2013	2014
Beginning fund balance	\$ 3,122,285	3,335,327
Revenues (by source):		
Local	347,169	658,552
State	6,237,497	2,110,876
Federal	343,722	305,141
Loan Proceeds	2,253,631	0
Sale of surplus property	0	2,120,736
Total Revenues	9,182,019	5,195,305
Expenditures (by object):		
Salaries	1,777,880	1,999,488
Employee benefits	425,894	474,137
Purchased services	1,244,397	1,563,009
Supplies	598,662	441,429
Capital outlay	4,781,894	962,188
Principal	110,355	2,752,332
Interest and fees	29,895	157,840
Total Expenditures	8,968,977	8,350,423
Ending fund balance	\$ 3,335,327	180,209

Source: The Hope Academy independent auditor's reports for the years ended June 30, 2013, and June 30, 2014. The information is presented on a modified cash basis.

Dissolution

Final dissolution of the not-for-profit corporation is pending any further litigation and completion of final closure activities including final storage of school records and student record requests. Because MAR finding number 4 relates to the operations of the school prior to closure, and the Board is in the process of dissolution, no recommendation is provided. Also, because the Board is in the process of dissolving, other recommendations focus on the continuing issues resulting from attendance and academic integrity inaccuracies.

Auditee Responses

The auditee provided additional information regarding the closure process discussed in this background section as part of their responses. This information is included in full in the audit report appendix. Responses provided for the other findings were largely unresponsive to the specific recommendations, did not clearly convey plans for corrective action, and commented on the DESE or the sponsor as opposed to focusing on remedies. These responses are included with the applicable audit finding.

Hope Academy Charter School

Management Advisory Report

State Auditor's Findings

1. Attendance Data and Procedures

The Hope Academy attendance data for the 2012-2013 and 2013-2014 school years was incomplete and inaccurate, and significantly overstated actual attendance. As a result, overpayments of state funding occurred totaling approximately \$3.1 million for the 2012-2013 school year and \$1.24 million for the 2013-2014 school year. Analysis of attendance data reported for the 5 years ended June 30, 2014, also showed significant unexplained increases in attendance for the Hope Academy. A lack of proper attendance procedures allowed inflated attendance percentages.

The DESE requires all schools, including charter schools, to track attendance accurately by attendance hour. The DESE uses attendance data reported by schools in the Missouri Student Information System (MOSIS) to determine the appropriate amount of state funds to give each school through the state funding formula. The higher a school's attendance percentage, the more funds it receives. Absences reduce the amount of funding a school receives. The number of students eligible for Free and Reduced Lunch (FRL) and the number of students considered English Language Learners (ELL) also allow for increased state funding through the state funding formula and eligibility for federal funding.

Enrollment counts are used to determine the number of resident and nonresident students³ enrolled (i.e. head count), while membership counts determine, by grade, how many resident students are enrolled and in attendance at least 1 of the 10 previous school days (i.e., full-time equivalency count). Data from these counts is used to validate other school reported data (i.e., estimated average daily attendance, enrollment, and attendance hours), determine district eligibility for certain federal grants, and calculate federal grant allocations. An enrollment count and membership count are performed the last Wednesday of September and reported to the DESE for the October reporting cycle, and another membership count is performed on the last Wednesday of January and reported to the DESE for the February reporting cycle. These counts are also used to report the number of students qualifying for the FRL and ELL programs. (See further discussion of the FRL and ELL programs in MAR finding number 2.4).

The Hope Academy operated on a 6 hour school day for 200 days per year, with 4 hours of online curriculum and 2 hours of service learning. The school used the Odysseyware system for its online curriculum. Students were taught via online curriculum at computers located within the school or were allowed to access the system from their homes. Students' logon and

³ Nonresident students are those that do not reside in the district in which the charter school operates but are eligible to attend the charter school under provisions of Section 160.410.1, RSMo.



Hope Academy Charter School
Management Advisory Report - State Auditor's Findings

logoff times were tracked by the system vendor and could be obtained by the Hope Academy if requested.

The Hope Academy's attendance records were manual for the Zion Grove and Paseo campuses and maintained on an electronic spreadsheet for the Bennington campus. The manual system consisted of school personnel marking an "X" on a paper document indicating a student had arrived and departed for the day with no indication of the times for either. The electronic spreadsheet indicated a "P" for present or an "A" for absent without consideration of the hours present. DESE records show either former Core Data Consultant Sowell or former Superintendent Dr. Middleton certified attendance data entered into the MOSIS. A report reflecting the information entered into the MOSIS was also provided to the Board at its regular meetings showing the school's monthly attendance percentage.

To evaluate the accuracy of the Hope Academy's attendance data, we compared various attendance records (manual and/or spreadsheet), Odysseyware logons, and service learning records to the MOSIS to determine if attendance and absences recorded on the Hope Academy's records were accurately recorded in the MOSIS.

2013-2014 school year

As previously noted, DESE officials determined the Hope Academy's attendance for the 2013-2014 school year was significantly overstated. During an October 9, 2013, unannounced visit DESE officials determined approximately 27 percent of the Hope Academy's students were physically present. The DESE's review of attendance data for the week prior to its visit confirmed a similar low attendance rate of approximately 30 percent. Subsequent investigation by an internal auditor hired by the Board, and attendance reported by school officials (monthly emails to the DESE) showed similar low attendance rates. As a result, the DESE calculated the overpayment of state funding for the first 9 months (July 2013 through March 2014) of the 2013-2014 school year at approximately \$1.24 million.

2012-2013 school year

As part of the internal investigation into attendance reporting concerns noted by DESE officials, the Board hired an internal auditor to perform a review of the 2012-2013 school year attendance data. On a test basis, we verified the accuracy of the internal auditor's initial work to ensure it could be relied upon. We concluded the internal auditor's work was reliable; however, because manual and spreadsheet attendance records were missing for several days/months for each campus for the 2012-2013 school year, the internal auditor's analysis was incomplete.

We used available Odysseyware logon data to complete the internal auditor's analysis for the missing days/months, creating a master attendance database for the 2012-2013 school year. Our review of available data



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

determined the Hope Academy students were in attendance an estimated 219,432 of 704,538 possible attendance hours, or approximately 32 percent attendance. However, the Hope Academy reported their attendance rate to the DESE for the 2012-2013 school year at 97.9 percent of total possible attendance hours (above the state average of 94.6 percent). Because of the inconsistency of the data and documentation, we considered a student to be present for the full 6 hour day if he/she was noted in any attendance record or logged on to the Odysseyware system at any point and calculated a 32 percent attendance rate without considering the number of hours present. Had all records been available to account for the number of attendance hours, some students may not have earned credit for a full day and the calculated attendance percentage could be less. Additionally, the procedural, Odysseyware, and service learning problems discussed in MAR finding number 2 further impact the calculated attendance percentage.

Using our estimated student attendance hours of 219,432 and dividing that by the number of hours per student per year ($1,200 = 200 \text{ days} \times 6 \text{ hours per day}$), the Hope Academy's estimated 2012-2013 regular term average daily attendance (ADA) is calculated at 182.86, 377.14 less than the 560 regular term ADA reported to the DESE. The DESE paid the Hope Academy approximately \$8,300 per ADA for the 2012-2013 school year. The 377.14 ADA difference equates to an estimated state funding overpayment of approximately \$3.1 million.

Other school years

Adequate documentation was not maintained by the school to sufficiently analyze the 2011-2012 school year attendance, which was reported to the DESE at 97.4 percent (above the state average). As early as March 2012, based on the Board meeting minutes, school staff reported to the Board that their school's attendance percentage was 97.3 percent. Board members indicated they questioned staff about the school's high attendance percentages and staff provided explanations that they believed were reasonable.

For the 2010-2011 school year the Hope Academy attendance records could not be located, however, Odysseyware data was available. According to the Odysseyware logon data, students logged on a total of 44,062 days (31,794 days not including weekend days), however, the number of days students were reported as being in attendance to the DESE was approximately 51,000 days or a 95.38 percent attendance rate (above the state average). We did not attempt to estimate an overpayment for the 2010-2011 school year because attendance records were not available to compare to the Odysseyware logon data.

Conclusion

Available attendance documentation does not support the students' rate of attendance reported to the DESE and certified by the former Hope Academy Core Data Consultant or Superintendent, indicating falsification of



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

attendance percentages. Falsification of attendance data provided to the DESE resulted in the Hope Academy receiving significantly more funding than it was entitled to. In addition, the Hope Academy may have been falsifying attendance data as early as the 2010-2011 school year when it first reported an attendance percentage above the state average. Neither the Board nor the DESE examined the significant unexplained increase in attendance until October 2013.

As further discussed in MAR finding number 3, the overpayments that resulted from inflated attendance for the 2013-2014 and 2012-2013 school years represent a liability/obligation of the charter school and should be repaid as part of the dissolution process. However, the charter school has ceased operation, the cash balance as of July 31, 2015, is less than the overpayment owed, and the Board expects no additional revenue. Any remaining funds held by the Board should be returned to the DESE.

Recommendation

The Board work with the DESE to determine the proper resolution for the overpayment of the 2013-2014 and 2012-2013 school years, and the potential overpayments from past school years where attendance records were not available.

Auditee's Response

The attendance procedures used by the Hope Academy were set out in its charter application to the State Board of Education that was accepted and approved by the same. In addition, it was reported to the Board and verified by the Board's accountants that the attendance procedures and methodologies, as set out in the charter, were discussed with the DESE, and again approved in February 2010. Specifically, that the Hope Academy, could count toward its average daily attendance (ADA) time spent by students who logged into the computer curriculum and completed assignments outside of the classroom. This was an important feature for the Hope Academy. Hope Academy's students were not the traditional student. Hope Academy students often had children, jobs or transportation issues because of homelessness and migrating between family members' and friends' homes on a weekly if not daily basis. These were not isolated issues, but applicable to the majority of the students attending the Hope Academy. So students, to be successful, had to have the flexibility to attend school via the laptops and tablets provided by the school and the school had to be able to consider that time in order to be financially viable.

The Hope Academy Board approved and purchased a student information system, which included systems to track attendance and academic information (i.e. grades, credit hours completed, etc.). It was discovered, after the DESE's investigation began the student information system was never engaged at the direction of the prior superintendent. In retrospect and based on the investigation conducted internally at the request of the Board it appears the prior superintendent intentionally avoided use of the student



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

information system so that she could or she could order the manual manipulation of attendance data.

It should be noted that the Board approved policies that complied with its approved charter and the laws governing charter schools. The reports provided to the Board by the school's administrators indicated the approved policies were being followed. In addition, the Board put into place from the beginning additional checks and balances to independently verify the information that was being provided by the previous administration on a monthly basis.

Specifically, the bookkeeping accountants for the school were asked to review the attendance data monthly to assure accuracy. The CPA firm that handled the financial audits, separate from the bookkeeping accountants, were required to review the attendance data on an annual basis, particularly since the Hope Academy, had a non-traditional reporting process with being able to include in its ADA students who logged into the computer curriculum outside of the school. Neither of these independent verifiers "caught" the overstatement of attendance. Finally, the Hope Academy's sponsor—UMKC—hired an attendance data expert consultant to come in and review the data on a regular basis, at least quarterly if not more often, and she did not "catch" the overstatement of attendance.

The Board believes that all of the board level actions cited above—to ensure accurate reporting of attendance—were all that a Board could reasonably do, without stepping out of its lane as a policy developer and financial overseer and into the inappropriate lane of micro-manager. In addition, early on the school's beginning, the Board was specifically advised in writing by its sponsor UMKC to stop "dropping by" the school site(s) because it gave the appearance of micro-managing the prior superintendent. Accordingly, the Board kept their visits to official, pre-appointed visits.

Auditor's Comment

While the Board's charter application discusses the use of "remote" learning for some students, the application indicates this will be done under the supervision of an instructor. Also, DESE officials do not consider approval of the charter an approval of allowing remote hours to be claimed as attendance hours. Section 160.041.1, RSMo, defines a school day as ". . . in which the pupils are under the guidance and direction of teachers in the teaching process." UMKC officials stated a core data consultant was hired to assist with the entry of data into the DESE system; however, it was not the responsibility of this person to verify the accuracy of Hope Academy information. In addition, the Board's response only addresses the Board's responsibility to develop policies and procedures for the school's operation. Our report addresses the noncompliance with these policies and procedures



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

as well as state law. The Board has a fiduciary duty to ensure the school is operating in accordance with state law and its own policies and procedures.

2. Academic Integrity

Numerous issues existed that bring into question the integrity of academic information maintained and reported by the Hope Academy. School officials did not follow Board policies to properly track academic information.

The Board indicated it established attendance procedures as part of its SBE approved charter and discussed those procedures with the DESE. The Board also indicated the DESE approved the procedures in 2009 and 2010; however, the details of those discussions are not available. DESE officials indicated they do not consider the attendance procedures to be appropriate.

Specifically, the Board approved and purchased a student information system in March 2010, to track attendance and academic information; however, it was discovered after the DESE's investigation that the student information system had not been engaged by the administration. The Board indicated its approved policies regarding attendance tracking were not followed. The Board members also indicated the various controls established, including review of attendance data by their accountants and financial auditors, never discovered the inaccurately reported attendance.

2.1 Odysseyware

Many students did not appear to be logged onto the Odysseyware system long enough to be credited with at least 4 hours online curriculum. In addition, students were improperly allowed to complete their online curriculum requirements from home and were not under the supervision of a certified teacher.

Our review of the Odysseyware data for the 2012-2013 school year noted students were logged onto the system an average of less than 2.5 hours per day, however, all students were awarded a full 6 hours attendance in the MOSIS because hourly attendance was not kept by the school.

A scan of Odysseyware logon and logoff times also indicated students were logged on before and after school, on weekends, and during holidays and breaks. State attendance reporting requirements indicate "students must be in attendance in an instructional capacity under the direct supervision of a certificated employee of the district to be counted for attendance purposes. A district may have policies allowing an excused absence for various purposes such as illness, religious beliefs, testing, etc. However, there is no authority to give attendance credit for state aid purposes for students not in attendance nor under the direct supervision of a certificated teacher." According to school officials, they believed the DESE exempted the school from this requirement but were unable to provide supporting documentation for this assertion.



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

Failure to record student attendance hours and to comply with attendance reporting requirements allowed for the inflation of student attendance.

2.2 Service learning

Service learning records were not maintained by the Hope Academy for all students to account for the remaining 2 hours of curriculum, many service learning activities did not meet the criteria established by the state to earn these credits, and service learning records maintained were incomplete and not properly approved.

For the 2012-2013 school year, we were only able to locate service learning records for 52 students and those records were not complete. According to information entered into the MOSIS system, 130 students earned a community service credit for the 2012-2013 school year.

Service learning is defined as curriculum-based community service that integrates classroom instruction with community service activities. A review of available service learning records showed the school allowed credit for questionable activities, including babysitting, cutting grass, grocery shopping, cleaning house, and dog walking. These activities were not aligned with state service learning standards.

Also, some available service learning forms reviewed lacked (1) the name of the advisor assigned to the student, (2) the name and signature of the community service/employment supervisor, (3) dates the activities were performed, (4) the signature of the Service Learning Coordinator and/or Principal, and/or (5) adequate detail of the activity performed.

Failure to comply with the provisions of the service learning program and adequately document its use undermine the benefits of the program and allowed further inflation of student attendance.

2.3 Transcripts

Transcripts were not always prepared, properly supported, accurate, and/or complete. In addition, information recorded in transcripts prepared by the Hope Academy rarely agreed to what was reported in the MOSIS.

Transcripts serve as an official permanent academic record including all courses taken, grades received, and credits earned by each student. The Hope Academy's procedure is to support student transcripts with a student plan for graduation developed and monitored for each student during his/her time at the Hope Academy. We reviewed records for 105 graduating students for the 2012-2013 (101) and 2013-2014 (4) school years and noted the following concerns:

- Student plans could not be located for 71 students.
- Transcripts could not be located for 5 students.



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

- Of the 29 students who had both a student plan and transcript, the credits awarded on the transcript did not agree to the student plan for 25.
- Class, grade, and credit information fully agreed with the MOSIS for only 2 of the 100 students that had a transcript.
- Adequate documentation of service learning credit (i.e. verification forms) could not be located for 89 of 94 students reported as participating in the service learning program.
- Several students did not have adequate Odysseyware logon times to support the online curriculum credits they earned prior to graduation. For example, one student was reported to have earned 1 credit for an English class, but never logged onto the Odysseyware system. That student was also reported to have earned 5 total academic credits, but could not be found in the Hope Academy's attendance records (Odysseyware or otherwise).

Failure to adequately document and report academic credits earned may affect a student's ability to graduate or pursue higher education.

2.4 Enrollment/Membership, Free and Reduced Lunch, and English Language Learners

Student enrollment was not always properly documented or verified and membership⁴ was not always properly reported in the MOSIS. In addition, documentation and reporting of eligibility and participation in the Free and Reduced Lunch (FRL) and English Language Learners (ELL) programs was not adequate.

Enrollment/Membership

All new and re-enrolling students were required to complete an enrollment packet, which included an application, proof of residency, lunch application, home language survey, etc. We tested 40 students for the 2012-2013 and 2013-2014 school years (20 from each year) and noted the following concerns:

- Enrollment packets could not be located for 3 students.
- Documentation to verify student residency for 14 students, such as a copy of their utility bill or lease agreement, was not included in student files.
- Four students from the October 2012 reporting cycle, 6 students from the February 2013 reporting cycle, and 4 students from the October

⁴ Membership is the number of resident students enrolled on an official count day and in physical attendance at least 1 of the 10 previous school days. This number is reported to the DESE.



Hope Academy Charter School
Management Advisory Report - State Auditor's Findings

2013 reporting cycle could not be found in attendance at least 1 of the 10 days prior to the count day, but were reported as such in the MOSIS.

Free or Reduced Lunch

Students' participation in the FRL program was not always properly and accurately documented. All new and enrolling students are given an application to be completed and returned to the school to evaluate their eligibility for FRL services. We tested 32 students and noted the following concerns:

- Program applications could not be located for 19 students (5 had no student file at all), but 17 of the 19 students were reported as free or reduced lunch status.
- Of the 13 applications reviewed, 11 lacked required complete income information, applicable Department of Social Service-Family Service Division case numbers, and/or social security numbers.
- The lunch status assigned a student by the school based on the student's submitted application (free) did not match to the lunch status later entered into the MOSIS (reduced) by the school for this student.
- Nine of 32 students tested could not be found in attendance at least 1 of the 10 days prior to the count day (i.e. membership) for the February 2013 reporting cycle, but were reported as such in the MOSIS.

English Language Learners

The school did not always properly document the evaluation for student participation in the ELL program. All new and enrolling students are given a survey to be completed and returned to the school to evaluate their need for ELL services. We tested 30 students and noted the following concerns:

- ELL surveys could not be located for 5 students (only 1 of these 5 students received ELL services).
- Of the 25 surveys reviewed, 18 lacked the required date of the survey, student's name and/or grade classification, and/or person completing the survey.
- Initial ELL assessments for 3 of the 18 students that received ELL services could not be located. These assessments were initial screening tests conducted by an ELL development instructor to determine the student's proficiency level.
- Ten of the 30 students tested could not be found in attendance at least 1 of the 10 days prior to the count day (i.e. membership) for the October 2012 reporting cycle, but were reported as such in the MOSIS.



Hope Academy Charter School
Management Advisory Report - State Auditor's Findings

Conclusion

The failure to properly report enrollment, FRL participation, and ELL status could allow for improperly increased state and/or federal funding.

2.5 Graduates

Attendance and graduation information reported for some 2011 and 2013 graduates may not be accurately reflected in the MOSIS. In addition, the school did not verify adequate credits were earned by all students allowed to graduate in May 2013.

August and December 2011
graduates

We reviewed records for 6 students listed on the August 2011 commencement program and 35 students listed on the December 2011 commencement program and noted the following concerns:

- Five of 35 graduating students from December 2011, were subsequently reported in the MOSIS as having almost perfect attendance (over 1,100 hours) for the full 2012-2013 school year but could not be found in the Hope Academy's 2012-2013 attendance records. These 5 students were also reported in attendance at least 1 of the 10 days prior to the count day for the February 2012, October 2012, and February 2013 MOSIS reporting cycles. In addition, the school did not report in the MOSIS that these students graduated until May 31, 2013. Information reported in the MOSIS for the 2012-2013 school year indicates these students earned primarily service learning credits during the 2012-2013 school year. This information would explain these student's lack of physical attendance and Odysseyware logons, but would not explain why they were reported in the MOSIS as being in attendance for the Hope Academy's full 6 hour school day for the entire school year or inclusion on the December 2011 commencement programs.
- The school also reported in the MOSIS that all 6 graduating students from August 2011 and most of the remaining 30 graduating students from December 2011, attended over 1,100 hours (almost perfect attendance) for the 2011-2012 school year and graduated June 1, 2012.

School officials indicated students were sometimes allowed to participate in graduation ceremonies early if they only had a few classes to complete. This policy might explain these students remaining enrolled after December 2011, but does not adequately explain their almost perfect attendance for those school years.

May 2013 graduates

We reviewed records for 27 students listed on the commencement programs from May 2013 and noted the following concerns:

- A student's transcript from a prior school could not be located to verify credits needed for graduation and accepted by the Hope Academy upon the student's transfer had been properly earned.



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

- Based on documentation maintained by the school, it was unclear if 2 students had earned the proper number of credits by subject area as required by the DESE for graduation.

Failure to adequately verify and/or report graduates attendance and academic credits earned may affect the DESE, the sponsor, and the Board's ability to monitor the school's performance effectively.

2.6 Withdrawal/transfer

Students with excessive consecutive absences were not timely withdrawn. In addition, student withdrawals or transfers were not always properly documented.

School procedures required the school to drop students with 10 consecutive absences from the enrollment roster on the 11th day. For the 2012-2013 school year, we determined approximately 80 percent⁵ of the students met this criteria at some point during the school year and should have been dropped from the enrollment roster.

In addition, school unexcused absence procedures required school personnel to send a letter to a student's parent/guardian notifying him/her that their child had been absent 3 consecutive days and again when their child had been absent 10 consecutive days. A student was supposed to be dropped from the enrollment roster on the 11th day after being absent for 10 consecutive days and the parent/guardian sent a letter confirming the dropping of the student from the enrollment roster. A withdrawal/transfer form was also to be prepared by the administration and maintained in the student records along with the absence notification letters. We reviewed the files of 10 students reported by school officials as withdrawn or dropped between October 2013 and January 2014 and noted the following concerns:

- Notification letters were not present in 3 student files documenting notification of the parent or guardian of non-attendance.
- Withdrawal/transfer forms were not present in 8 student files. In addition, 2 of these 8 students were reported to have transferred to other schools, but their student file included no transfer documentation.

Untimely recording of withdrawals or transfers could allow students to continue to be reported in attendance when they were no longer present.

Conclusion

These problems resulted in the reporting of elevated attendance and the school receiving additional funding from the state. In addition, inaccurate

⁵ School records indicated 725 out of 913 students were absent for at least 10 consecutive days. However, the records were incomplete, so only an estimate is provided.



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

reporting of information to the DESE reduced the ability of the DESE to effectively monitor the school's performance.

Recommendation

The Board should evaluate the integrity of data and academic information submitted to the DESE and work with the DESE to make necessary changes. In addition, the Board should determine if any overpayments resulted from inaccurate data.

Auditee's Response

The Board established policies that complied with governing law, regarding properly and accurately maintaining students' academic files, including transcripts. Further, the Board approved and purchased a student information system which included systems to track and accurately maintain academic information (i.e. grades, credit hours completed, etc.) that was not engaged at the direction of the prior superintendent.

The Hope Academy Board received from the previous administration academic data regarding which students had completed sufficient credit hours for graduation. The Board was assured that the students had completed the academic tasks and lessons that were required for graduation.

In addition, UMKC regularly requested access to student files to have their hired consultants verify the maintenance of files and to assure compliance. Compliance issues would be reported to the prior superintendent. On-going compliance issues or failure to correct compliance issues would have been reported to the Board. UMKC's independent consultants failed to uncover or failed to report to the Board any of the academic integrity issues found by the auditor's office.

2.1 *The attendance procedures used by the Hope Academy were set out in its charter application to the State Board of Education that was accepted and approved by the same. In addition, it was reported to the Board and verified by the Board's accountants that the attendance procedures and methodologies, as set out in the charter, were discussed with the DESE, and again approved in February 2010. Specifically, that the Hope Academy, could count toward its average daily attendance (ADA) time spent by students who logged into the computer curriculum and completed assignments outside of the classroom. The Board provided the Auditor with documentation that a conversation with the DESE occurred in February 2010 regarding how the Hope Academy was taking attendance. Including an invoice from its accountant indicating he had participated in and billed for a conference call in February 2010 with the DESE regarding attendance. It appears that the DESE did not maintain a record of its discussions with the Hope Academy. Moreover, the fact that the methodology approved in its charter was no longer*



Hope Academy Charter School
Management Advisory Report - State Auditor's Findings

acceptable was not communicated to the Board, to its accountant, nor to UMKC to the detriment of Hope Academy students.

- 2.2 *The Board was not advised nor aware that students were receiving Service Learning hours for personal tasks. The Service Learning opportunities being provided to students that were communicated to the Board were appropriate, education, and mission based.*

The Board approved policies and procedures which complied with governing law that required accurate maintenance of student records, including the information surrounding a student's service learning hours, that the previous administration failed to follow.

In addition, UMKC regularly requested access to student files to have their hired consultants verify the maintenance of files and to assure compliance. Compliance issues would be reported to the prior superintendent. On-going compliance issues or failure to correct compliance issues would have been reported to the Board. UMKC's independent consultants failed to uncover or failed to report to the Board the service learning issues found by the auditor's office.

- 2.3 *The Board approved policies and procedures which complied with governing law that required accurate maintenance of student records, including transcripts and credit hours completed, that the previous administration failed to follow.*

It should be noted, UMKC regularly requested access to student files to have their hired consultants verify the maintenance of files and to assure compliance. Compliance issues would be reported to the prior superintendent. On-going compliance issues or failure to correct compliance issues would have been reported to the Board. UMKC's independent consultants failed to uncover or failed to report to the Board the transcript issues found by the auditor's office.

- 2.4 *The Board approved policies and procedures which complied with governing law that required students to be residents of the Kansas City Public Schools and to provide proof of residency. UMKC regularly requested access to student files to have their hired consultants verify the maintenance of files and to assure compliance. Compliance issues would be reported to the prior superintendent. On-going compliance issues or failure to correct compliance issues would have been reported to the Board. UMKC's independent consultants failed to uncover or failed to report to the*



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

Board the enrollment, FRL, nor ELL issues found by the auditor's office.

- 2.5 *The Board approved policies and procedures which complied with governing law that required accurate maintenance of student records (i.e. transcripts, attendance data, credit hours, etc.). The previous administration failed to follow the policies and procedures adopted by the Board.*

In addition, UMKC regularly requested access to student files to have their hired consultants verify the maintenance of files and academic data and to assure compliance. Compliance issues would be reported to the prior superintendent. On-going compliance issues or failure to correct compliance issues would have been reported to the Board. UMKC's independent consultants failed to uncover or failed to report to the Board the issues found by the auditor's office regarding Hope Academy's alumni students' data.

- 2.6 *As noted by the Auditor, the Board approved policies and procedures which complied with governing law that required accurate maintenance of student records, (i.e. transcripts, attendance data, credit hours, etc.). The previous administration failed to follow the policies and procedures adopted by the Board.*

In addition, UMKC regularly requested access to student files to have their hired consultants verify the maintenance of files and academic data and to assure compliance. Compliance issues would be reported to the prior superintendent. On-going compliance issues or failure to correct compliance issues would have been reported to the Board. UMKC's independent consultants failed to uncover or failed to report to the Board the previous administration's failure to timely withdraw students.

Auditor's Comment

The Board's response addresses the Board's responsibility to develop policies and procedures for the school's operation. Our report addresses the noncompliance with these policies and procedures as well as state law. The Board has a fiduciary duty to ensure the school is operating in accordance with state law and its own policies and procedures.

The documentation the Board states it provided in response to the recommendation for MAR finding number 2.1 included a 2009 report that generally references attendance discussions with DESE, a January 2010 internal email referencing a DESE conference call scheduled for February 2010, and a copy of a February 2010 accounting firm bill that indicates time spent on discussions with DESE on attendance. There is nothing included in the documentation that shows how attendance was to be recorded or



Hope Academy Charter School Management Advisory Report - State Auditor's Findings

specifically what was discussed with/or approved by the DESE. As noted above, DESE officials have no documentation of either the 2009 or 2010 discussions. In addition, UMKC officials stated they hired consultants to work with the Hope Academy, but the consultants were not responsible for verifying the accuracy of data reported to the DESE.

3. Closure and Outstanding Liabilities

The Hope Academy has outstanding liabilities to the DESE for overpayments due to inflated attendance.

As a result of the DESE's review and self-reporting by the Hope Academy, DESE officials determined the Hope Academy was overpaid by approximately \$1.24 million in state funding for the first 9 months (July 2013 - March 2014) of the 2013-2014 school year. In an attempt to recoup this overpayment, the DESE withheld payments to the Hope Academy for April, May, and June 2014 of approximately \$600,000 and requested reimbursement from the Hope Academy for an additional \$640,231. On June 27, 2014, the Board offered to pay the DESE \$200,000 and enter into a payment plan for the remaining liability ". . . until the debt is paid or legal matters are resolved, whichever comes first." As of August 2015, the settlement had not been accepted by the DESE and the Hope Academy had not reimbursed the remaining 2013-2014 school year overpayments. In addition, as discussed in MAR finding number 1, the Hope Academy was overpaid at least \$3.1 million dollars based on inflated attendance for the 2012-2013 school year, resulting in an additional liability.

The Hope Academy's state revenues (based on inflated attendance) contributed to a substantial fund balance that allowed the Hope Academy to obtain approximately \$2.25 million in financing and undertake large expansion projects. The Hope Academy purchased and renovated the Paseo and Meyer campuses at a cost of approximately \$4 million. However, as a result of the concerns identified by the 2013 DESE investigation, the Hope Academy closed the Paseo campus in December 2013, after being open only 6 months, and sold furniture and technology equipment to the highest bidders for cash (\$46,330), and traded other items for information technology (IT) services (valued at \$14,100), and IT relocation services (valued at \$6,400). In May 2014, the Hope Academy relinquished, in the form of deeds in lieu of foreclosure, its Paseo and Meyer campuses to the bank that had loaned it funds to purchase and perform renovations at those campuses. In November 2014, the Hope Academy agreed to surrender its remaining physical assets from its Bennington campus to the UMKC. As of July 31, 2015, Hope Academy reported a cash balance of \$374,279.

Sections 160.400 through 160.425, RSMo, provide requirements for the organization and administration of charter schools. Statutory provisions require sponsors to develop procedures to be implemented if a charter school should close and also require charter schools to include procedures in



Hope Academy Charter School
Management Advisory Report - State Auditor's Findings

the charter agreement to be implemented if the school should close. These procedures are to address matters including transition and archival of student records; archival of business operation and transfer or repository of personnel records; submission of final financial reports; resolution of financial obligations; disposition of school assets; and a notification plan to inform parents or guardians, the local school district, the applicable retirement system, and the SBE within 30 days of closure.

DESE officials indicated that any funds remaining after outstanding liabilities for overpayment of attendance are repaid should be returned to the state in accordance with Section 160.405.1(17), RSMo. The Board's legal counsel stated they do not believe the Board is subject to the statute because the statute specifies the requirements are applicable to ". . . new or revised charters of which Hope is neither." However, legal counsel and the Board agree that all monies held upon the dissolution of the corporation will be returned to the DESE because of the payments made to the Hope Academy due to the inflated attendance reporting of the previous administration.

Recommendation

The Board return any remaining funds to the DESE.

Auditee's Response

The Board provided the following response for this finding: "no additional comments."

4. Procurement Procedures and Contracting

Procurement and contracting policies and practices need improvement.

The Board did not bid the purchase of building supplies, instructional supplies, office supplies, and homeless student uniforms totaling \$189,918 for the 2012-2013 school year, including \$104,153 in supply purchases from the same vendor.

We reviewed the Board's procurement and contracting procedures for 8 professional service providers, and noted concerns with the procurement of 2 providers. With one, the Board did not solicit proposals for legal services and has no documentation to demonstrate the board has solicited proposals. Legal fees totaled \$325,023 for the 5 years ended June 30, 2014. School officials indicated the Board used this firm because of the firm's experience with other charter schools. With the other, the Board did not timely enter into a contract with the internal auditor. Due to concerns regarding attendance inflation, the Board hired an internal auditor in emergency session to offer consulting services at the rate of \$130 per hour. The internal auditor began providing services to the Board on November 8, 2013, prior to receiving Board approval on November 18, 2013. In addition, the Board paid the internal auditor her initial retainage on November 22, 2013, prior to signing and fully executing the contract on November 25, 2013. Internal audit fees for the year ended June 30, 2014, totaled \$133,075.



Hope Academy Charter School
Management Advisory Report - State Auditor's Findings

Prior to April 2013, the Board's professional service procurement policies and procedures only applied to certain services, such as architectural and construction management services. The UMKC Charter Center policy authorizes the procurement of professional services to assist in the governance of the school indicating charters are free to seek bids for various professional services as needed.

Competitive bidding and periodically soliciting proposals for professional services helps ensure all parties are given an equal opportunity to participate in district business, helps provide a range of possible choices, and allows the Board to make better-informed decisions to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and/or cost into consideration. In addition, entering into written contracts prior to services being rendered or payments being made is necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure school monies are used appropriately and effectively.

Auditee's Response

The Board provided to the State Auditor evidence of the Board's legal counsel's response to a request to its RFP regarding legal counsel, including the legal counsel's letter indicating what its fees would be and the minutes thereafter showing legal counsel, presumably based on its bid had been approved by the Board.

The internal auditor retained by the Board was hired in the middle of a crisis situation. The Board had an emergency meeting on November 3 with its sponsor regarding the DESE's preliminary findings regarding inflated attendance and some of the academic integrity issues. The Board immediately sought out the external audit by the State Auditor and an internal audit so that it would be able to respond timely to the DESE's and the sponsor's request for comment on the initial findings. The interim administrator and legal counsel were given authority by the Board to bring in all the necessary persons to be able to respond to the DESE and the sponsor and to get the Hope Academy back into compliance.

Given the magnitude of the crisis the Board believes that the State Auditor is ignoring Section 34.045, RSMo, which allows procurement of services without a competitive bid in an emergency situation. The Board had been advised to prepare a response within thirty days of November 3 to the DESE's initial findings. The internal auditor began work on November 8 and on November 18 representatives from the State Auditor's Office arrived unannounced requesting documentation for their investigation.

The State Auditor has focused in on the date order in which the internal auditor began and the Board entered into its contract with the internal auditor. The Board was fully aware the internal auditor was working and



Hope Academy Charter School
Management Advisory Report - State Auditor's Findings

the hourly rate was approved until her contract could be completed. This was done so that she could begin work immediately. The additional terms of the contract and the specifics of her job tasks could not be defined until she had an opportunity to see what would be involved with the project, which did not occur until ten days after she began work.

It should be noted that the internal auditor's contract and invoice for work done to date was reviewed and approved by the Board on November 18, the Monday before Thanksgiving break. The school paid its bills (sent out the checks) usually within four days after board approval, which meant the check would be dated and sent out Friday, November 22. The internal auditor went home to Arkansas on Tuesday and did not return to the Hope Academy until the Monday after Thanksgiving—at which time her contract was executed. Again, given the dire nature of the circumstances and the timing issues with a national holiday—criticizing the Board for this issue seems to be in violation of the spirit of the procurement statutes.

Auditor's Comment

The Board was unable to provide documentation of any legal service RFP or any responses to said RFP from any firms other than the aforementioned firm the Hope Academy was already doing business with. We acknowledge and are not questioning the Board's authority to procure emergency services. Rather, as noted in the finding, the contract for these services was not entered into timely, prior to services being rendered or payments being made. In addition, given the unusual circumstances that occurred leading to the procurement of this contract (as stated by the Board in their response), it was even more critical that the Board timely enter into a fully executed written contract to ensure all parties were aware of their duties and responsibilities prior to rendering services or payments to prevent misunderstandings and ensure school monies were used appropriately and effectively.

Hope Academy Charter School

Organization and Statistical Information

The Hope Academy Charter School was a charter school organized and governed under Section 160.400 through 160.425, RSMo. Charter schools are independent public schools, organized as nonprofit corporations by statute, that are free from rules and regulations that apply to traditional public school districts unless specifically identified in charter school law. In exchange for flexibility, charter school sponsors are to hold the charter schools accountable for results.

A person, group, or organization seeking to establish a charter school must submit a proposed charter agreement to an eligible sponsor. If a charter is approved by a sponsor, the sponsor submits the charter application to the State Board of Education (SBE) for approval, along with a statement of finding that the application meets the requirements of Sections 160.400 through 160.425, RSMo, and Section 167.349, RSMo. Charter school sponsors receive 1.5 percent of the charter school's state and local funding to defray the costs of sponsorship if the sponsor remains in good standing. The SBE is responsible for ensuring the sponsor meets its obligations under the charter school law. The University of Missouri-Kansas City was the sponsor for the Hope Academy prior to closure.

In accordance with Section 160.415.4, RSMo, a charter school that has declared itself as a local education authority receives funding from the Department of Elementary and Secondary Education (DESE) based on attendance in the same manner as other school districts. Section 160.410.1, RSMo, states a charter school shall enroll (1) all pupils residing in the district in which it operates, (2) nonresident pupils eligible to attend under an urban voluntary transfer program, or (3) if the charter school is a dropout prevention or recovery school, enroll some nonresident students from the same or an adjacent county that reside in residential care, transitional living, or independent living facilities whose last enrollment was in the district in which the charter school is established. The DESE reduces the local school district's funding allocation based on the charter school attendance and disburses this funding to the charter school. Charter schools also receive federal funding through the DESE.

The Hope Academy was located in Kansas City, Missouri. The Hope Academy began operating as a school in August 2009 and stopped offering classes in June 2014. The Hope Academy consisted of two campuses and operated the first dropout recovery charter school in Kansas City, Missouri, serving students ages 16 to 21 in grades 9 through 12. Enrollment was approximately 572 and 562 for the 2012-2013 and 2013-2014 charter school years, respectively.

School Board

The five member board acts as the policy-making body for the charter school's operations. Board members serve without compensation. The Board



Hope Academy Charter School Organization and Statistical Information

continues to meet and handle post-closure activities. Board members at June 30, 2014, were:

Alvin Brooks, President
Rabbi Paul Silbersher,¹ Vice-President
Dr. Pat Henley, Secretary
Sister Vicky Perkins, Member²
Dr. Karla Houston-Gray, Member

¹ Board member Rabbi Paul Silbersher resigned in January 2015, and no replacement has been appointed.

² Board member Sister Vicky Perkins resigned in the July 2014, and no replacement has been appointed.

Superintendent

The district's superintendent at June 30, 2014, was Dr. LaQuanda Carpenter. Dr. Carpenter was hired as superintendent January 1, 2014, and remains superintendent to oversee the Hope Academy's closure. Her total compensation for the 2013-2014 school year was \$75,000 including \$70,000 in annual salary (\$140,000 prorated for the final 6 months of the school year) and a car allowance of \$5,000 (this amount was not prorated).

The Hope Academy's previous superintendent was Ms. Vonnelle Middleton. Ms. Middleton was promoted to this position in June 2013 prior to the opening of Hope Academy's Paseo campus. Previously, she had been principal and Chief Executive Officer since the Hope Academy's inception.

Hope Academy Charter School

Appendix - Auditee's Additional Comments

In addition to responses provided to address specific report recommendations, the following comments were also provided by the Board:

The Board wants to provide clarity regarding the dispute between Hope Academy and the University of Missouri-Kansas City (UMKC) Charter Office.

On December 2, 2013, the UMKC notified the Board of its decision to not continue as the Hope Academy's sponsor after June 30, 2014, indicating, "The decision is heavily influenced by the low Missouri Assessment Plan (MAP) scores the Hope Academy students have posted for the last four years, therefore identifying the Hope Academy as a persistently low achieving school by the Department of Elementary and Secondary Education. The Board vehemently disagreed with UMKC's position stating that the Board and UMKC had never provided the required performance agreement, pursuant to RSMo. 160.405.4(6)(c), which would have set out the agreed measures that would be used to evaluate the performance standards for Hope Academy, an alternative charter school that targeted high-risk students pursuant to RSMo. §§ 160.405.1(14), 160.405.4(6)(b) and 160.405.5.1. In addition, the agreed performance standards would inform UMKC's review process for renewal of the charter.

Rather than follow the statutory requirements, UMKC used an arbitrary and inapplicable measure to support its decision to not renew, even though Hope Academy was in the process of fulfilling the requirements for the probationary status it had received less than sixty days before. The charter school law requires that a school on probation be given sufficient time to correct the issues that had caused the status. UMKC did not allow any of the new measures to take effect; and measure whether there was improvement. In addition, UMKC promulgated to its charter schools an appeals process that was to be used when a decision to revoke probation or not renew was made. UMKC failed to follow its own promulgated process of appeals by failing to have a separate entity within the University to hear and decide Hope Academy's appeal.

The Board sued the State Board of Education in April 2014 in order to have the State Board of Education require UMKC to follow the governing statute (specifically RSMo. §§ 160.405.1(14), 160.405.4(6)(b)(c) and 160.405.5.1) and to require UMKC to follow its own internal process for appealing a decision for closure before probation was completed (RSMo. §160.405.7(2)). The case was dismissed by the trial court and the Board appealed the trial court's decision. In June 2014, the school was forced into closure as UMKC had withdrawn its sponsorship and no other sponsor was obtained. On June 9, 2015, the Western District Appeals Court affirmed the trial court's decision to dismiss the case.



Nicole R. Galloway, CPA
Missouri State Auditor

Butler County



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Butler County

Property Tax System	As noted in two prior audit reports, access to the property tax system is not adequately restricted. The county collector and office personnel are able to process additions and abatements, but because the county collector and office personnel are responsible for collecting tax monies, good internal controls require they not have system access rights allowing them to alter or delete assessed values, property tax billings, or property tax receipts. As noted in two prior audit reports, neither the county clerk nor the county commission adequately reviewed the financial activities of the county collector. The account book maintained by the county clerk was not complete, did not track all taxes charged to the county collector, and did not agree to the annual settlements submitted by the county collector. In addition, the county clerk and county commission did not adequately review and approve the county collector's most recent annual settlement.
Sheriff's Receipts and Transmittals	Receipt slips are not prenumbered and are issued for concealed carry weapon fees from two different receipt slip books. The original permit number is written on the receipt slip as the receipt slip number for a new permit and for a renewal permit. As a result, receipt slip numbers for renewal permits are not in sequential order. Further, receipt slip information is not compared to transmittal details to both account for receipt slips and ensure monies were appropriately transmitted to the county treasurer.
Fuel	As noted in a prior audit report, the road and bridge department does not have adequate procedures in place to reconcile fuel usage to fuel purchased, and usage information is not periodically reconciled to fuel purchases throughout the year.
Electronic Data Security	County employees are not required to change passwords periodically and some passwords used in the offices of the county clerk, recorder of deeds, prosecuting attorney, and county assessor are known by other employees and not kept confidential, which increases the risk of a compromised password.
Public Administrator's Annual Settlement	As noted in a prior report, the public administrator does not file annual settlements in a timely manner. Auditors reviewed settlements filed for 15 of the 333 wards or estates and noted annual and final settlements for 12 of the 15 wards or estates were filed after the probate clerk's due date, including one final settlement that was filed approximately 10 months after the due date.
Board for the Care of the Handicapped	As noted in two prior audit reports, the Board for the Care of the Handicapped does not adequately monitor payments to not-for-profit agencies.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Butler County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Property Tax System4 2. Sheriff's Receipts and Transmittals5 3. Fuel.....6 4. Electronic Data Security.....7 5. Public Administrator's Annual Settlements.....7 6. Board for the Care of the Handicapped.....8
-------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	10
---------------------------------------------	----



NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Butler County

We have audited certain operations of Butler County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Butler County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

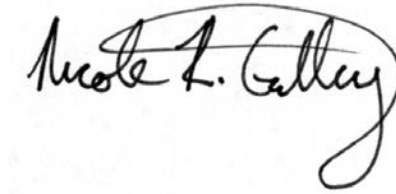
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Butler County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Josh Allen, CPA, CFE
Audit Staff:	Steven J. Barton Cody Gardner

Butler County

Management Advisory Report

State Auditor's Findings

1. Property Tax System

Property tax system controls and procedures need improvement. Property taxes and other monies collected by the County Collector totaled approximately \$27 million for the year ended February 28, 2015.

1.1 Tax system access

Access to the property tax system is not adequately restricted. The County Collector and office personnel are able to process additions and abatements. Because the County Collector and office personnel are responsible for collecting tax monies, good internal controls require they not have system access rights allowing them to alter or delete assessed values, property tax billings, or property tax receipts. With unrestricted access, there is an increased risk of unsupported or unauthorized changes occurring in the property tax system after property taxes are approved for the year.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion or alteration of data files and programs.

1.2 Review of activity

Neither the County Clerk nor the County Commission adequately reviewed the financial activities of the County Collector. The account book maintained by the County Clerk was not complete, did not track all taxes charged to the County Collector, and did not agree to the annual settlements submitted by the County Collector. In addition, the County Clerk and County Commission did not adequately review and approve the County Collector's annual settlement for the year ended February 28, 2015.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An accurate account book or other records that summarizes all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Similar conditions previously report

Similar conditions to sections 1.1 and 1.2 were noted in our prior audit report (Report No. 2015-25, *Butler County Collector and Property Tax System*, issued in April 2015).

Recommendations

- 1.1 The County Commission ensure property tax system access is restricted to only allow officials and personnel to access functions necessary for their duties.
- 1.2 The County Clerk maintain an accurate and complete account book with the County Collector. In addition, the County Clerk and the



Butler County
Management Advisory Report - State Auditor's Findings

County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Auditee's Response

The County Commission provided the following responses.

- 1.1 *We agree and plan to contact the software vendor to ensure access to the property tax system is properly restricted.*
- 1.2 *We agree. The County Commission and County Clerk will use the County Clerk's account book to ensure the County Collector's annual settlement is accurate and complete.*

The County Clerk provided the following response:

- 1.2 *I agree and plan to work with the County Collector to ensure all necessary information is received so that my account book is accurate and complete. I also plan to use the account book to ensure the County Collector's annual settlement is accurate and complete.*

2. Sheriff's Receipts and Transmittals

The Sheriff's office does not issue prenumbered receipt slips for concealed carry weapon (CCW) fees, account for the numerical sequence of receipt slips issued for CCW fees, and compare receipt amounts to transmittals to the County Treasurer. In addition, receipts are not always transmitted intact. As a result, there is less assurance monies are properly handled and transmitted. CCW receipts collected by the Sheriff's office totaled \$35,642 during the year ended December 31, 2014.

Receipt slips are not prenumbered and are issued for CCW fees from 2 different receipt slip books. The original CCW permit number is written on the receipt slip as the receipt slip number for a new permit and for a renewal permit. As a result, receipt slip numbers for renewal permits are not in sequential order. In addition, receipt slip information is not compared to transmittal details to both account for receipt slips and ensure monies were appropriately transmitted to the County Treasurer. Of the 5 transmittals we reviewed, one was not transmitted intact because cash received that should have been included in that transmittal was included in the next transmittal.

To reduce the risk of loss, theft, or misuse of monies received from going undetected, procedures should be established to ensure prenumbered receipt slips are issued, the numeric sequence of receipt slips are accounted for properly, receipt slips issued are compared to transmittals, and all receipts are transmitted intact.



Butler County
Management Advisory Report - State Auditor's Findings

Recommendation

The Sheriff issue prenumbered receipt slips, account for the numeric sequence of receipt slips, ensure receipt records are compared to transmittals, and ensure all receipts are transmitted intact.

Auditee's Response

We agree and have already ordered prenumbered receipt slip books, which will allow us to account for the numerical sequence of CCW receipt slips issued. We will also ensure receipts are transmitted intact and the Office Manager's review of CCW transmittals now includes comparing receipt slips issued to the transmittals.

3. Fuel

The road and bridge department does not have adequate procedures in place to reconcile fuel usage to fuel purchased. Fuel purchases by the road and bridge department totaled approximately \$464,000 during the year ended December 31, 2014. The road and bridge department has 2 bulk fuel tanks with one used for diesel fuel and one used for gasoline. Department employees maintain logs showing the mileage/hours for the vehicle/equipment receiving fuel and the number of gallons dispensed, by type. However, the usage information is not periodically reconciled to fuel purchases throughout the year. A reconciliation was performed by the road and bridge Supervisor for the year ended December 31, 2014; however the reconciliation was incomplete and inaccurate. The reconciliation performed did not take into account beginning or ending tank balances, so the Supervisor could not compare fuel pumped from the bulk tanks to fuel used per the vehicle and equipment logs. In addition, the reconciliation's fuel usage information inaccurately included fuel dispensed of approximately 46,000 gallons to the county's fuel truck when that fuel was dispensed from the fuel truck to various vehicles/equipment.

Procedures for reviewing fuel use and reconciling fuel purchased to related records are necessary to ensure the reasonableness and propriety of fuel use and disbursements. Failure to document and monitor fuel use could result in loss, theft, or misuse going undetected.

A similar condition was noted in our prior audit report (Report No. 2012-60, *Butler County*, issued in June 2012).

Recommendation

The County Commission ensure fuel reconciliations are complete and accurate and performed periodically.

Auditee's Response

We agree and will ensure road and bridge fuel reconciliations are complete and accurate. We plan to perform a comparison of fuel used to fuel purchased on a quarterly basis.



Butler County
Management Advisory Report - State Auditor's Findings

4. Electronic Data Security

County officials have not established adequate password controls to reduce the risk of unauthorized access to office computers and data. County employees are not required to change passwords periodically and some passwords used in the offices of the County Clerk, Recorder of Deeds, Prosecuting Attorney, and County Assessor are known by other employees and not kept confidential, which increases the risk of a compromised password.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords are not periodically changed by employees and some passwords are known by other employees, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique, confidential, and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

Recommendation

The County Commission work with county officials to require employees to periodically change passwords and ensure all passwords are kept confidential to prevent unauthorized access to computers and data.

Auditee's Response

We agree and will work with the other county officials to ensure passwords are periodically changed and are kept confidential.

5. Public Administrator's Annual Settlements

The Public Administrator does not timely file annual settlements. We reviewed settlements filed for 15 of the 333 wards or estates and noted the Public Administrator filed annual and final settlements for 12 of the 15 wards or estates after the Probate Clerk's due date, including one final settlement filed approximately 10 months after the due date. The Probate Clerk sends a reminder letter to the Public Administrator 60 days before a settlement is due. The Probate Clerk also provides a monthly listing of past due annual settlements to the Public Administrator. Despite these procedures, settlements have been filed late.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

A similar condition was noted in our prior audit report (Report No. 2012-60, *Butler County*, issued in June 2012).

Recommendation

The Public Administrator ensure annual settlements are filed timely.



Butler County
Management Advisory Report - State Auditor's Findings

Auditee's Response

I agree with the recommendation and am currently in the process of catching up on filing annual settlements.

6. Board for the Care of the Handicapped

The Board for the Care of the Handicapped (Board) does not adequately monitor payments to not-for-profit (NFP) agencies. The Board received property taxes and other miscellaneous receipts totaling approximately \$554,000 for the year ended December 31, 2014, to provide sheltered workshop and transportation services to developmentally disabled Butler County citizens. The County Treasurer serves as custodian for the Care of the Handicapped Fund.

While contracts with the NFP agencies require them to submit information regarding projects, goals undertaken, and monthly financial reports or other documentation that would enable the Board to monitor the use of monies, no reports or other documentation have been submitted according to the Board Treasurer. The Board Treasurer stated that information is discussed at meetings based on prior audit recommendations; however, the discussion is not documented. The Board meets twice a year to approve funding for the various agencies, and relies on the County Commission to approve periodic payments to the NFP agencies based upon schedules established by the annual budget. Additionally, the NFP agencies do not provide the Board documentation of their beginning or projected ending cash balance amounts on annual funding requests. These requests only include anticipated revenues and disbursements.

The Board provides a subsidy to each agency rather than paying for specific services, and the annual funding agreements do not establish minimum levels of service necessary to earn the monies budgeted. Without requiring NFP agencies to submit information regarding projects, goals undertaken, and monthly financial reports as required by contract, the Board cannot adequately monitor how funds are spent and ensure the funds are used appropriately.

A similar condition was noted in our 2 prior audit reports (Report No. 2007-89, *Butler County*, issued in December 2007 and Report No. 2012-60, *Butler County*, issued in June 2012).

Recommendation

The Board for the Care of the Handicapped ensure contracts with NFP agencies clearly detail the services to be performed and minimum level of service required, ensure funding requests include beginning and projected ending cash balances, and require NFP agencies to provide financial reports documenting how funds provided are spent.

Auditee's Response

At an upcoming Board meeting, we intend to review our contracts and discuss with the agencies how they are fulfilling their contractual obligations. The projects and goals of the organizations (ADAPT and MAG) are being discussed at each meeting. We review the number of individuals



Butler County
Management Advisory Report - State Auditor's Findings

being served, the physical buildings, and equipment owned and used, income and expenses situation, and whether or not cash positions are available to adequately serve their people. We will begin to add a section to our minutes of meetings to note these discussions. At present, both of the entities engage a CPA firm for audits of their financial statements and we see such reports. The Board requested on November 16, 2015, that both agencies provide beginning and/or projected ending cash balance amounts in the upcoming annual budget meetings.

Butler County

Organization and Statistical Information

Butler County is a county-organized, third-class county. The county seat is Poplar Bluff.

Butler County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 125 full-time employees and 8 part-time employees on December 31, 2014.

In addition, county operations include the Board for the Care of the Handicapped and the Senior Citizens' Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Ed Strenfel, Presiding Commissioner	\$	43,032
Don Anderson, Associate Commissioner		40,781
Jeffrey Darnell, Associate Commissioner		40,781
Debby Lundstrom, Recorder of Deeds		61,943
Tonyi Deffendall, County Clerk		61,943
Kevin Barbour, Prosecuting Attorney		124,898
Mark L. Dobbs, Sheriff		66,770
Joe Humphrey, County Treasurer		61,943
Jim Akers, County Coroner		40,781
Sharron Payne, Public Administrator		61,943
Brenda Fox, County Collector (1)(2), year ended February 28,	27,650	
M. Chris Michel, County Collector (1)(3), year ended February 28,	51,193	
Marion Tibbs, County Assessor, year ended August 31,		61,388

- (1) Brenda Fox served as County Collector until August 3, 2014. M. Chris Michel was appointed the Butler County Collector and sworn in on September 18, 2014.
- (2) Includes \$1,443 of commissions earned for collecting drainage district and city property taxes.
- (3) Includes \$23,088 of commissions earned for collecting drainage district and city property taxes.



Nicole R. Galloway, CPA
Missouri State Auditor

INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION

Division of Professional Registration

State Board of Registration for the Healing Arts



December 2015

Report No. 2015-124

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the State Board of Registration for the Healing Arts

Certification Requirements	The State Board of Registration for the Healing Arts does not have procedures in place to ensure certification requirements are maintained for some license types. For licenses that require various continuing education, exam, or other training requirements as a condition of certification, the board relies on the applicant to confirm whether certification is active before renewing the license. The board does not require supporting documentation during the renewal process, or perform periodic reviews of compliance with certification requirements.
Board Meeting Minutes	The board does not approve meeting minutes timely. The board makes meeting minutes available to the public upon approval of the minutes, but the minutes are not approved in a regular or timely manner. During the two-year period reviewed in this audit, minutes for four meetings were not approved until at least a year after the meeting was held.
User Account Management	The board has not established adequate procedures to ensure access rights to the internal licensing system are appropriate. The licensing system is a division-wide system used by the various professional boards, which maintains confidential information on licensees, such as social security numbers and licensee complaints. Board personnel do not periodically review system access rights to ensure only proper personnel have access, which creates an increased risk that unauthorized changes could go undetected, and confidential data could be accessible to inappropriate users.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Division of Professional Registration

State Board of Registration for the Healing Arts

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Certification Requirements.....4 2. Board Meeting Minutes.....4 3. User Account Management.....5
-------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------

Organization and Statistical Information	7
---------------------------------------------	---

Appendixes

A	Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments, Board of Registration for the Healing Arts Fund, 2 Years Ended June 30, 2015	8
B	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2015.....	9
C	Comparative Statement of Expenditure (from Appropriations), 5 Years Ended June 30, 2015.....	10



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Huff, Director
Department of Insurance, Financial Institutions, and Professional Registration
and
Kathleen Steele Danner, Director
Division of Professional Registration
and
State Board of Registration for the Healing Arts
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, State Board of Registration for the Healing Arts, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015 and 2014. The objectives of our audit were to:

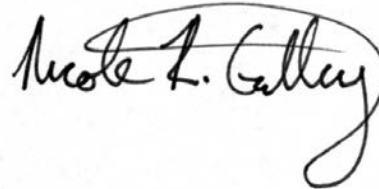
1. Evaluate the board's internal controls over significant management and financial functions.
2. Evaluate the board's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) a deficiency in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, State Board of Registration for the Healing Arts.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA
Audit Staff:	Albert Borde-Koufie

Division of Professional Registration

State Board of Registration for the Healing Arts

Management Advisory Report - State Auditor's Findings

1. Certification Requirements

The State Board of Registration for the Healing Arts (Board) does not have procedures in place to ensure certification requirements are maintained when renewing some license types.

For athletic trainer, physician assistant, clinical perfusionist, and anesthesiologist assistant license types, licensees are required to maintain an active certification with a third party as a condition to renew their license. Maintaining an active certification generally includes meeting various continuing education, exam, or other training requirements. As of June 30, 2015, these license types made up approximately 2,200 (5 percent) of licenses issued by the Board. The Board relies on the attestation of applicants on their renewal application that their certification is active. The Board does not require supporting documentation during the renewal process or perform periodic reviews to test compliance with certification requirements. Other license types are monitored either through continuing education audits completed by Board personnel, or are temporary and do not require long-term certification or continued education.

State regulation 20 CSR 2150-1.010(1), states the Board's mission is to protect the public through the licensing of physicians or other health professionals. Without periodic reviews of certification requirements for individuals with athletic trainer, physician assistant, clinical perfusionist, and anesthesiologist assistant licenses, the Board has no assurance they are properly certified in their field as required for licensure.

Recommendation

The State Board of Registration for the Healing Arts establish procedures to periodically review compliance with certification requirements for applicable license types.

Auditee's Response

The Board will explore options and establish procedures to determine certification compliance for athletic trainers, physician assistants, clinical perfusionists, and anesthesiologist assistants.

2. Board Meeting Minutes

The Board did not approve meeting minutes timely. It is the Board's policy that meeting minutes be formally approved by the Board before becoming available for public inspection. As a result, documentation of business conducted was not available for inspection and review by the general public within a reasonable amount of time. The Board held 26 open board meetings and various committee meetings during the 2 years ended June 30, 2015.

Our review noted Board meeting minutes were approved up to 15 months after the meeting was held for 6 board meetings, including 4 that were not approved for over 12 months. Similar concerns were noted with the minutes of various committee meetings held.



Division of Professional Registration
State Board of Registration for the Healing Arts
Management Advisory Report - State Auditor's Findings

Section 610.020.7, RSMo, states minutes of open meetings shall be taken and retained by the Board and Section 610.023.2, RSMo, requires the Board make records available to the public for inspection and copying. Without timely Board approval of meeting minutes, the public records of open Board meetings are not made available to the public for inspection within a reasonable amount of time.

Recommendations

The State Board of Registration for the Healing Arts should timely approve Board meeting minutes and make such records available to the public more quickly.

Auditee's Response

The Board has implemented new procedures so that minutes will be approved in a timely manner.

3. User Account Management

The Board has not established adequate procedures to review user access to ensure access rights to the internal licensing system remain appropriate and are commensurate with job responsibilities.

The licensing system is a division-wide system used by the various professional boards. The licensing system maintains confidential information on licensees, such as social security numbers, personal information, and licensee complaints. User access to the licensing system is broadly divided into read-only access and data entry access dependent upon job duties and responsibilities. Data entry access allows changes to be made to the licensing system for a particular board and access can be further limited to a specific board or board function within the system.

The licensing system is administered by the Office of Administration, Information Technology Services Division (OA-ITSD). The Executive Director completes a form and sends it to the OA-ITSD to update system access when access needs to be granted or changed, or an employee terminates employment. Board personnel do not periodically review system access rights to ensure only proper personnel have access, access is limited to the employee's job responsibilities, and access changes occurred when requested. Our review of access rights to the Board's licensing system found the following:

- An employee terminated in January 2006 still had data entry access.
- Fifteen temporary accounts used by either the Board or the Division of Professional Registration (division) were still active and included data entry access. According to personnel, these accounts had not been used for at least 2 years.
- Access rights for 2 division employees exceeded the level their job responsibilities required. These employees had data entry access when



Division of Professional Registration
State Board of Registration for the Healing Arts
Management Advisory Report - State Auditor's Findings

read-only access would have been appropriate for their research responsibilities.

Board personnel took action to resolve each of these issues after we inquired about them. The terminated employee and 15 temporary accounts have been removed and the 2 employees with excess access had their access reduced to read-only.

A periodic review of system access rights ensures appropriate personnel have the correct level of access. Without a periodic review of user access rights, there is an increased risk that unauthorized changes to these rights would go undetected, access rights would not be aligned with current job duties, and confidential data would be accessible to inappropriate users.

Recommendation

The State Board of Registration for the Healing Arts work with the division and OA-ITSD to develop procedures to periodically review licensing system user access and ensure rights are limited to only necessary current personnel and appropriate usage levels.

Auditee's Response

The Board will review processes regarding access rights to electronic systems to maintain security.

Division of Professional Registration

State Board of Registration for the Healing Arts

Organization and Statistical Information

The State Board of Registration for the Healing Arts (Board) was established in 1939 by an act of the 60th Missouri General Assembly. The Omnibus State Reorganization Act of 1974 transferred the Board to the Division of Professional Registration. By Executive Order 06-04, the division moved from the Department of Economic Development to the reorganized Department of Insurance, Financial Institutions, and Professional Registration on August 28, 2006.

The Board is responsible for the licensing and regulation of 30 different health professions, including physicians, physician assistants, physical therapists, speech-language pathologists, athletic trainers, clinical perfusionists, and anesthesiologists. At June 30, 2015, there were 43,555 active licenses. Application and renewal fees vary by profession.

The Board consists of nine voting members, including eight licensed and registered physicians and one voting public member. Board members are appointed by the Governor with the advice and consent of the Senate and serve a term of 4 years. The Board members at June 30, 2015, were:

Member	Term Expires
Benjamin A. Lampert, M.D., President	September 3, 2012
Jeffrey D. Carter, M.D., Secretary	September 3, 2010
James A. DiRenna, D.O., Member	September 3, 2012
Bradley D. Freeman, M.D., Member	September 3, 2011
Jade D. James, M.D., Member	September 3, 2016
John C. Lyskowski, M.D., Member	September 3, 2015
David A. Poggemeier, M.D., Member	September 3, 2010
David E. Tannehill, D.O., Member	September 3, 2014
Vacant	

Board members receive compensation of \$50 per day while performing their duties and reimbursement for expenses. The Board appoints an executive director to perform the administrative duties of the Board. Connie Clarkston serves as Executive Director. Forty-three other employees perform licensing, investigative, and administrative duties and responsibilities.

The Board is supported by six advisory commissions that make recommendations to the Board regarding the practice, licensure, examination and discipline of various licenses. The Board retains final authority. Members of the advisory commissions for Anesthesiologist Assistants, Clinical Perfusionists, Physician Assistants, and Physical Therapists are appointed by the Governor with the advice and consent of the Senate. Members of the Missouri Athletic Trainer Advisory Committee and the Advisory Commission for Speech-Language Pathologists and Audiologists are appointed by the Board.

Appendix A

Division of Professional Registration
State Board of Registration for the Healing Arts
Board of Registration for the Healing Arts Fund
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2015	2014
RECEIPTS		
Professional license or permit fees	\$ 4,097,792	4,049,033
Occupational board exam	407,835	413,200
Penalties	13,249	7,620
Overpayments	6,553	5,732
Other fees	4,959	7,115
Total Receipts	4,530,388	4,482,700
DISBURSEMENTS		
Personal service	1,695,901	1,702,347
Employee fringe benefits	788,960	781,365
Expense and equipment	595,407	734,117
Licensure replacement system expense and equipment	25,229	92,200
State Central Services cost allocation	33,944	36,472
Unemployment benefits	1,723	571
Miscellaneous expenditure	50	0
Total Disbursements	3,141,214	3,347,072
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,389,174	1,135,628
TRANSFERS		
Transfers from:		
Proceeds of Surplus Property Sales Fund	0	82
Transfers to:		
Professional Registration Fees Fund (1)	(364,097)	(316,016)
General Revenue Fund (2)	(26,321)	(11,459)
Total Transfers	(390,418)	(327,393)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	998,756	808,235
CASH AND INVESTMENTS, JULY 1	8,315,912	7,507,677
CASH AND INVESTMENTS, JUNE 30	\$ 9,314,668	8,315,912

- (1) For reimbursement of personal services, employee benefits, and operating expenses paid from the Professional Registration Fees Fund.
- (2) For reimbursement of services provided by the Administrative Hearing Commission and the Attorney General's Office paid from the General Revenue Fund.

Appendix B

Division of Professional Registration State Board of Registration for the Healing Arts Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2015			2014		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND						
Personal Service	\$ 1,855,912	1,695,901	160,011	1,836,195	1,702,347	133,848
Expense and Equipment	753,115	595,407	157,708	753,115	734,117	18,998
Unemployment Benefits	2,839	1,723	1,116	572	571	1
For a Professional Registration licensure system replacement from Professional Registration board funds	92,200	25,229	66,971	92,200	92,200	0
Total Board of Registration for the Healing Arts Fund \$	<u>2,704,066</u>	<u>2,318,260</u>	<u>385,806</u>	<u>2,682,082</u>	<u>2,529,235</u>	<u>152,847</u>

Appendix C

Division of Professional Registration
State Board of Registration for the Healing Arts
Comparative Statement of Expenditures (from Appropriations)

	Year Ended June 30,				
	2015	2014	2013	2012	2011
Salaries and wages	\$ 1,695,901	1,702,347	1,686,507	1,584,690	1,576,274
Travel, in-state	22,525	21,808	12,789	16,577	16,527
Travel, out-of-state	9,224	11,499	6,676	1,144	1,329
Supplies	74,373	92,082	70,173	76,305	67,743
Professional development	13,651	9,755	10,687	11,568	7,729
Communication services and supplies	43,558	37,524	30,061	31,409	28,378
Services:					
Professional	399,179	615,791	509,544	618,865	575,008
Maintenance and repair	10,538	7,639	7,390	11,298	15,818
Equipment:					
Motorized	17,059	0	39,902	47,691	25,800
Office	3,454	13,295	3,871	465	8,127
Other	104	0	0	0	0
Building lease payments	10,037	4,138	3,761	2,343	2,420
Equipment rental and leases	2,570	1,489	1,750	1,065	1,300
Miscellaneous expenses	14,364	11,297	6,359	5,915	5,238
Unemployment benefits	1,723	571	0	3,740	0
Total Expenditures	\$ <u>2,318,260</u>	<u>2,529,235</u>	<u>2,389,470</u>	<u>2,413,075</u>	<u>2,331,691</u>



Nicole R. Galloway, CPA
Missouri State Auditor

PUBLIC SAFETY

Missouri State Highway Patrol's Use of Highway Funds

Year Ended June 30, 2015



December 2015
Report No. 2015-125

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety- Missouri State Highway Patrol's Use of Highway Funds

Background	Missouri state law requires the Missouri State Auditor to examine whether State Highways and Transportation Fund appropriations to the Missouri State Highway Patrol are used in accordance with the Missouri Constitution, which limits the use of these funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations.
Methodology	Audit staff reviewed policies and procedures, financial records, and other pertinent documents; interviewed agency personnel; and tested selected transactions. Auditors also reviewed highway patrol calculations of amounts spent for non-highway activities, and the amounts spent for highway-related activities from other funding sources.
Conclusions	The audit determined the Missouri State Highway Patrol complied with legal provisions related to the use of this funding for the 2015 fiscal year.

Because of the limited objective of this review, no overall rating is provided.

Department of Public Safety

Missouri State Highway Patrol's Use of Highway Funds

Table of Contents

State Auditor's Report	2
------------------------	---

Background, Methodology, and Conclusions	3
---------------------------------------------	---



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Lane Roberts, Director
Department of Public Safety
and
Colonel J. Bret Johnson, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The Background, Methodology and Conclusions present our comments concerning the overall compliance related to the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: John Luetkemeyer, CPA
Director of Audits: Douglas J. Porting, CPA, CFE
Audit Manager: Dennis Lockwood, CPA
In-Charge Auditor: James M. Applegate, MBA

Department of Public Safety

Missouri Highway Patrol's Use of Highway Funds

Background, Methodology, and Conclusions

Background

The State Auditor is required to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution.

Limitations and requirements Article IV, Section 30(b), Missouri Constitution, limits the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:

" . . . Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January fifteenth of each year."

During the year ended June 30, 2015, the MSHP utilized appropriations from the State Highway Fund as follows:



Department of Public Safety
Missouri State Highway Patrol's Use of Highway Funds
Background, Methodology, and Conclusions

	Appropriation		Lapsed
	Authority	Expenditures	Balances
Enforcement personal service	\$ 68,270,858	66,192,705	2,078,153
Enforcement expense and equipment	5,636,631	5,433,833	202,798
Technical services personal service	13,725,678	12,919,918	805,760
Technical services expense and equipment	13,500,001	13,051,900	448,101
Vehicle and driver safety personal service	10,807,996	10,187,352	620,644
Vehicle and driver safety expense and equipment	1,039,555	932,603	106,952
Refund unused motor vehicle inspection stickers	100,000	43,586	56,414
Administration personal service	5,751,465	5,575,333	176,132
Administration expense and equipment	422,589	391,934	30,655
Crime laboratories personal service	3,782,425	3,629,108	153,317
Crime laboratories expense and equipment	909,249	881,970	27,279
Law Enforcement Academy personal service	1,295,111	1,245,575	49,536
Law Enforcement Academy expense and equipment	73,576	71,353	2,223
Fringe benefits personal service	75,556,604	70,723,049	4,833,555
Fringe benefits expense and equipment	6,386,801	5,664,227	722,574
Vehicle replacement expense and equipment	4,818,182	4,595,751	222,431
Gasoline expenses	6,313,699	4,128,866	2,184,833
Interoperable system highway	5,000,000	4,359,816	640,184
Interoperable ongoing highway	4,100,000	3,922,919	177,081
Total	\$ 227,490,420	213,951,798	13,538,622

* The lapsed balances include withholdings made at the Governor's request totaling \$4,363,410.

Methodology

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To determine whether the MSHP complied with the limitations on the use of highway funds, we reviewed the MSHP calculations of amounts expended from the State Highway Fund for non-highway activities and the amounts expended by the MSHP for highway-related activities from other funding



Department of Public Safety
Missouri State Highway Patrol's Use of Highway Funds
Background, Methodology, and Conclusions

sources. We compared the amounts used in the MSHP calculations to expenditures recorded in the state accounting system (SAM II) and other supporting documentation. In addition, we tested certain expenditures to determine if the expenditures were properly recorded.

Conclusions

We concluded the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2015, the MSHP spent approximately \$1,941,000 appropriated from the State Highway Fund that was not related to highway activities. This amount included some non-highway personal service and fringe benefit expenditures made from the State Highway Fund for the Crime Laboratory Division, Training Division, Technical Services Bureau, and Administrative Services Bureau; and some gasoline and expense and equipment expenditures from the Administrative Services Bureau. However, these expenditures were more than offset by personal service and expense and equipment expenditures of approximately \$5,908,000 incurred by the Crime Laboratory Division, Training Division, and Technical Services Bureau that were related to highway activities but were not paid from the State Highway Fund. As a result, approximately \$3,967,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2015.



Nicole R. Galloway, CPA
Missouri State Auditor

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

December 2015
Report No. 2015-126



<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Carl Junction Municipal Court

Missing Funds and Other Questionable Transactions	Based on discrepancies identified by the municipal judge, city officials requested the State Auditor's Office perform an audit of the municipal court. The audit found at least \$65,373 in recorded cash receipts were not deposited and are missing. In addition, another \$31,141 may be missing based on various discrepancies in case files, along with the former court clerk's failure to follow the municipal judge's orders related to warrants and driver license suspensions. The court clerk, who was primarily responsible for all court duties and record keeping, was terminated in June 2014. The Missouri State Highway Patrol is investigating.
Accounting Controls and Procedures	The municipal division has not adequately segregated the duties of receiving and recording receipts, depositing monies, and updating court records, and has not established adequate supervisory reviews to detect errors and irregularities. The municipal division has not established proper controls or procedures for issuing manual receipt slips or accounting for bonds received from the police department. There are no procedures in place to review and collect fines and court costs due on tickets. Voided receipt transactions are not properly documented and appropriate procedures do not exist for independent review and approval of these transactions.
Electronic Data Security	Password controls to reduce the risk of unauthorized access to computers and electronic data have not been established. The former court clerk and the office clerk used the same user identification and password to enter payments received into the computerized system. In addition, employees are not required to periodically change their passwords.
Municipal Division Procedures	The municipal division does not file a monthly report of cases heard with the city. In addition, the city did not file its 2014 financial statement with the State Auditor's Office, including the percent of general operating revenue from fines and court costs for traffic violations, as required by law.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Missing Funds and Other Questionable Transactions4 2. Accounting Controls and Procedures8 3. Electronic Data Security.....12 4. Municipal Division Procedures13
-------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	15
---------------------------------------------	----

Appendixes

Supporting Documentation - Undeposited Cash Receipts

A	Manual Receipt Slips.....	17
B	Bond Receipts.....	19
C	Deposit Shortages.....	21
D	Other Receipts Not Recorded or Deposited	31

Supporting Documentation - Possible Additional Missing Monies

E	Unauthorized Reductions or Non-assessment of Court Costs and Fines.....	32
F	Other Possible Missing Monies.....	33



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Twenty-Ninth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
City of Carl Junction, Missouri

The State Auditor was requested by city officials, under Chapter 29, RSMo, to audit the City of Carl Junction Municipal Division of the Twenty-Ninth Judicial Circuit. The scope of our audit included, but was not necessarily limited to, May 1, 2012, through June 20, 2014. The objectives of our audit were to:

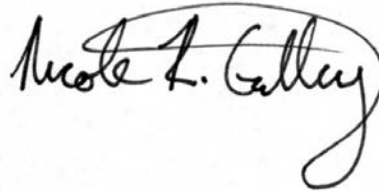
1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricted the amount of fines and court costs that may be retained from traffic violations.
5. Determine the extent of monies missing from the municipal division.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) noncompliance with court rules, (4) noncompliance with Section 302.341.2, RSMo, and (5) missing monies totaling at least \$65,373. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Carl Junction Municipal Division of the Twenty-Ninth Judicial Circuit.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Candi Copley
Audit Staff:	Waleed Atout

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Management Advisory Report - State Auditor's Findings

1. Missing Funds and Other Questionable Transactions

Monies totaling at least \$65,373¹ are missing from municipal court receipts, and an additional \$31,141 is likely missing.

On June 18, 2014, the Municipal Judge identified discrepancies in a defendant's case file. Court Clerk Cynthia Troutman was unable to sufficiently explain the discrepancies. Due to these discrepancies and previous concerns noted by the Municipal Judge, the Court Clerk was placed on administrative leave on June 20, 2014, and was subsequently terminated on June 27, 2014. City officials began an internal investigation and noted additional concerns, including missing cash receipts and numerous case files maintained in disarray throughout the municipal division office. In addition, some defendants contacted the municipal division indicating they had not received bond refunds owed to them. Based on these and other concerns noted by the city, city officials contacted the Missouri State Highway Patrol for assistance and requested the State Auditor's Office (SAO) perform an audit of municipal division operations.

We noted 475 case files stored in unusual places within the office (such as in plastic tubs) instead of in the filing cabinets with the other case files. We reviewed selected case files and other court records to determine the amount of missing monies.

The municipal division's fiscal year is May 1 through April 30. The scope of our audit included, but was not necessarily limited to the period May 1, 2012, through June 20, 2014. After identification of missing monies and the method used to perpetrate and conceal the theft, we also applied limited procedures to receipts for the period May 1, 2011, through April 30, 2012, and to selected case files from March 2004 through April 2012 for the purpose of quantifying other missing monies. It is likely additional monies are missing from time periods prior to the period of our review.

Several defendants with outstanding amounts due in the computerized case management system (computerized system) have provided proof of payment to the city for these amounts. The city provided these documents to us for evaluation during the audit. These defendant payments are included in the amounts reported as undeposited.

Undeposited cash receipts

Recorded cash receipts totaling \$65,373 were not deposited.

- The former Court Clerk issued manual receipt slips for receipts totaling at least \$7,953, but did not record these monies in the computerized system or deposit them. See Appendix A. In addition, we noted one

¹ All amounts presented in this report, including appendixes, are rounded to the nearest dollar.



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

manual receipt slip written for \$300 was recorded in the computerized system as \$395 and deposited. This transaction may have been an attempt to cover a prior shortage on the applicable case.

- Cash bonds totaling \$19,025 were not recorded in the municipal division's computerized system or deposited. The police department collects bonds and transmits them to the municipal division. Based on our review of the police department's manual bond logs, we determined \$19,099 was receipted by the police department, but not receipted or deposited by the former Court Clerk. Documentation in one defendant's case file showed \$74 of a \$585 cash bond was refunded to the defendant in cash. Therefore, a total \$19,025 of cash bonds is missing. See Appendix B.
- The former Court Clerk did not deposit some monies received that were recorded in the computerized system. We reviewed all deposits into the main bank account and the bond bank account from May 1, 2011, through July 31, 2014. Total monies deposited during that time were \$34,326 less than total receipts recorded in the computerized receipt records. For most of the missing monies, unrecorded checks received were substituted into these deposits for the recorded cash receipts not deposited. To cover the misappropriations, some of these unrecorded checks were recorded in the payees' (defendants') accounts in the computerized system on a later date, but other unrecorded receipts collected on those days were substituted into the deposits to make the deposit balance to the receipt records. In addition, we noted 3 instances in which the former Court Clerk withdrew cash totaling \$11 when making a deposit, apparently to make the deposit balance in total. See Appendix C.
- Our review of selected case files found additional documentation of receipt of monies that were not recorded in the computerized system or deposited for 22 cases totaling \$4,058. For 6 cases, the former Court Clerk had indicated on a reappearance summons in the case file that some or all of the outstanding balance due had been paid. For 5 cases (3 defendants in total), we noted checks were received from defendants with outstanding balances during our review of deposits (Appendix C). However, these checks were not recorded and were substituted into the deposits for recorded cash not deposited. Since these checks were not recorded, these defendants' cases still show outstanding balances, even though payment was received. We subtracted the amount of these checks out of the missing monies in Appendix C to avoid double counting. For 9 cases, either the defendant provided a manual receipt slip as proof of payment or a duplicate manual receipt slip was maintained in the case file; however, these receipts were not recorded in the computerized system or deposited. These manual receipt slips were



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

either written from receipt slip books that were not retained by the municipal division or all copies of the related receipt slips were torn out of the receipt slip books retained. Therefore, they are not included in Appendix A. For one case, the police department dispatch log documented the defendant came in to pay, but the former Court Clerk was not available, so the defendant placed \$350 cash in the court drop box. We received a written confirmation from the defendant attesting to this payment. Only the former Court Clerk had access to the drop box. For one case, a bond was posted in 2009, but it was not applied to the defendant's account, and it is no longer in the bond account. See Appendix D.

Possible additional missing monies

We determined at least \$31,141 of possible additional missing monies as follows:

- The former Court Clerk did not handle fines and court costs for some cases consistent with the orders the Municipal Judge recorded on the case docket sheets and entered nolle pros (not prosecuted) in the computerized system for some cases without authorization from the Prosecuting Attorney. Fines and court costs for 32 cases totaling \$2,931 were either not assessed in the computerized system or were reduced or adjusted to zero in the computerized system without authorization. Payments for fines and court costs associated with these cases were likely made to the municipal division, but were not recorded in the computerized system or deposited. See Appendix E.
- We noted additional concerns with various cases. For example, numerous case files had the violator (defendant) copy of the ticket in the file. The court would not have the violator copy of a ticket unless the defendant made a payment through the violations bureau or appeared in court.

In addition, we noted numerous cases in which the Municipal Judge ordered a warrant or a driver license suspension on the case, but there was no warrant in the Missouri State Highway Patrol system or no driver license suspension in the Department of Revenue system. After a warrant or driver license suspension is recorded for a case in the municipal division's computerized system, the system will not include the case on future court dockets unless a new transaction is recorded in the system by the Court Clerk (such as the defendant posting a bond). Therefore, by not filing warrants or driver license suspensions with the proper agencies, action on the cases cease, making it less likely any theft of related receipts would be detected.



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

In total, we noted concerns with 243 cases with a total of \$28,210 in possible additional missing monies. See Appendix F for a listing of these cases and an explanation of the concerns related to each case.

- As further discussed in MAR finding number 2.2, 257 of 400 receipt slips from the 2 manual receipt slip books retained by the municipal division were missing. In addition, as explained earlier, some defendants have produced manual receipt slips as proof of payment from receipt slip books not retained by the municipal division. Therefore, it is likely additional defendants were issued manual receipt slips for payments made, but the related receipts were not deposited or recorded in the computerized system.

The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Municipal Judge or other city officials, as discussed in MAR finding number 2, resulted in the failure to detect these discrepancies.

Recommendation

The City of Carl Junction Municipal Division continue to work with law enforcement officials regarding criminal prosecution related to the missing funds and other questionable transactions, including restitution of missing funds.

Auditee's Response

The court issued "Operating Order #1" effective August 28, 2010, wherein the court ordered:

"VII. Accounting Procedures. ... the Court Administrator [Court Clerk] shall:

G. Develop a system for independent monitoring, receiving and depositing monies as an independent task segregated from the recording and disbursement of collections. In the event that such duties cannot be segregated, at a minimum, the Court Administrator [Court Clerk] shall request the City develop a documented independent comparison of receipt slips issued in the amount and composition of deposits, and independent review of the bank statements and month-end reconciliations. (Source: Court Operating Rule [COR] 4.51)"

Following written reprimands of the Municipal Clerk in January 2012, May 2013, and spot audits by the city's accounting firm, it was the Court's understanding that full time city personnel were providing an "...independent comparison of receipt slips issued in the amount and composition of deposits, and independent review of bank statements and month-end reconciliations."

The court has and will continue to work with law enforcement officials regarding criminal prosecution related to the missing funds and other



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

questionable transactions, including restitution of missing funds as outlined by the audit.

2. Accounting Controls and Procedures

2.1 Segregation of duties and supervisory review

We identified significant weaknesses with accounting controls and procedures. As a result, some receipts were not accounted for properly. According to municipal division records, receipts totaled approximately \$149,000 and \$163,000 for the fiscal years ended April 30, 2014 and 2013, respectively.

The municipal division has not adequately segregated the duties of receiving and recording receipts, depositing monies, and updating court records, and has not established adequate supervisory reviews to detect errors and irregularities.

Prior to June 2013, the former Court Clerk was primarily responsible for all duties related to the collection of monies, posting fines and court costs received into the computerized system, preparing and making deposits, and updating electronic case information. In addition, cash bonds were collected and receipted by the police department, then transmitted to the former Court Clerk to be recorded in the computerized system and deposited. Neither the Municipal Judge nor other city personnel independent of the cash custody and record-keeping functions provided an adequate independent or supervisory review of the work performed by the former Court Clerk.

In June 2013, based on concerns identified by the Municipal Judge and the city's external auditors, the City Clerk began reviewing municipal division receipt reports printed from the computerized system by the former Court Clerk to ensure the amounts deposited agreed to the total receipt amounts recorded in the system since the last deposit. However, because the former Court Clerk was not always recording manual receipt slips and bonds in the computerized system and was also substituting unrecorded check receipts into deposits for recorded cash receipts, total receipts recorded in the computerized system typically agreed to the deposit totals, allowing the undeposited receipts to go undetected.

In addition, no independent or supervisory reviews were performed of electronic case information in the computerized system (including status and disposition of cases entered in the system) to ensure all tickets were entered into the computerized system and to ensure the Municipal Judge's orders were followed. As explained in MAR finding number 1, the former Court Clerk made numerous unauthorized entries into the computerized system and did not always handle fines and court costs consistent with the orders the Municipal Judge recorded on the case docket. An independent comparison of manual case files to electronic case files is needed to determine proper case status.



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

Periodic and detailed supervisory or independent reviews of receipt transactions and electronic case information help ensure all transactions are accounted for properly and assets are adequately safeguarded. Such reviews would reduce the possibility of errors, loss, theft, or misuse of funds going undetected.

After the former Court Clerk was terminated in June 2014, the city implemented new procedures requiring all municipal division receipts be collected by city employees, not by municipal division employees. The current Court Clerk is responsible for updating/maintaining case records, but does not collect monies. These new procedures allow for a segregation of duties between receipt collection and updating/maintaining court case records. In addition, monthly reconciliation procedures are performed by the City Clerk.

2.2 Manual receipt slips

The municipal division has not established proper controls or procedures for manual receipt slips. The following concerns were noted during a review of manual receipt slips:

- Two generic manual receipt slip books were used concurrently during the years ended April 30, 2014 and 2013, to record monies received, instead of recording receipts directly into the computerized system. In addition, manual receipt slip books for periods prior to February 2013 were not properly retained by the municipal division. Our review of the 2 manual receipt slip books available identified 257 of 400 receipt slips had both the original and copy torn from the applicable receipt slip book and not retained (18 of the 400 receipt slips had not been issued and were intact in the applicable receipt slip book), leaving 125 receipt slip copies in the books.
- Manual receipt slips were not always recorded in the computerized system timely and subsequently the related monies were not deposited timely. Of the 125 available manual receipt slips, 69 were recorded and deposited. Of these 69 receipt slips, 46 (67 percent) were not recorded in the computerized system for 7 or more days after receipt. The former Court Clerk held these 69 receipts an average of 41 days before recording them in the computerized system and deposited them an average of 44 days after receipt. One manual receipt slip issued on April 19, 2013, was not recorded in the computerized system until March 4, 2014, a lapse of 319 days.
- There is no independent review to ensure manual receipt slips issued are properly recorded in the computerized system and the related monies are subsequently deposited. As explained in MAR finding number 1, the former Court Clerk issued 56 manual receipt slips for receipts totaling at



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

least \$7,878, but did not deposit these monies or record them in the computerized system.

Controls over manual receipt slips are necessary to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds. Necessary controls include utilizing one official prenumbered manual receipt slip book at a time, accounting for the numerical sequence of manual receipt slips, and ensuring proper and timely recording of manual receipts in the computerized system. In addition, COR 4.53.2, which became effective January 1, 2014, restricts courts using an approved local automated system to issue manual receipt slips only when the automated system is unavailable or as authorized by order of the presiding judge.

2.3 Bond procedures

We identified various problems with handling of bonds. The police department issues prenumbered bond forms for each cash bond collected and records each bond on a manual one-write ledger. The police department periodically transmits bond receipts along with copies of bond forms to the municipal division.

- The municipal division does not issue a receipt slip or provide any other formal acknowledgement to the police department for receipt of cash bond transmittals, nor does an independent person reconcile municipal division bond receipts in the computerized system with the police department bond ledger or prenumbered bond forms to ensure all bonds are accounted for properly. Our review determined only bond receipts recorded in the computerized system were deposited. As explained in MAR finding number 1, cash bonds totaling \$19,025 were received by the police department, but the former Court Clerk did not record these monies in the computerized system or deposit them.
- Bonds were not always recorded in the computerized system timely or deposited timely. We reviewed the police department bond ledger receipts for the period May 1, 2011, through June 20, 2014, and noted it took an average of 30 days for the municipal division to record the cash bonds. One cash bond receipted by the police department on August 23, 2012, was not recorded in the municipal division computerized system until April 17, 2013, a lapse of 237 days. Because the municipal division does not document the date cash bonds are received from the police department, it is unclear if the municipal division or the police department (or both) is responsible for the untimely recording and depositing.
- Some bond refunds are made in cash, instead of recording and depositing the bonds and issuing refund checks. For example, a \$500 cash bond was collected by the police department on July 23, 2013. On July 24, 2013, the former Court Clerk applied \$150 of the bond to the fines and court costs for the related case and refunded the remaining



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

\$350 to the defendant in cash. We received a written confirmation from the defendant attesting to this cash refund.

To reduce the risk of loss, theft, or misuse of bond monies, and to provide assurance that all bond monies are accounted for properly, procedures are necessary to account for the numerical sequence of bond forms, document transmittals to the municipal division, and record and deposit bonds timely and intact.

2.4 Unpaid fines and costs

The municipal division does not have procedures in place for reviewing and collecting monies due on tickets. At our request, the current City Clerk prepared a list of open court cases as of September 2014, with the outstanding balance totaling approximately \$286,000. As explained in MAR finding number 1, our review of selected case files noted numerous cases with outstanding balances for which receipts may have been collected by the municipal division, but not recorded or deposited.

Procedures to periodically review unpaid fines and court costs are necessary to ensure proper and timely follow-up action is taken on amounts due the municipal division. Such procedures help reduce the risk of loss, theft, or misuse of monies and helps maximize municipal division collections.

2.5 Voided receipt transactions

Voided receipt transactions in the computerized system are not properly documented and the municipal division has not established procedures for review and approval of such transactions by persons independent of the receipting process.

Our review of voided transactions noted most of them appeared to result from erroneous receipt transactions and were immediately re-entered correctly. However, because the reasons for voiding transactions are not documented, we could not determine the reasons for all of these transactions.

Adequate documentation and independent review and approval of voided transactions are necessary to help ensure such transactions are appropriate and reduce the risk of errors, loss, theft, or misuse of funds.

Recommendations

The City of Carl Junction Municipal Division:

- 2.1 Ensure independent reviews are performed of accounting records and electronic case records. In addition, the Municipal Division should compare manual case files to the electronic case files and make corrections necessary to ensure case information is accurate.
- 2.2 Ensure one manual receipt slip book is used at a time, the use of manual receipt slips is limited, manual receipt slips are retained and



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

recorded timely in the computerized system, and monies are deposited timely. In addition, the numerical sequence of manual receipt slips should be accounted for properly, and related receipt amounts should be reconciled to the computerized system by someone independent of the receipting process.

2.3 Work with the police department to establish procedures to account for the numerical sequence of bond forms. In addition, all bond receipts should be recorded and deposited timely and intact, and refunds made by check.

2.4 Develop adequate procedures to account for and follow up on delinquent amounts.

2.5 Require an independent review and approval of void transactions, and document reasons for voiding transactions.

Auditee's Response

2.1 *The court has previously mandated "independent" reviews or comparisons as ordered in the "Operating Order #1" referenced above and will continue with such mandate.*

In addition, the court and city have implemented a procedure which has the City Clerk doing independent spot reviews and comparisons of case files compared to the electronic case files. This allows for necessary corrections to be made, which ensure the accuracy of case file information.

2.2 *The court has implemented this recommendation.*

2.3 *The court is implementing this recommendation.*

2.4 *The court continues to adapt its procedures, in accordance with the changing laws, to account for and follow up on delinquent amounts.*

2.5 *The court has implemented this recommendation.*

3. Electronic Data Security

Municipal division procedures related to electronic data security need improvement.

The municipal division has not established adequate password controls to reduce the risk of unauthorized access to computers and electronic data. The former Court Clerk and the Office Clerk (city employee who also works for the municipal division) used the same user identification and password when entering receipts into the computerized system. In addition, employees are not required to change passwords periodically to help ensure they remain known only to the assigned user.



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

To control access, a unique user identification and password should be assigned to each user of a system. These passwords should be kept confidential and changed periodically to help limit unauthorized access to and use of computers and data.

Recommendation

The City of Carl Junction Municipal Division require user identifications and passwords, which are confidential and periodically changed to prevent unauthorized access to municipal division computers and data, for all employees.

Auditee's Response

The court is, has been, and will continue to be adamant that this recommendation be followed. This can be demonstrated by the court's own correspondence to the city dated July 21, 2014, wherein the court brought the matter to the city's attention once again.

4. Municipal Division Procedures

Municipal division procedures related to reports of cases heard and excess revenue reporting need improvement.

4.1 Report of cases heard

The municipal division does not file a monthly report of cases heard with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Section 479.080.3, RSMo, and Supreme Court Operating Rule 4.29 require the Court Clerk to prepare a monthly report of all cases heard in the court, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk or Municipal Judge and filed with the city.

4.2 Excess revenue reporting

The city has not filed its annual financial statement, including an accounting of the percent of annual general operating revenue from fines and court costs, with the SAO for the year ended April 30, 2014, as required.

Section 302.341, RSMo, effective August 28, 2013, to August 27, 2015, was applicable for the scope of this audit and required cities to provide an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations (excess revenue calculation) in annual financial reports submitted to the SAO (as required by Section 105.145, RSMo). Prior to August 28, 2015, a city that was noncompliant with the law was subject to immediate loss of jurisdiction of the city's municipal court on all traffic-related charges until all requirements of the section were satisfied.

Section 105.145, RSMo, requires all political subdivisions to file annual reports of financial transactions with the SAO. 15 CSR 40-3.030(5) requires financial reports to be filed within 6 months of the entity's fiscal year end.



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Management Advisory Report - State Auditor's Findings

During the 2015 legislative session the General Assembly passed and the Governor signed into law Senate Bill No. 5 (SB 5), which became effective August 28, 2015. SB 5, among other things, moved the excess revenue requirements to Section 479.359, RSMo, and established sanctions for failure to file annual excess revenue information with the SAO, including authorizing the Department of Revenue to redirect certain revenues due to the city and possible loss of municipal court jurisdiction until such filings are made.

City officials stated the city's independent financial statement audit for fiscal year 2014 has not been issued or filed with the SAO, pending the release of our audit report quantifying the extent of monies missing. However, waiting to file the financial reports with the SAO caused the city to be in violation of the reporting requirements previously required by Section 302.341.2, RSMo, and 15 CSR 40-3.030(5).

Recommendations

The City of Carl Junction Municipal Division:

- 4.1 Ensure a monthly report of cases heard in the municipal division is prepared and filed with the city in accordance with state law and the Supreme Court Operating Rule.
- 4.2 Work with the city to ensure annual financial statements, including the required accounting and calculation of possible excess revenues, are filed timely with the SAO.

Auditee's Response

- 4.1 *Pursuant to the Standing Order referenced in Response 1.1 above, the court mandated:*

"III. Reporting Requirements.

A. Reporting to the City. Within the first ten (10) days of each month, the Court Administrator [Court Clerk] shall submit to the City Clerk the dockets of all cases heard during the preceding month by the court and those cases in which there was an application for a trial de novo. The City Clerk shall make a copy of the previous month's docket showing all case dispositions."

To the court's knowledge, this is being followed.

- 4.2 *The court will implement this recommendation.*

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Organization and Statistical Information

The City of Carl Junction Municipal Division is in the Twenty-Ninth Judicial Circuit, which consists of Jasper County. The Honorable David C. Dally serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At April 30, 2014, the municipal division employees were as follows:

Title	Name
Municipal Judge	Mark Elliston
Court Clerk	Cynthia Troutman
Office Clerk (1)	Glenna Henson

(1) A city employee who also works in the court.

Financial and Caseload Information

	Year Ended April 30,	
	2014	2013
Receipts (1)	\$148,779	\$163,110
Number of cases filed	1,253	1,315

(1) Includes receipts recorded in the computerized system, along with additional receipts identified in Appendixes A through C that were not recorded in the computerized system.

Vehicle Stops Report

Section 590.650, RSMo, requires law enforcement agencies report vehicle stop data to the Attorney General's Office (AGO) by March 1st of each year. The AGO compiles the data in a statewide report. The 2014 data can be viewed on the AGO website at <https://ago.mo.gov/docs/default-source/public-safety/2014agencyreports.pdf?sfvrsn=2>. The 2013 data can be viewed on the AGO website at <https://ago.mo.gov/docs/default-source/public-safety/2013agencyreports.pdf?sfvrsn=2>. The following tables present data excerpted from the AGO reports for the City of Carl Junction Police Department. In addition, see information at <https://ago.mo.gov/home/vehicle-stops-report/2014-executive-summary> and <https://ago.mo.gov/home/vehicle-stops-report/2013-executive-summary> for background information on the AGO's vehicle stops executive summary along with definitions for footnotes of the following tables.



Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Organization and Statistical Information

Racial Profiling Data/2014 - Carl Junction Police Department - Population 5,370¹

Key Indicators	Total	White	Black	Hispanic	Asian	Am. Indian	Other
Stops	1551	1449	50	37	8	2	5
Searches	91	77	9	4	1	0	0
Arrests	70	60	5	5	0	0	0
Statewide Population	N/A	82.76	10.90	2.94	1.71	0.41	1.28
Local Population	N/A	93.13	0.80	2.23	0.89	1.17	1.77
Disparity Index ²	N/A	1.00	4.03	1.07	0.58	0.11	0.18
Search Rate ³	5.87	5.31	18.00	10.81	12.50	0.00	0.00
Contraband hit rate ⁴	37.36	36.36	44.44	50.00	0.00	#Num!	#Num!
Arrest rate ⁵	4.51	4.14	10.00	13.51	0.00	0.00	0.00

Racial Profiling Data/2013 - Carl Junction Police Department - Population 5,370¹

Key Indicators	Total	White	Black	Hispanic	Asian	Am. Indian	Other
Stops	1588	1489	56	32	5	0	6
Searches	98	89	6	2	0	0	1
Arrests	68	63	4	1	0	0	0
Statewide Population	N/A	82.76	10.90	2.94	1.71	0.41	1.28
Local Population	N/A	93.13	0.80	2.23	0.89	1.17	1.77
Disparity Index ²	N/A	1.01	4.40	0.90	0.35	0.00	0.21
Search Rate ³	6.17	5.98	10.71	6.25	0.00	#Error	16.67
Contraband hit rate ⁴	37.76	35.96	66.67	0.00	#Error	#Error	100.00
Arrest rate ⁵	4.28	4.23	7.14	3.13	0.00	#Error	0.00

¹ Population figures are from the 2010 Census for persons 16 years of age and older who designated a single race. Hispanics may be of any race. "Other" includes persons of mixed race and unknown race.

² Disparity index = (proportion of stops / proportion of population). A value of 1 represents no disparity; values greater than 1 indicate over-representation, values less than 1 indicate under-representation.

³ Search rate = (searches / stops) X 100

⁴ Contraband hit rate = (searches with contraband found / total searches) X 100

⁵ Arrest rate = (arrests / stops) X 100

#Error or #Num! indicates zero denominator

Appendix A

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipts - Manual Receipt Slips

Date Received	A Manual Receipt Slip Number		B Amount Received But Not Recorded or Deposited
02/22/2013	664441	\$	90
02/28/2013	664442		60
03/12/2013	664448		666
03/13/2013	664451		25
03/14/2013 C	664452		1,282
04/29/2013	664201		100
04/29/2013	664203		50
05/15/2013	664465		85
05/15/2013	664468		20
05/15/2013	664475		147
05/15/2013	664476		25
06/17/2013	664479		90
07/10/2013	664485		100
07/12/2013	664487		160
07/16/2013	664489		100
07/16/2013	664490		183
08/05/2013	664492		294
08/16/2013	664496		120
08/26/2013	664498		239
09/04/2013	664499		72
09/04/2013	664500		308
10/18/2013	664245		50
10/18/2013	664246		60
10/29/2013	664247		114
11/19/2013	664252		179
11/27/2013	664269		74
12/02/2013	664271		62
12/16/2013	664272		90
12/18/2013	664274		50
12/18/2013	664275		90
12/18/2013 D	664276		20
12/18/2013	664280		90
12/18/2013	664282		50
01/13/2014	664289		218
01/15/2014	664291		90
01/23/2014 E	664292		55
01/27/2014	664295		401
02/07/2014	664297		39
02/10/2014	664298		224

Appendix A

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipts - Manual Receipt Slips

	A	B
Date Received	Manual Receipt Slip Number	Amount Received But Not Recorded or Deposited
02/14/2014	664316	494
02/26/2014	664318	75
02/28/2014	664319	14
05/14/2014	664352	35
05/14/2014	664353	128
05/14/2014	664354	100
05/14/2014	664355	40
05/14/2014	664356	50
05/14/2014	664360	104
05/21/2014	664371	272
06/18/2014	664374	144
06/18/2014	664375	100
06/18/2014	664376	60
06/18/2014	664377	50
06/18/2014	664378	50
06/19/2014	664379	40
06/19/2014	664380	25
		\$ 7,953

- A Two manual receipt slip books with different numerical sequences were used simultaneously during 2013.
- B Unless otherwise noted, the entire amount of each manual receipt slip was not recorded in the computerized system or deposited.
- C This \$1,282 is counted as missing here and reduced from the total missing in Appendix C to avoid duplication.
- D Manual receipt slip was written for \$50, but only \$30 was recorded and deposited.
- E Manual receipt slip was written for \$280, but only \$225 was recorded and deposited.

Appendix B

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipts - Bond Receipts

Date Received	Police Department Manual Bond Receipt Slip Number	A Amount Received But Not Recorded or Deposited
09/21/2012	1789	\$ 500
09/25/2012	1790	524
11/29/2012	1807	30
12/11/2012	1810	500
12/30/2012	1815	675
01/17/2013 B	1820	511
02/24/2013	1826	350
04/06/2013	1831	85
04/13/2013	1835	585
05/03/2013	1839	30
05/03/2013	1840	362
05/09/2013	1842	500
05/11/2013	1844	500
05/18/2013	1846	1,235
05/23/2013	1847	304
07/23/2013	1859	500
08/14/2013	1864	298
09/09/2013	1869	279
10/03/2013	1875	500
10/03/2013	1876	500
10/22/2013	1880	500
10/22/2013	1881	90
10/27/2013	1882	500
11/02/2013	1883	500
11/02/2013	1884	85
11/27/2013	1890	500
12/07/2013	1892	500
12/07/2013	1893	670
12/20/2013	1897	500
12/29/2013	1901	500
01/05/2014	1905	500
01/16/2014	1907	90
01/19/2014	1910	115
01/22/2014	1911	757
02/02/2014	1917	270
03/11/2014	1926	1,000
03/27/2014	1930	500
04/23/2014	1940	500
05/10/2014	1947	590

Appendix B

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipts - Bond Receipts

<u>Date Received</u>	<u>Police Department Manual Bond Receipt Slip Number</u>	A <u>Amount Received But Not Recorded or Deposited</u>
05/11/2014	1948	500
06/07/2014	1956	590
06/15/2014	1960	500
		\$ <u>19,025</u>

A Unless otherwise noted, the entire amount of each manual bond receipt slip was not recorded in the computerized system or deposited.

B The manual bond receipt slip showed \$585 total received. However, there was documentation in the defendant's case file showing \$74 in cash was refunded to the defendant. Therefore, the amount received but not deposited appears to be \$511.

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

Deposit Date		A Recorded Cash Receipts	A Recorded Check Receipts	B Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Cash Withdrawn When Deposit Made	Total Deposited	C Adjustments	Undeposited Receipts
5/17/2011	D \$	3,038	1,410	85	4,533	2,953	1,495	0	4,448	0	(85)
5/23/2011		4,608	2,140	1,493	8,241	3,114	3,633	0	6,747	0	(1,494)
5/24/2011		0	0	0	0	1	0	0	1	0	1
5/31/2011	D	817	226	0	1,043	817	226	0	1,043	0	0
5/31/2011		0	0	50	50	0	50	0	50	0	0
6/3/2011		0	0	0	0	85	0	0	85	0	85
6/8/2011	D	545	880	10	1,435	535	890	(4)	1,421	0	(14)
6/14/2011	D	745	429	0	1,174	745	429	0	1,174	0	0
6/16/2011		1,371	326	0	1,697	1,371	326	0	1,697	0	0
6/21/2011		1,080	1,455	50	2,585	909	1,626	0	2,535	0	(50)
6/23/2011		402	935	0	1,337	402	935	0	1,337	0	0
6/23/2011		2,105	0	0	2,105	2,105	0	0	2,105	0	0
6/30/2011		2,010	50	725	2,785	1,335	725	0	2,060	0	(725)
7/18/2011		608	711	495	1,814	63	1,256	0	1,319	0	(495)
7/18/2011		812	0	300	1,112	512	300	0	812	0	(300)
7/25/2011		2,463	1,838	936	5,237	3,158	1,979	0	5,137	0	(100)
8/5/2011		511	1,767	0	2,278	511	1,767	0	2,278	0	0
8/17/2011		1,674	1,103	240	3,017	1,434	1,343	0	2,777	0	(240)
8/19/2011		1,069	175	175	1,419	894	350	0	1,244	0	(175)
8/31/2011		251	1,051	0	1,302	251	1,051	0	1,302	0	0
9/6/2011		0	0	0	0	223	0	0	223	0	223
9/13/2011	D	1,428	1,528	0	2,956	1,428	1,528	0	2,956	0	0
9/21/2011		2,418	438	339	3,195	2,079	777	0	2,856	0	(339)
9/21/2011		500	0	0	500	500	0	0	500	0	0
9/21/2011		21	0	0	21	21	0	0	21	0	0
9/28/2011		245	1,299	200	1,744	45	1,499	0	1,544	0	(200)
10/12/2011	E	0	0	126	126	126	126	0	252	0	126
10/17/2011		500	0	0	500	500	0	0	500	0	0
10/20/2011		1,904	329	0	2,233	2,104	129	0	2,233	0	0
10/20/2011		1,875	374	1,183	3,432	692	1,556	0	2,248	0	(1,184)
10/24/2011		2,221	444	1,905	4,570	566	2,099	0	2,665	0	(1,905)
10/24/2011		0	85	150	235	0	235	0	235	0	0
10/26/2011		2,860	0	689	3,549	511	689	0	1,200	0	(2,349)
10/31/2011		0	0	1,128	1,128	122	1,128	0	1,250	0	122
10/31/2011		500	0	0	500	500	0	0	500	0	0
11/7/2011		162	500	0	662	915	0	0	915	0	253
11/15/2011		675	25	0	700	675	25	0	700	0	0
11/15/2011		0	0	1,000	1,000	0	1,000	0	1,000	0	0
11/21/2011		2,889	0	247	3,136	2,642	247	0	2,889	0	(247)
11/30/2011		330	1,153	50	1,533	280	1,203	0	1,483	0	(50)

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

Deposit Date	A Recorded Cash Receipts	A Recorded Check Receipts	B Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Cash Withdrawn When Deposit Made	Total Deposited	C Adjustments	Undeposited Receipts
12/5/2011	0	0	270	270	0	270	0	270	0	0
12/5/2011	585	0	0	585	585	0	0	585	0	0
12/22/2011	1,901	965	2,251	5,117	40	2,326	0	2,366	0	(2,751)
12/22/2011	5,294	881	2,916	9,091	2,378	3,797	0	6,175	0	(2,916)
1/4/2012	0	0	565	565	122	565	0	687	0	122
1/5/2012	1,364	0	1,290	2,654	74	1,290	0	1,364	0	(1,290)
1/20/2012	3,881	0	611	4,492	3,270	611	0	3,881	0	(611)
2/6/2012	3,129	472	2,648	6,249	394	2,648	0	3,042	0	(3,207)
2/7/2012	220	0	590	810	220	590	0	810	0	0
2/16/2012	2,752	723	698	4,173	2,777	698	0	3,475	0	(698)
2/16/2012	1,961	306	2,116	4,383	852	2,198	0	3,050	0	(1,333)
2/24/2012	0	0	89	89	0	89	0	89	0	0
2/24/2012	0	0	122	122	3	122	0	125	0	3
2/29/2012	3,380	299	728	4,407	803	753	0	1,556	0	(2,851)
3/2/2012	0	0	360	360	1,638	360	0	1,998	0	1,638
3/15/2012	3,121	50	0	3,171	3,121	50	0	3,171	0	0
3/21/2012	2,264	0	1,925	4,189	339	1,925	0	2,264	0	(1,925)
4/16/2012	2,990	0	2,053	5,043	937	2,053	0	2,990	0	(2,053)
4/23/2012	3,910	844	2,279	7,033	2,475	2,279	0	4,754	0	(2,279)
4/26/2012	2,228	1,900	0	4,128	4,128	0	0	4,128	0	0
4/26/2012	744	761	0	1,505	1,505	0	0	1,505	0	0
4/26/2012	200	0	0	200	1,354	0	0	1,354	0	1,154
Fiscal year 2012 total	82,561	27,872	33,087	143,520	62,139	53,246	(4)	115,381	0	(28,139)
5/4/2012	1,741	0	1,098	2,839	1,741	1,098	0	2,839	0	0
5/8/2012	0	0	0	0	1,098	0	0	1,098	0	1,098
5/17/2012	813	366	0	1,179	813	366	0	1,179	0	0
5/17/2012	2,636	386	613	3,635	1,089	999	0	2,088	0	(1,547)
5/18/2012	3,265	448	966	4,679	2,289	1,424	0	3,713	0	(966)
5/30/2012	1,540	0	0	1,540	765	0	0	765	0	(775)
5/31/2012	0	0	654	654	0	654	0	654	0	0
6/4/2012	575	2,006	0	2,581	575	2,006	0	2,581	0	0
6/4/2012	0	0	398	398	0	398	(5)	393	0	(5)
6/8/2012	104	559	0	663	81	559	0	640	0	(23)
6/8/2012	149	0	0	149	149	0	0	149	0	0
6/12/2012	50	100	0	150	50	100	0	150	0	0
6/12/2012	50	0	0	50	50	0	0	50	0	0
6/12/2012	0	295	0	295	0	295	0	295	0	0
6/13/2012	140	0	0	140	140	0	0	140	0	0
6/14/2012	110	370	0	480	110	370	0	480	0	0
6/15/2012	235	32	0	267	235	32	0	267	0	0

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

Deposit Date	A Recorded Cash Receipts	A Recorded Check Receipts	B Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Cash Withdrawn When Deposit Made	Total Deposited	C Adjustments	Undeposited Receipts
6/18/2012	605	1,176	0	1,781	605	1,176	0	1,781	0	0
6/19/2012	333	1,007	0	1,340	333	1,007	0	1,340	0	0
6/22/2012	1,608	3,000	0	4,608	1,608	3,000	0	4,608	0	0
6/22/2012	769	189	0	958	768	190	0	958	0	0
6/22/2012	1,258	33	0	1,291	1,252	39	0	1,291	0	0
6/28/2012	430	530	0	960	430	530	0	960	0	0
7/10/2012	414	432	0	846	414	432	0	846	0	0
7/11/2012	1,250	103	0	1,353	1,250	103	0	1,353	0	0
7/13/2012	803	1,674	0	2,477	803	1,674	0	2,477	0	0
7/16/2012	1,486	158	0	1,644	1,486	158	0	1,644	0	0
7/19/2012	3,117	369	0	3,486	3,117	369	0	3,486	0	0
7/25/2012	702	1,879	0	2,581	702	1,879	0	2,581	0	0
7/26/2012	181	375	0	556	181	375	0	556	0	0
7/30/2012	93	24	1,425	1,542	93	1,449	0	1,542	0	0
8/3/2012	0	119	0	119	0	119	0	119	0	0
8/3/2012	70	85	0	155	70	85	0	155	0	0
8/8/2012	253	0	0	253	253	0	0	253	0	0
8/8/2012	500	0	0	500	500	0	0	500	0	0
8/9/2012	273	100	10	383	263	110	0	373	0	(10)
8/9/2012	571	498	0	1,069	571	498	0	1,069	0	0
8/10/2012	478	1,168	0	1,646	478	1,168	0	1,646	0	0
8/14/2012	1,781	558	0	2,339	1,781	558	0	2,339	0	0
8/16/2012	1,678	1,376	0	3,054	1,678	1,376	0	3,054	0	0
8/16/2012	1,361	308	0	1,669	1,361	308	0	1,669	0	0
8/20/2012	885	1,191	0	2,076	885	1,191	0	2,076	0	0
8/20/2012	827	468	0	1,295	827	468	0	1,295	0	0
8/27/2012	388	895	0	1,283	388	895	0	1,283	0	0
8/27/2012	1,000	0	0	1,000	1,000	0	0	1,000	0	0
8/30/2012	100	0	0	100	100	0	0	100	0	0
9/6/2012	230	51	0	281	230	51	0	281	0	0
9/12/2012	692	479	0	1,171	692	479	0	1,171	0	0
9/13/2012	420	954	0	1,374	420	954	0	1,374	0	0
9/19/2012	1,175	1,615	0	2,790	1,175	1,615	0	2,790	0	0
9/20/2012	469	368	0	837	469	368	0	837	0	0
9/20/2012	1,736	848	0	2,584	1,736	848	0	2,584	0	0
9/21/2012	271	1,306	0	1,577	271	1,306	0	1,577	0	0
9/24/2012	347	464	0	811	347	464	0	811	0	0
10/4/2012	97	1,345	0	1,442	97	1,345	0	1,442	0	0
10/4/2012	312	0	0	312	312	0	0	312	0	0
10/9/2012	385	99	0	484	385	99	0	484	0	0

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

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10/16/2012	301	132	0	433	301	132	0	433	0	0
10/16/2012	424	591	0	1,015	423	592	0	1,015	0	0
10/16/2012	426	0	0	426	426	0	0	426	0	0
10/18/2012	5,284	1,450	0	6,734	5,284	1,450	0	6,734	0	0
10/19/2012	189	661	0	850	189	661	0	850	0	0
10/23/2012	420	363	0	783	420	363	0	783	0	0
10/26/2012	125	322	50	497	75	372	0	447	0	(50)
10/31/2012	432	0	0	432	355	0	0	355	0	(77)
10/31/2012	355	0	0	355	432	0	0	432	0	77
11/7/2012	245	85	0	330	245	85	0	330	0	0
11/13/2012	1,243	545	55	1,843	1,188	600	0	1,788	0	(55)
11/13/2012	436	0	0	436	436	0	0	436	0	0
11/16/2012	2,614	723	0	3,337	2,615	722	0	3,337	0	0
11/16/2012	334	1,476	283	2,093	51	1,759	0	1,810	0	(283)
11/16/2012	0	0	102	102	0	102	0	102	0	0
11/16/2012	127	0	0	127	127	0	0	127	0	0
11/26/2012	50	150	0	200	50	150	0	200	0	0
11/26/2012	50	0	0	50	50	0	0	50	0	0
12/3/2012	396	140	50	586	346	190	0	536	0	(50)
12/3/2012	585	0	0	585	585	0	0	585	0	0
12/6/2012	151	2,198	0	2,349	151	2,198	0	2,349	0	0
12/12/2012	110	124	100	334	10	224	0	234	0	(100)
12/12/2012	1,500	0	0	1,500	1,500	0	0	1,500	0	0
12/18/2012	271	245	0	516	271	245	0	516	0	0
12/20/2012	0	0	1,810	1,810	0	1,810	0	1,810	0	0
12/20/2012	872	713	0	1,585	872	713	0	1,585	0	0
12/26/2012	1,156	90	475	1,721	681	565	0	1,246	475	0
1/7/2013	465	315	0	780	465	315	0	780	0	0
1/7/2013	500	0	0	500	500	0	0	500	0	0
1/14/2013	456	220	0	676	456	220	0	676	0	0
1/14/2013	10	0	0	10	10	0	0	10	0	0
1/17/2013	185	85	0	270	185	85	0	270	0	0
1/17/2013	536	0	0	536	536	0	0	536	0	0
1/23/2013	1,331	0	0	1,331	1,331	0	0	1,331	0	0
1/24/2013	830	610	0	1,440	830	610	0	1,440	0	0
1/24/2013	87	0	0	87	87	0	0	87	0	0
1/25/2013	679	200	395	1,274	284	595	0	879	0	(395)
1/31/2013	855	545	100	1,500	455	645	0	1,100	0	(400)
2/6/2013	320	210	300	830	320	510	0	830	0	0
2/6/2013	600	0	0	600	600	0	0	600	0	0

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

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2/8/2013	324	192	0	516	271	245	0	516	0	0
2/8/2013	85	0	0	85	85	0	0	85	0	0
2/12/2013	639	188	0	827	639	188	0	827	0	0
2/15/2013	1,667	1,025	0	2,692	1,667	1,025	0	2,692	0	0
2/20/2013	1,377	969	0	2,346	1,377	969	0	2,346	0	0
2/22/2013	1,737	73	0	1,810	1,737	73	0	1,810	0	0
2/27/2013	701	270	0	971	701	270	0	971	0	0
2/28/2013	683	383	0	1,066	683	383	0	1,066	0	0
3/5/2013	999	258	0	1,257	999	258	0	1,257	0	0
3/11/2013	612	456	751	1,819	361	1,207	0	1,568	251	0
3/11/2013	1,085	0	0	1,085	1,085	0	0	1,085	0	0
3/12/2013	1,731	1,690	0	3,421	1,726	1,695	0	3,421	0	0
3/13/2013	1,126	877	0	2,003	1,126	877	0	2,003	0	0
3/14/2013	2,755	1,369	1,282	5,406	1,473	2,651	0	4,124	1,282	0
3/20/2013	896	650	0	1,546	896	650	0	1,546	0	0
3/20/2013	590	0	0	590	590	0	0	590	0	0
3/20/2013	162	0	0	162	162	0	0	162	0	0
3/22/2013	705	50	1,285	2,040	120	1,335	0	1,455	0	(585)
3/22/2013	593	0	0	593	593	0	0	593	0	0
3/27/2013	128	0	0	128	130	0	(2)	128	0	0
3/27/2013	0	0	0	0	85	0	0	85	0	85
4/4/2013	215	297	200	712	15	497	0	512	0	(200)
4/10/2013	917	182	0	1,099	917	182	0	1,099	0	0
4/19/2013	1,982	1,709	0	3,691	1,982	1,709	0	3,691	0	0
4/19/2013	1,344	897	0	2,241	1,344	897	0	2,241	0	0
4/19/2013	794	0	0	794	794	0	0	794	0	0
4/29/2013 D	492	1,008	50	1,550	352	1,148	0	1,500	0	(50)
Fiscal year 2013 total	90,045	54,542	12,452	157,039	83,568	67,159	(7)	150,720	2,008	(4,311)
5/3/2013	572	0	0	572	572	0	0	572	0	0
5/9/2013	257	806	25	1,088	232	831	0	1,063	0	(25)
5/10/2013	537	25	0	562	562	0	0	562	0	0
5/15/2013	647	215	0	862	647	215	0	862	0	0
5/20/2013	413	545	0	958	403	555	0	958	0	0
5/20/2013	3,257	699	50	4,006	3,207	749	0	3,956	0	(50)
5/28/2013	628	635	0	1,263	628	635	0	1,263	0	0
5/29/2013	503	140	0	643	503	140	0	643	0	0
5/30/2013	500	0	0	500	500	0	0	500	0	0
5/30/2013	0	0	500	500	0	500	0	500	0	0
5/31/2013	300	185	0	485	300	185	0	485	0	0
6/3/2013	155	25	0	180	155	25	0	180	0	0

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

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6/7/2013	232	100	0	332	232	100	0	332	0	0
6/11/2013	150	205	0	355	150	205	0	355	0	0
6/13/2013	250	150	0	400	250	150	0	400	0	0
6/14/2013	100	225	0	325	100	225	0	325	0	0
6/17/2013	262	50	0	312	262	50	0	312	0	0
6/18/2013	219	0	0	219	219	0	0	219	0	0
6/19/2013	663	810	0	1,473	663	810	0	1,473	0	0
6/20/2013	2,127	3,060	0	5,187	2,127	3,060	0	5,187	0	0
6/21/2013	120	190	0	310	120	190	0	310	0	0
6/21/2013	603	0	0	603	603	0	0	603	0	0
6/24/2013	160	200	0	360	160	200	0	360	0	0
6/25/2013	215	0	0	215	215	0	0	215	0	0
6/27/2013	45	574	0	619	45	574	0	619	0	0
6/28/2013	149	297	0	446	149	297	0	446	0	0
7/2/2013	454	365	0	819	454	365	0	819	0	0
7/3/2013	130	60	0	190	130	60	0	190	0	0
7/10/2013	355	90	0	445	355	90	0	445	0	0
7/11/2013	195	240	0	435	195	240	0	435	0	0
7/15/2013	294	643	0	937	294	643	0	937	0	0
7/16/2013	733	200	0	933	733	200	0	933	0	0
7/17/2013	210	50	0	260	210	50	0	260	0	0
7/17/2013	977	640	0	1,617	977	640	0	1,617	0	0
7/19/2013	2,119	0	0	2,119	2,119	0	0	2,119	0	0
7/19/2013	529	314	0	843	529	314	0	843	0	0
7/23/2013	193	482	0	675	193	482	0	675	0	0
7/25/2013	200	263	0	463	200	263	0	463	0	0
8/6/2013	709	1,714	0	2,423	709	1,714	0	2,423	0	0
8/7/2013	152	185	0	337	152	185	0	337	0	0
8/7/2013	1,000	0	0	1,000	1,000	0	0	1,000	0	0
8/12/2013	296	149	0	445	296	149	0	445	0	0
8/15/2013	650	499	0	1,149	650	499	0	1,149	0	0
8/16/2013	521	456	0	977	521	456	0	977	0	0
8/20/2013	352	101	0	453	352	101	0	453	0	0
8/21/2013	1,019	953	0	1,972	1,019	953	0	1,972	0	0
8/23/2013	1,964	1,941	0	3,905	1,964	1,941	0	3,905	0	0
9/4/2013	1,082	92	0	1,174	1,082	92	0	1,174	0	0
9/6/2013	151	554	0	705	151	554	0	705	0	0
9/6/2013	230	0	0	230	230	0	0	230	0	0
9/9/2013	16	783	0	799	16	783	0	799	0	0
9/11/2013	524	1,925	0	2,449	524	1,925	0	2,449	0	0

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

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9/11/2013	10	0	0	10	10	0	0	10	0	0
9/12/2013	543	240	0	783	543	240	0	783	0	0
9/17/2013	940	518	0	1,458	940	518	0	1,458	0	0
9/18/2013	444	933	0	1,377	444	933	0	1,377	0	0
9/19/2013	522	305	0	827	522	305	0	827	0	0
10/2/2013	1,372	1,637	0	3,009	1,372	1,637	0	3,009	0	0
10/2/2013	90	0	0	90	90	0	0	90	0	0
10/4/2013	521	1,478	0	1,999	521	1,478	0	1,999	0	0
10/4/2013	406	0	0	406	406	0	0	406	0	0
10/4/2013	387	73	0	460	387	73	0	460	0	0
10/9/2013	386	156	0	542	386	156	0	542	0	0
10/14/2013	905	1,311	0	2,216	905	1,311	0	2,216	0	0
10/16/2013	1,104	424	0	1,528	1,104	424	0	1,528	0	0
10/18/2013	2,694	477	0	3,171	2,694	477	0	3,171	0	0
10/21/2013	80	380	0	460	80	380	0	460	0	0
10/21/2013	210	0	0	210	210	0	0	210	0	0
10/30/2013	82	80	0	162	82	80	0	162	0	0
10/30/2013	525	576	0	1,101	525	576	0	1,101	0	0
10/30/2013	313	0	0	313	313	0	0	313	0	0
10/30/2013	350	0	0	350	350	0	0	350	0	0
11/1/2013	0	0	255	255	0	255	0	255	0	0
11/6/2013	932	0	0	932	932	0	0	932	0	0
11/12/2013	639	251	0	890	639	251	0	890	0	0
11/15/2013	544	676	0	1,220	544	676	0	1,220	0	0
11/18/2013	540	1,331	0	1,871	540	1,331	0	1,871	0	0
11/19/2013	702	180	0	882	702	180	0	882	0	0
11/20/2013	1,503	397	0	1,900	1,503	397	0	1,900	0	0
11/21/2013	707	90	0	797	707	90	0	797	0	0
11/21/2013	1,908	395	0	2,303	1,908	395	0	2,303	0	0
11/21/2013	300	0	0	300	300	0	0	300	0	0
11/25/2013	85	250	0	335	85	250	0	335	0	0
11/25/2013	250	0	0	250	250	0	0	250	0	0
12/3/2013	726	1,079	0	1,805	726	1,079	0	1,805	0	0
12/5/2013	254	0	0	254	254	0	0	254	0	0
12/12/2013	240	0	0	240	240	0	0	240	0	0
12/12/2013	200	0	0	200	200	0	0	200	0	0
12/17/2013	498	0	0	498	498	0	0	498	0	0
12/17/2013	586	821	0	1,407	586	821	0	1,407	0	0
12/17/2013	100	0	0	100	100	0	0	100	0	0
12/18/2013	725	586	0	1,311	725	586	0	1,311	0	0

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

Deposit Date	A Recorded Cash Receipts	A Recorded Check Receipts	B Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Cash Withdrawn When Deposit Made	Total Deposited	C Adjustments	Undeposited Receipts
12/19/2013	1,457	266	0	1,723	1,457	266	0	1,723	0	0
1/2/2014	381	155	0	536	381	155	0	536	0	0
1/2/2014	677	0	0	677	677	0	0	677	0	0
1/6/2014	600	50	0	650	600	50	0	650	0	0
1/7/2014	75	1,911	0	1,986	75	1,911	0	1,986	0	0
1/7/2014	89	0	0	89	89	0	0	89	0	0
1/10/2014	202	573	0	775	202	573	0	775	0	0
1/10/2014	0	0	90	90	0	90	0	90	0	0
1/14/2014	693	0	0	693	693	0	0	693	0	0
1/14/2014	463	151	0	614	462	151	0	613	0	(1)
1/15/2014	0	0	0	0	1	0	0	1	0	1
1/16/2014	1,663	615	0	2,278	1,663	615	0	2,278	0	0
1/24/2014	833	0	0	833	833	0	0	833	0	0
1/29/2014	50	460	0	510	50	460	0	510	0	0
1/29/2014	792	0	0	792	792	0	0	792	0	0
2/11/2014	1,335	25	0	1,360	1,335	25	0	1,360	0	0
2/11/2014	322	0	0	322	322	0	0	322	0	0
2/12/2014	652	350	0	1,002	652	350	0	1,002	0	0
2/12/2014	893	195	0	1,088	893	195	0	1,088	0	0
2/12/2014	10	0	0	10	10	0	0	10	0	0
2/17/2014	2,129	848	0	2,977	2,129	848	0	2,977	0	0
2/17/2014	0	528	0	528	0	528	0	528	0	0
2/17/2014	10	0	0	10	10	0	0	10	0	0
2/19/2014	527	200	0	727	527	200	0	727	0	0
2/20/2014	571	741	0	1,312	571	741	0	1,312	0	0
2/24/2014	530	0	0	530	530	0	0	530	0	0
2/27/2014	252	962	0	1,214	252	962	0	1,214	0	0
3/5/2014	545	150	0	695	545	150	0	695	0	0
3/7/2014	825	105	0	930	825	105	0	930	0	0
3/10/2014	0	0	85	85	0	85	0	85	0	0
3/11/2014	1,703	526	0	2,229	1,703	526	0	2,229	0	0
3/13/2014	1,524	288	0	1,812	1,524	288	0	1,812	0	0
3/19/2014	380	502	0	882	380	502	0	882	0	0
3/19/2014	2,000	0	0	2,000	2,000	0	0	2,000	0	0
3/24/2014	391	0	0	391	391	0	0	391	0	0
3/24/2014	95	0	0	95	95	0	0	95	0	0
3/31/2014	100	278	0	378	100	278	0	378	0	0
4/8/2014	252	50	0	302	252	50	0	302	0	0
4/14/2014	480	501	0	981	480	501	0	981	0	0
4/14/2014	1,202	0	0	1,202	1,202	0	0	1,202	0	0

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

Deposit Date	A Recorded Cash Receipts	A Recorded Check Receipts	B Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Cash Withdrawn When Deposit Made	Total Deposited	C Adjustments	Undeposited Receipts
4/16/2014	921	673	0	1,594	921	673	0	1,594	0	0
4/17/2014	1,730	982	0	2,712	1,730	982	0	2,712	0	0
4/24/2014	740	759	0	1,499	740	759	0	1,499	0	0
4/24/2014	500	0	0	500	500	0	0	500	0	0
4/30/2014	55	0	0	55	55	0	0	55	0	0
4/30/2014	225	514	0	739	225	514	0	739	0	0
Fiscal year 2014 total	80,316	49,837	1,005	131,158	80,256	50,827	0	131,083	0	(75)
5/9/2014	218	0	0	218	218	0	0	218	0	0
5/12/2014	512	645	0	1,157	512	645	0	1,157	0	0
5/12/2014	676	50	0	726	676	50	0	726	0	0
5/12/2014	750	0	0	750	750	0	0	750	0	0
5/12/2014	500	0	0	500	500	0	0	500	0	0
5/14/2014	835	105	0	940	835	105	0	940	0	0
5/15/2014	0	0	528	528	0	528	0	528	0	0
5/20/2014	3,350	1,057	0	4,407	3,350	1,057	0	4,407	0	0
5/20/2014	105	0	0	105	105	0	0	105	0	0
6/4/2014	355	135	0	490	355	135	0	490	0	0
6/4/2014	200	0	0	200	200	0	0	200	0	0
6/9/2014	188	0	0	188	188	0	0	188	0	0
6/9/2014	382	308	0	690	382	308	0	690	0	0
6/10/2014	1,012	900	90	2,002	922	990	0	1,912	0	(90)
6/17/2014	1,234	10	0	1,244	1,234	10	0	1,244	0	0
6/18/2014	255	0	0	255	255	0	0	255	0	0
6/18/2014	1,042	887	280	2,209	1,040	889	0	1,929	0	(280)
6/25/2014	208	33	0	241	208	33	0	241	0	0
6/25/2014	351	296	0	647	351	296	0	647	0	0
6/26/2014	324	50	0	374	324	50	0	374	0	0
6/26/2014	150	0	0	150	150	0	0	150	0	0
6/27/2014	97	0	0	97	97	0	0	97	0	0
6/30/2014	1,000	0	0	1,000	1,000	0	0	1,000	0	0
7/1/2014 F	2,813	1,616	0	4,429	1,382	1,616	0	2,998	0	(1,431)
7/2/2014	60	155	0	215	60	155	0	215	0	0
7/8/2014	215	100	0	315	215	100	0	315	0	0
7/9/2014	0	228	0	228	0	228	0	228	0	0
7/11/2014	110	158	0	268	110	158	0	268	0	0
7/15/2014	511	743	0	1,254	511	743	0	1,254	0	0
7/15/2014	250	0	0	250	250	0	0	250	0	0
7/18/2014	812	160	0	972	812	160	0	972	0	0
7/18/2014	587	645	0	1,232	587	645	0	1,232	0	0
7/18/2014	90	0	0	90	90	0	0	90	0	0

Appendix C

Twenty-Ninth Judicial Circuit
City of Carl Junction Municipal Division
Supporting Documentation - Undeposited Cash Receipts - Deposit Shortages
May 1, 2011, through July 31, 2014

Deposit Date	A Recorded Cash Receipts	A Recorded Check Receipts	B Unrecorded Check Receipts	Total Receipts	Cash Deposited	Checks Deposited	Cash Withdrawn When Deposit Made	Total Deposited	C Adjustments	Undeposited Receipts
7/21/2014	127	493	0	620	127	493	0	620	0	0
7/21/2014	500	0	0	500	500	0	0	500	0	0
7/22/2014	124	96	0	220	124	96	0	220	0	0
7/22/2014	100	0	0	100	100	0	0	100	0	0
7/23/2014	140	0	0	140	140	0	0	140	0	0
7/31/2014	290	475	0	765	290	475	0	765	0	0
Fiscal year 2015 total	20,473	9,345	898	30,716	18,950	9,965	0	28,915	0	(1,801)
Total	\$ 273,395	141,596	47,442	462,433	244,913	181,197	(11)	426,099	2,008	(34,326)

- A We adjusted check receipts that were mistakenly marked as cash receipts. Therefore, some cash and check amounts presented in these columns will differ from actual court records.
- B This column includes checks written out of the bond account to the fine account to apply bond monies to a defendant's fines and court costs.
- C \$475 of the 12/26/2012 deposited is already counted as missing monies at Appendix D, citation numbers 120058494 and 120059259.
\$251 of the 3/11/2013 deposit is already counted as missing monies at Appendix D, citation numbers 120058792, 120058793, and 120059399.
\$1,282 of the 3/14/2013 deposit is already counted as missing monies at Appendix A, manual receipt slip number 664452.
- D Personal checks or money orders of the former Court Clerk or former Court Clerk's husband were included in some deposits. These checks/money orders appeared to be cashed with the day's receipts and do not appear to be used to hide missing monies. We adjusted the total cash deposited and check deposited amounts above to account for these checks and money orders:
- | | |
|-----------|-------|
| 5/17/2011 | \$100 |
| 5/31/2011 | 81 |
| 6/8/2011 | 18 |
| 6/14/2011 | 225 |
| 9/13/2011 | 33 |
| 4/29/2013 | 250 |
- E Deposit includes payment for a prior insufficient funds check and unrecorded cash.
- F The day the former Court Clerk was placed on administrative leave (6/20/14), the city reviewed receipts recorded in the computerized system since the last deposit and determined there was a \$1,431 shortage of cash on hand. The city performed an internal investigation, but could not account for the shortage. The city deposited the receipts on 7/1/14, which were \$1,431 short.

Note - The term "check" in the table includes checks, cashier's checks, and money orders.
- Bolded deposit dates indicate deposits into the bond account. Other deposit dates indicate deposits into the fine account.

Appendix D

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipts - Other Receipts Not Recorded or Deposited

Citation Number	Citation Date	Type of Documentation Showing Money Was Received	A	
			Amount Received But Not Recorded Or Deposited	
080332291	08/17/2008	B	\$	325
080332785	11/24/2008	C		101
090051882	05/24/2009	B		862
100382803	10/05/2010	B		148
100383229	03/11/2011	B		425
100383206	03/15/2011	B		85
100383207	03/15/2011	B		85
100383225	04/05/2011	D		10
100383279	04/29/2011	D		24
100383251	05/15/2011	D		20
100384380	02/10/2012	B		631
120058727	05/11/2012	D		75
120058616	05/12/2012	D		24
120058742	05/14/2012	D		25
120058792, 120058793, & 120059399	06/04/2012	E		251
120058985	06/28/2012	B		73
120058990	06/28/2012	B		69
120058494	07/30/2012	E		275
120059252	08/02/2012	F		350
120059259	10/04/2012	E		200
			\$	<u>4,058</u>

A The amount was not recorded in the computerized system or deposited.

B Defendant provided a manual receipt slip as proof of payment or a duplicate copy of the manual receipt slip was in the case file. The related manual receipt slip book was not retained by the municipal division. Therefore, these transactions are not included in Appendix A.

C Bond posted by defendant in 2009, but not applied to case and no longer in the bond account.

D Reappearance summons in case file indicates amount was paid by defendant.

E Check received and deposited for the defendant's outstanding balance. However, these checks were not recorded and were substituted into the deposits for recorded cash not deposited. These items are counted as missing here and reduced from the total missing in Appendix C to avoid duplication.

F A police department dispatcher indicated on the police department dispatch log on 9/20/12 that she witnessed the defendant place \$350 cash into the court drop box while the former Court Clerk was away from the office. The outstanding balance on the case is \$375; however, \$25 is counted as possibly missing monies in Appendix F.

Appendix E

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Possible Additional Missing Monies - Unauthorized Reductions
or Non-assessment of Court Costs and Fines

Citation Number		Date of Reduction	Amount of Unauthorized Reductions or Non-assessment of Costs and Fines
091677157		07/23/2010 & 06/13/2012	\$ 65
091677155		07/23/2010 & 06/13/2012	65
091676917		07/23/2010 & 06/13/2012	80
090052826		07/23/2010 & 06/13/2012	80
091676883		02/21/2011	40
090052711		11/21/2011	275
100384069	A	01/16/2012	50
100384051	A	01/16/2012	50
091677161		03/02/2012	75
100383497		03/27/2012	350
100384208	A	04/05/2012	60
100384403	B	04/16/2012	51
100384078		04/25/2012	41
091677238		06/13/2012	85
100384417	B	06/20/2012	51
100382990		08/06/2012	85
120059284	A	11/14/2012	60
100383007		02/27/2013	85
100384326		03/13/2013	29
100383964		04/03/2013	30
120059639		04/17/2013	55
130722683		06/14/2013	40
100384392		08/27/2013	84
100383671		10/03/2013	85
120060443	C	11/21/2013	45
100384343		10/16/2013	232
100384327		10/16/2013	75
100384330		12/18/2013	103
041826024	D	02/03/2014	119
031164557		02/03/2014 & 02/06/2014	135
120059543		04/16/2014	200
100382980		03/13/2015	51
			<u>\$ 2,931</u>

A Remaining due on case (\$25) is shown as possibly missing at Appendix F.

B Remaining due on case (\$24) is shown as possibly missing at Appendix F.

C Remaining due on case (\$30) is shown as possibly missing at Appendix F.

D Remaining due on case (\$71) is shown as possibly missing at Appendix F.

Appendix F

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipt - Other Possible Missing Monies

Citation Number	Citation Date	Reason Outstanding Balance Is Possibly Missing	Balance Outstanding on Case
000971104	11/23/1997	A & B	\$ 175
041826024	08/05/2005	A & C	71
070705297	05/04/2008	D	85
080332268	08/30/2008	E	80
080332866	01/08/2009	F	224
080332759	03/26/2009	G	215
090052203	07/07/2009	A	125
090052148	08/13/2009	A	124
090052503	08/31/2009	A	105
080332182	11/05/2009	A	150
090052374	11/29/2009	A	200
090052806	12/19/2009	A	80
090052740	01/01/2010	A	30
090052741	01/01/2010	A	70
090052747	01/09/2010	A	175
090052442	01/14/2010	D	85
091676459	01/16/2010	E	85
091676501	01/18/2010	D	80
091676516	02/20/2010	A	49
091676780	03/29/2010	A	85
091676756	04/01/2010	A	70
091677062	04/06/2010	A	350
091676831	04/12/2010	A	120
091676796	04/25/2010	D	95
091676797	04/26/2010	E	350
091676976	05/01/2010	A	70
091676836	05/06/2010	D	80
091676546	05/15/2010	D	95
091676983	05/16/2010	A	85
091676984	05/16/2010	A	70
091676849	06/05/2010	A	374
091677203	06/11/2010	D	85
091676824	06/24/2010	A	85
091677136	06/30/2010	D	75
100382552	07/08/2010	A	434
091677216	07/10/2010	A	340
100382716	08/08/2010	E	85
100382684	08/26/2010	A	345
091677324	09/04/2010	A	79

Appendix F

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipt - Other Possible Missing Monies

Citation Number	Citation Date	Reason Outstanding Balance Is Possibly Missing	Balance Outstanding on Case
091677325	09/04/2010	A	60
091677194	09/15/2010	D	75
100382603	09/15/2010	D	180
100382604	09/20/2010	D	180
100382596	10/04/2010	D	75
100382599	10/16/2010	A	324
100382880	10/22/2010	A	524
100382881	10/22/2010	A	475
100382888	11/07/2010	G	100
091676864	11/25/2010	A	350
100382898	12/03/2010	A	85
100382899	12/03/2010	A	85
100382700	12/04/2010	D	100
100383026	12/05/2010	D	75
100382900	12/07/2010	D	100
100383030	12/07/2010	D	85
100383028	12/08/2010	D	85
100383041	12/09/2010	D	85
091677123	12/12/2010	D	150
091676873	12/30/2010	D	100
100382927	12/31/2010	D	85
100382916	01/01/2011	D	100
100383002	01/01/2011	A	325
100382930	01/04/2011	D	80
100382931	01/06/2011	D	200
100382951	01/13/2011	A	85
100382919	01/13/2011	D	90
100382923	01/16/2011	D	100
100383058	01/19/2011	A	49
100382924	01/21/2011	D	90
100383066	01/23/2011	A	340
091677263	01/24/2011	D	200
100382946	02/10/2011	D	80
100382944	02/10/2011	D	80
090052407	02/13/2011	D	85
100382947	02/14/2011	D	85
100383230	03/11/2011	A	165
100383210	03/15/2011	D	85
100383232	03/16/2011	G	225

Appendix F

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipt - Other Possible Missing Monies

Citation Number	Citation Date	Reason Outstanding Balance Is Possibly Missing	Balance Outstanding on Case
100383163	03/22/2011	G	649
100383084	03/23/2011	A	300
100383243	04/06/2011	A	75
090052424	04/07/2011	G	119
100383301	04/09/2011	D	100
100383124	04/29/2011	A	100
100383175	05/03/2011	A	75
091677271	05/12/2011	A	200
100383251	05/15/2011	A	15
100383252	05/21/2011	A	300
100383330	05/24/2011	A	375
100383339	06/03/2011	A	85
100383180	06/20/2011	A	74
100383181	06/20/2011	A	24
100383098	06/21/2011	A	64
100383611	07/25/2011	E	85
100383148	08/12/2011	A	200
100383309	08/14/2011	A	324
100383310	08/14/2011	A	324
100383615	08/14/2011	D	85
100383659	09/02/2011	D	85
100383829	09/19/2011	D	80
100383965	10/27/2011	A	149
100383783	10/28/2011	A	174
100383851	10/28/2011	D	188
100383852	10/28/2011	D	59
100383854	10/28/2011	A	60
100383855	10/28/2011	D	54
100383856	10/28/2011	D	38
100383859	10/31/2011	D	102
100383971	10/31/2011	A	70
100384051	11/03/2011	D & H	25
100383984	11/08/2011	D	85
100383500	11/10/2011	D	150
100384053	11/10/2011	A	25
100383985	11/11/2011	D	85
100383756	11/12/2011	D	85
100383903	11/15/2011	D	90
100383786	11/18/2011	D	90

Appendix F

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipt - Other Possible Missing Monies

Citation Number	Citation Date	Reason Outstanding Balance Is Possibly Missing	Balance Outstanding on Case
100383787	11/18/2011	D	90
100383791	11/24/2011	A	85
100383346	11/27/2011	F	200
100383904	11/29/2011	G	449
100384068	11/30/2011	D	80
100384069	11/30/2011	D & H	25
100384075	12/02/2011	A	75
100383795	12/05/2011	G	85
100384158	12/28/2011	G	85
100383348	12/31/2011	E	85
100384176	01/02/2012	D	90
100384025	01/03/2012	A	500
100384169	01/15/2012	D	90
100384173	01/19/2012	D	80
100383762	01/21/2012	A	75
100383763	01/21/2012	A	75
100384255	01/22/2012	D	85
100384125	01/27/2012	A	35
100384179	01/28/2012	D	90
100384259	02/05/2012	A	85
100383914	02/07/2012	D	90
100384382	02/10/2012	D	57
100384383	02/10/2012	D	471
100384384	02/10/2012	G	41
100384386	02/10/2012	D	40
100384398	02/10/2012	D	63
100384399	02/10/2012	D	124
100384400	02/10/2012	G	30
100383769	02/11/2012	D	100
100384263	02/11/2012	A & I	200
100383915	02/15/2012	D	90
100384305	02/15/2012	A	85
100384306	02/15/2012	J	75
100384332	02/16/2012	D	143
100384338	02/16/2012	D	57
100384341	02/16/2012	D	40
100384036	02/17/2012	A	75
100384037	02/17/2012	A	75
100384206	02/19/2012	A	85

Appendix F

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipt - Other Possible Missing Monies

Citation Number	Citation Date	Reason Outstanding Balance Is Possibly Missing	Balance Outstanding on Case
100384309	02/21/2012	G	85
100384039	02/24/2012	D	85
100384183	02/24/2012	D	85
100384458	02/25/2012	A	371
100384318	02/28/2012	D	75
100384353	03/03/2012	D	100
100384208	03/06/2012	D & K	25
100384349	03/06/2012	D	121
100384426	03/06/2012	D	38
100384428	03/06/2012	D	76
100384429	03/06/2012	D	55
100384438	03/06/2012	D	66
100384443	03/06/2012	D	30
100384322	03/07/2012	D	75
100384354	03/09/2012	D	85
100384227	03/11/2012	L	85
100384228	03/11/2012	L	50
100384325	03/12/2012	A	30
100384356	03/12/2012	L	85
100383919	03/15/2012	A	125
100384049	03/17/2012	M	85
100384233	03/18/2012	D	85
100384403	03/21/2012	D & N	24
100384474	03/23/2012	A	25
100384475	03/23/2012	A	75
100384413	04/11/2012	A	30
120058502	04/14/2012	A	85
100384417	04/16/2012	A & N	24
120058562	04/24/2012	D	40
120058569	04/24/2012	A	110
120058597	04/24/2012	D	59
120058600	04/24/2012	A	53
120058632	04/25/2012	D	95
120058633	04/25/2012	D	46
120058655	05/16/2012	D	55
120058657	05/16/2012	G	53
120058665	05/17/2012	D	30
120058667	05/17/2012	G	62
120058799	06/06/2012	E	85

Appendix F

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipt - Other Possible Missing Monies

Citation Number	Citation Date	Reason Outstanding Balance Is Possibly Missing	Balance Outstanding on Case
120058824	06/20/2012	D	54
120058839	06/21/2012	G	36
120058962	07/03/2012	A	55
120059011	07/04/2012	A & O	31
120059021	07/05/2012	G	72
120058884	07/14/2012	A	50
120058970	07/15/2012	A	45
120058972	07/17/2012	A	100
100384219	07/26/2012	G	90
120058537	07/28/2012	A	100
120059252	08/02/2012	D & P	25
120059033	08/04/2012	A	24
120059040	08/17/2012	A	85
120058543	08/18/2012	D	150
120058897	08/21/2012	A	85
120059078	08/27/2012	D	121
120059428	09/19/2012	A	85
120059430	09/19/2012	A	85
120059284	10/02/2012	A & K	25
120059261	10/21/2012	A	100
120059504	10/24/2012	D	90
120059514	10/29/2012	D	90
120059268	11/01/2012	D	100
120059326	11/02/2012	D	84
120059396	11/02/2012	A	95
120059519	11/15/2012	D	85
120059485	12/10/2012	A & O	545
120059122	12/15/2012	G	105
120059886	03/01/2013	D	33
120059891	03/01/2013	D	27
120059892	03/01/2013	D	33
120059894	03/01/2013	D	28
120059916	03/06/2013	D	101
120059540	04/01/2013	A	150
120059944	04/20/2013	D	85
120059946	05/07/2013	D & O	100
120060120	06/02/2013	D	90
120060168	06/21/2013	J	150
120059473	07/16/2013	A	80

Appendix F

Twenty-Ninth Judicial Circuit

City of Carl Junction Municipal Division

Supporting Documentation - Undeposited Cash Receipt - Other Possible Missing Monies

Citation Number	Citation Date	Reason Outstanding Balance Is Possibly Missing	Balance Outstanding on Case
130722105	08/05/2013	A	37
130722157	08/10/2013	A	200
130722212	08/19/2013	D	166
130722239	09/08/2013	Q	27
130722418	10/04/2013	D	105
120060443	10/08/2013	A & R	30
130722388	10/23/2013	D	115
130722633	03/17/2014	D	62
130722683	05/06/2014	A	17
			<u>\$ 28,210</u>

- A Change of status (such as a payment plan, plea deal, guilty plea, warrant issued, driver license suspension warning issued, etc.) was entered in the electronic case file without payment recorded and/or a Judge's order.
- B Defendant sent a letter to the court in 2006 stating she would make payment and requested the amount due. The Court Clerk made various entries in the computerized case system through 2009 that were not ordered by the Judge.
- C Outstanding balance on case is \$190. However, \$119 is counted as missing monies in Appendix E because fees were reduced by \$119 without a Judge's order.
- D Violator copy of ticket was in the case file.
- E Judge ordered a driver license suspension for failure to appear in court, but the suspension was not in the Department of Revenue system.
- F Letter in case file from defendant's attorney states the check associated with fines and court costs for the case was enclosed with the letter.
- G A warrant was either ordered by the Judge and not issued, or was issued, but later cleared with no payment received.
- H Outstanding balance on case is \$75. However, \$50 is counted as missing monies in Appendix E because fees were reduced by \$50 without a Judge's order.
- I Plea bargain increased fines and court costs to \$200, but only \$90 in fines and court costs were assessed in the computerized system.
- J Defendant had a Missouri address. Driver license suspension was ordered for failure to appear. However, case file shows an out-of-state driver license suspension was ordered instead of a Missouri driver license suspension. Therefore, it was not suspended in Missouri for this citation.
- K Outstanding balance on case is \$85. However, \$60 is counted as missing monies in Appendix E because fees were reduced by \$60 without a Judge's order.
- L Summons ordered by the Judge, but no further action on case and the Judge did not see the case again.
- M Defendant ticketed for failure to provide proof of insurance. Signed guilty plea and proof of insurance was in case file, but no payments recorded.
- N Outstanding balance on case is \$75. However, \$51 is counted as missing monies in Appendix E because fees were reduced by \$51 without a Judge's order.
- O Defendant indicated payment had been made, but could not provide proof of such payment.
- P Outstanding balance on case is \$375. However, \$350 of this amount is already counted as missing monies in Appendix D because the police department log shows the defendant put \$350 in the court drop box. The remaining \$25 is considered possibly missing.
- Q Defendant ordered to pay by a certain date, but no payments recorded and the Judge did not see the case again.
- R Outstanding balance on case is \$75. However, \$45 is counted as missing monies in Appendix E because fees were reduced by \$45 without a Judge's order.



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Missouri State Auditor

2015 Property Tax Rates



December 2015
Report No. 2015-127

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the review of 2015 Property Tax Rates

Background	Property taxes largely fund Missouri's public schools and provide revenue for county boards and special purpose political subdivisions. The State Auditor's Office works with county officials to assist local governments in determining the data necessary to complete the tax rate computations of local property tax rates. Local governments are required to submit proposed property tax rates to county authorities, along with data to support those proposed rates. Counties send that data to the State Auditor's Office, which determines whether the proposed rates comply with state law.
Rate Calculations	Rate ceilings set the limit for the amount of taxes that can be levied. Ceilings are determined annually and are adjusted to ensure that revenue remains neutral. Ceilings are determined for the entire taxing district and are not calculated on an individual taxpayer basis. The 2015 tax rate ceilings were determined based on Section 137.073 of the Revised Statutes of Missouri, and Article X, Section 22 of the Missouri Constitution, which limits taxation by the state and local governments.
Results	In 2015, the State Auditor reviewed 4,841 property tax rates for 2,821 taxing authorities. The rates included debt service tax rates, new property tax rates approved by voters, property tax rates that were increased by voter approval, and other existing property tax rates. This marks the first year since the State Auditor's Office began reviewing property tax rates that no taxing authorities levied a tax rate above the tax rate certified.
Additional Comments	The State Auditor's Office has no authority to determine or review individual tax assessments. All individual tax assessment matters are the responsibility of the county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

Because of the limited objective of this review, no overall rating is provided.

The complete 2015 Property Tax Rates Report is available on our Web site: auditor.mo.gov.

2015 Property Tax Rates

Table of Contents

State Auditor's Report	2
------------------------	---

Results

Summary	3
Methodology	3
Recent Legislation.....	5

Appendixes

Appendix

I. Summary of Changes in Assessed Valuation for Local Governments Levying a Single Tax Rate on All Property	6
II. Summary of Changes in Assessed Valuation for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	7
III. Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Single Tax Rate on All Property	8
IV. Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	9
V. 2014 - 2015 Percentage Change in Total Assessed Valuations by County, Overall County Valuation Changes	10
VI. 2014 - 2015 Percentage Change in Adjusted Assessed Valuations by County	11
VII. Listing of 2015 Tax Rates for Local Governments Levying a Single Tax Rate on All Property.....	12
VIII. Listing of 2015 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	110



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The State Auditor's Office is required by Section 137.073, RSMo, to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

1. Local governing boards levied taxes in accordance with the Missouri Constitution and state law.
2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2015, we received substantiating data and issued a finding on 4,841 property tax rates of 2,821 taxing authorities. This the first year since the State Auditor's Office started reviewing property tax rates that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Property taxes are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices is often eroded.

Nicole R. Galloway, CPA
State Auditor

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2015 Property Tax Rates Results

Summary

The State Auditor received substantiating data and reviewed 4,841 property tax rates for 2,821 taxing authorities. Of the rates reviewed, 501 are debt service tax rates, 123 are new property tax rates approved by voters, and 35 are existing property tax rates that were increased by voter approval. We reviewed the remaining 4,182 tax rates for revenue neutrality. This is the first year since the State Auditor's Office started reviewing property tax rates that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Methodology

The State Auditor's Office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rates and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the substantiating data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

The 2015 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Article X, Section 22, Missouri Constitution (commonly referred to as the Hancock Amendment). Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. Current year tax rate ceilings must be set to yield the same gross revenue as allowed in the prior year. In addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. Counties and the City of St. Louis use the tax rates set by each taxing authority to assess taxes on all property including new construction and improvements.

Voters may authorize increases beyond the annual revenue neutral tax rate ceiling. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. In addition to reviewing new and existing property tax levies for revenue neutrality, the State Auditor's Office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is compliant if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.



2015 Property Tax Rates Results

A taxing authority's total assessed valuation submitted by the County Clerk or a representative of the taxing authority is used in the State Auditor's Office review of property taxes. The State Auditor's Office does not review the assessed valuation of individual pieces of property. Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the County Assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase, tax rate ceilings generally decrease, depending on the amount of the increase, to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease, tax rate ceilings may increase to produce substantially the same revenue as allowed in the prior year from existing property, limited by voter authorization. See Appendixes I and II for a summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a summary of changes in tax rate ceilings by type of taxing authority. In addition, Appendix V is a map that provides a statewide geographical perspective of total county valuation changes prior to adjustments for new construction and reassessment. The total assessed valuation is the value used to bill the property tax rates. Appendix VI is a map of the adjusted assessed valuation by county. The adjusted assessed valuation is the value of last year's property in the current year. This map reflects the inflationary change in each county's valuation from the previous year. A significant inflationary change generally indicates a major reassessment occurred. However, 2015 assessed valuations indicate the majority of county adjusted assessed valuation changes were less than the Consumer Price Index, which does not indicate a major reassessment increase. The comparison of assessed valuations and tax rate ceilings from 2014 to 2015 for Appendixes I through VI give consideration to revisions submitted by taxing authorities to the State Auditor's Office for changes to assessments occurring after setting the 2014 property tax rate.

Taxing authorities are listed by primary county (as designated by the taxing authority when established) in Appendixes VII and VIII and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright, followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only. The assessed valuations presented for taxing authorities in Appendixes VII and VIII, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that are not taxable under various economic development programs are omitted from the taxable assessed valuations



2015 Property Tax Rates Results

used to compute the annual tax rate ceiling. Prior years' tax rate reports are available on the State Auditor's website at auditor.mo.gov.

We do not review sales tax rollbacks required by law for some county levies as part of this report. Any concerns in that area would be addressed in audit reports we issue for individual counties. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review to ensure the district did not waive all or part of the rollback without voter approval in order to generate additional local revenues. A majority of the 516 school districts have obtained voter approved waivers of the required sales tax rollback of their property tax, including 447 with a full waiver and 39 with a partial waiver. Appendixes VII and VIII indicate the 486 school districts that have either full or partial waivers of Proposition C reductions.

Recent Legislation

Sections 137.073.5(3) and 137.073.5(4), RSMo, were revised in 2008, which provides a voluntary reduction taken in a non-reassessment year (even numbered year) results in a reduced tax rate ceiling during the following reassessment year (odd numbered year). These provisions also allow taxing authorities that voluntarily reduce a tax rate in a previous even numbered year to reverse the impact of the voluntary reduction to reinstate a higher tax rate ceiling in the following even numbered year. To increase the tax rate in the following even numbered year, the taxing authority must conduct a public hearing, and adopt an ordinance, a resolution, or a policy statement justifying its action prior to setting and certifying its tax rate.

First class charter counties and the City of St. Louis are required to calculate and mail estimated non-binding property tax bills. This requirement was scheduled to become effective statewide on January 1, 2011. However, Sections 137.180.3 and 137.180.4, RSMo, were revised in 2010 to reschedule the effective date from January 1, 2011, to January 1, of the year following receipt of software necessary for implementation provided by the State Tax Commission. To date, no such software has been provided.

Section 137.073.2, RSMo, was revised in 2011 to change the maximum authorized levy definition for some taxing authorities. The revision affects taxing authorities that had elections impacting tax rate year 2009 or after that experienced a decrease in assessed valuation in the election year.

Section 137.073.6(3), RSMo, was added in 2013 and allows a taxing authority to submit amended tax rate forms to the State Auditor's Office in the event the taxing authority incorrectly completed the forms or made clerical errors.

APPENDIX I
2015 PROPERTY TAX RATES
SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	105	111	97	13	0	1
Hospitals	13	13	12	1	0	0
Nursing Home Districts	30	32	27	2	1	2
Public Water Supply District	1	1	1	0	0	0
Soil and Water Conservation Subdistricts	27	27	22	2	3	0
Drainage and Levee Districts	2	2	2	0	0	0
Special Road Districts	215	281	232	32	0	17
Municipalities	753	1,295	935	285	0	75
Tax Supported Public Libraries	81	87	77	6	0	4
Townships	300	795	638	77	0	80
Fire Protection Districts	371	465	378	40	0	47
Sewer Districts	7	8	4	3	0	1
Miscellaneous	26	30	22	4	0	4
Regional Recreational District	1	1	1	0	0	0
Community Improvement Districts	8	8	4	1	3	0
Health Centers	90	90	84	6	0	0
Special Road District Subdistrict	1	1	1	0	0	0
Extension District	1	1	0	0	0	1
Transportation Development District	1	1	0	1	0	0
Junior Colleges	12	16	12	1	0	3
School Districts	495	841	456	67	2	316
Special School Districts	2	3	2	0	0	1
Counties	114	418	368	37	0	13
Totals	2,656	4,527	3,375	578	9	565

(1) This column includes debt service levies, newly voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

APPENDIX II

2015 PROPERTY TAX RATES

SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass												Other (1)
			With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	80	127	69	19	90	49	38	3	17	49	0	85	0	9	20
Tax Supported Public Libraries	5	6	4	2	3	4	1	1	2	1	0	2	0	0	1
Fire Protection Districts	22	98	47	59	74	44	35	7	8	38	1	17	1	1	15
Sewer Districts	18	18	10	6	16	11	8	3	2	7	0	9	0	0	0
Street Light Maintenance Districts	4	4	0	0	2	1	4	0	2	3	0	4	0	0	0
Miscellaneous	10	10	6	1	9	1	2	0	1	0	2	9	0	9	0
Community Improvement Districts	4	4	1	0	1	0	0	0	1	0	1	2	0	2	2
School Districts	21	42	13	8	19	14	9	4	3	8	0	10	0	0	20
County	1	5	4	4	4	4	0	0	0	0	0	0	0	0	1
Totals	165	314	154	99	218	128	97	18	36	106	4	138	1	21	59

(1) This column includes debt service levies, newly voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations. Debt service levies are not subject to the multi-rate system; the same rate applies to each subclass of property.

Res. Residential real estate
 Ag. Agricultural real estate
 Com. Commercial real estate
 PP. Personal property

APPENDIX III
2015 PROPERTY TAX RATES
SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates					Debt Service Levies
			Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	
Ambulance Districts	105	111	36	20	53	1	0	1
Hospitals	13	13	1	3	8	1	0	0
Nursing Home Districts	30	32	5	3	22	0	0	2
Public Water Supply District	1	1	0	0	1	0	0	0
Soil and Water Conservation Subdistricts	27	27	6	3	18	0	0	0
Drainage and Levee Districts	2	2	0	0	2	0	0	0
Special Road Districts	215	281	93	57	113	1	17	0
Municipalities	753	1,295	350	387	480	3	8	67
Tax Supported Public Libraries	81	87	27	12	43	1	0	4
Townships	300	795	163	94	458	0	67	13
Fire Protection Districts	371	465	96	60	251	11	9	38
Sewer Districts	7	8	1	4	2	0	0	1
Miscellaneous	26	30	4	7	15	0	4	0
Regional Recreational District	1	1	1	0	0	0	0	0
Community Improvement Districts	8	8	2	0	6	0	0	0
Health Centers	90	90	28	12	49	1	0	0
Special Road District Subdistrict	1	1	0	0	1	0	0	0
Extension District	1	1	0	0	0	0	1	0
Transportation Development District	1	1	0	1	0	0	0	0
Junior Colleges	12	16	4	1	8	0	0	3
School Districts	495	841	38	98	312	77	7	309
Special School Districts	2	3	0	0	2	0	0	1
Counties	114	418	136	64	203	2	10	3
Totals	2,656	4,527	991	826	2,047	98	123	442

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of \$2.7500 by school board action alone.

(2) This column includes new voter approved levies, newly formed districts, or a levy voted to replace an expired levy.

APPENDIX IV

2015 PROPERTY TAX RATES

SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass																Debt Service Levies
			Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	80	127	27	95	33	104	21	0	18	0	59	12	56	3	0	0	0	0	20
Tax Supported Public Libraries	5	6	1	3	2	4	0	1	1	0	4	1	2	1	0	0	0	0	1
Fire Protection Districts	22	98	39	35	34	72	8	0	2	0	34	46	45	9	2	2	2	2	15
Sewer Districts	18	18	10	14	11	18	3	0	1	0	5	4	6	0	0	0	0	0	0
Street Light Maintenance Districts	4	4	3	4	3	4	1	0	0	0	0	0	1	0	0	0	0	0	0
Miscellaneous	10	10	2	9	1	10	2	0	0	0	6	1	9	0	0	0	0	0	0
Community Improvement Districts	4	4	2	2	1	2	0	0	0	0	0	0	1	0	0	0	0	0	2
School Districts	21	42	6	11	6	20	3	3	4	0	13	8	12	2	0	0	0	0	20
County	1	5	0	0	0	0	0	0	0	0	4	4	4	4	0	0	0	0	1
Totals	165	314	90	173	91	234	38	4	26	0	125	76	136	19	2	2	2	2	59

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of \$2.7500 by school board action alone.

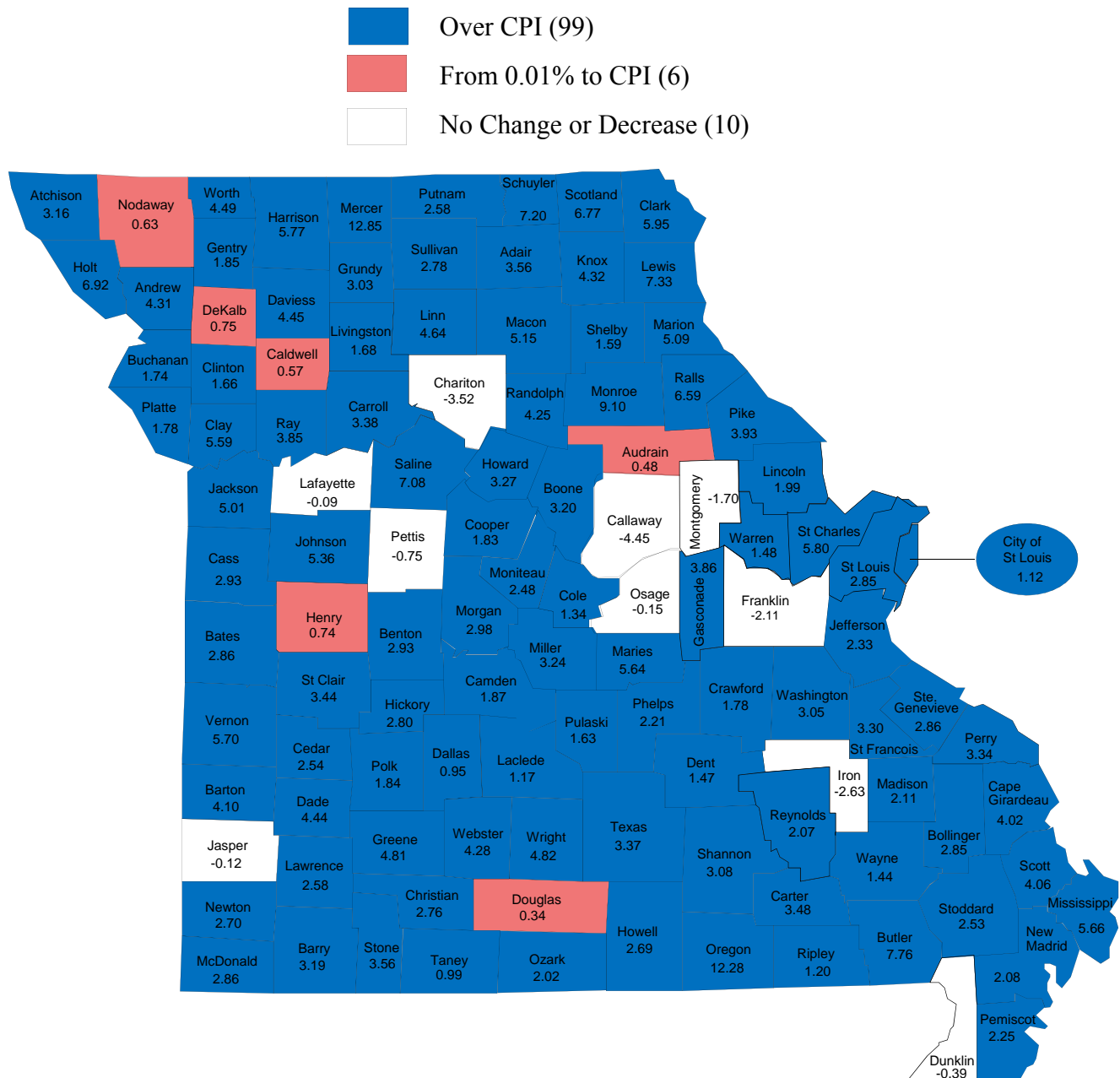
Res. Residential real estate
 Ag. Agricultural real estate
 Com. Commercial real estate
 PP. Personal property

APPENDIX V

2015 PROPERTY TAX RATES

2014 – 2015 PERCENTAGE CHANGE IN TOTAL ASSESSED VALUATIONS BY COUNTY, OVERALL COUNTY VALUATION CHANGES PRIOR TO ADJUSTMENTS




The 2015 consumer price index (CPI) of 0.80% was certified by the State Tax Commission.

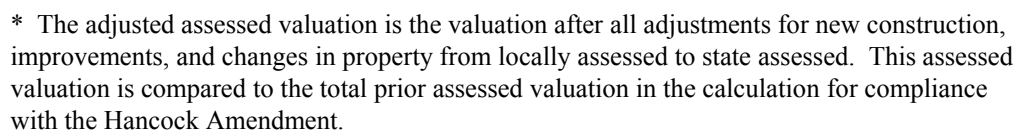


High: Mercer County 12.85

Low: Callaway County -4.45

2014 – 2015 PERCENTAGE CHANGE IN ADJUSTED ASSESSED VALUATIONS BY COUNTY*

	Over CPI (57)
	From 0.01% to CPI (26)
	No Change or Decrease (32)



Low: Chariton County -6.28

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Adair</u>						
Adair County Ambulance District	General Revenue	276,767,483	0.0000	0.0000	0	
Twin Pines Adult Care Center	General Revenue	269,726,045	0.1496	0.1496	403,510	
City of Brashear	Fire	1,382,879	0.3209	0.3209	4,438	2016
	General Revenue-Temp	1,382,879	1.4396	1.4396	19,908	2015
City of Kirksville	General Revenue	168,512,876	0.6875	0.6875	1,158,526	
City of Novinger	General Revenue	2,099,872	0.4723	0.4723	9,918	
	General Revenue-Temp	2,099,872	0.3550	0.3550	7,455	2017
Village of Gibbs Village	General Revenue	601,698	0.7226	0.7226	4,348	
Adair County Public Library	General Revenue	276,767,483	0.1493	0.1493	413,214	
Adair County Health Department	General Revenue	276,767,483	0.1991	0.1991	551,044	
Adair County R-I School District	Operating Funds-Schools	15,586,702	3.6009	3.6009	561,262	E
	Debt Service	15,586,702	0.5973	0.5830	90,870	
Kirksville R-III School District	Operating Funds-Schools	213,925,289	3.4056	3.4056	7,285,440	E
	Debt Service	213,925,289	1.9405	0.8190	1,752,048	
Adair County R-II School District	Operating Funds-Schools	14,480,352	3.5769	3.5769	517,948	E
	Debt Service	14,480,352	0.7236	0.6511	94,282	
Adair County	General Revenue	276,767,483	0.0000	0.0000	0	
	Road & Bridge	276,767,483	0.2744	0.2744	759,450	
	Developmentally Disabled	276,767,483	0.1493	0.1493	413,214	
<u>Andrew</u>						
Andrew County Ambulance District	General Revenue	238,792,881	0.2648	0.1662	396,874	
Andrew County Nursing Home District	General Revenue	249,330,017	0.0283	0.0283	70,560	
City of Bolckow	General Revenue	956,126	0.8440	0.8440	8,070	
Village of Cosby	General Revenue	736,661	0.4826	0.4826	3,555	
Village of Country Club	General Revenue	35,055,252	0.3938	0.3938	138,048	
City of Fillmore	General Revenue	972,644	0.6303	0.6303	6,131	
	Debt Service	972,644	0.4389	0.4389	4,269	
Village of Rea	General Revenue	479,192	0.3055	0.3055	1,464	
Village of Rosendale	General Revenue	546,529	0.9765	0.9765	5,337	
City of Savannah	General Revenue	41,020,441	0.5570	0.5570	228,484	
	Parks & Recreation	41,020,441	0.3554	0.3554	145,787	
	Debt Service	41,020,441	0.0719	0.0719	29,494	
City of Amazonia	General Revenue	1,776,342	0.6600	0.6600	11,724	
Bolckow Fire Protection District	General Revenue	9,138,056	0.2658	0.2658	24,289	
Rosendale Fire Protection District	General Revenue	14,885,184	0.3055	0.3055	45,474	
Fillmore Fire Protection District	General Revenue	9,120,228	0.4071	0.4071	37,128	
Savannah Fire Protection District	General Revenue	118,720,032	0.5426	0.5426	644,175	
Village of Country Club FPD	General Revenue	20,557,679	0.6569	0.6569	135,043	
Cosby-Helena Fire Protection Dist	General Revenue	21,875,531	0.2783	0.2783	60,880	
Andrew County Health Department	General Revenue	249,330,017	0.0869	0.0869	216,668	
North Andrew Co R-VI School Dist	Operating Funds-Schools	21,883,405	4.4326	4.4326	970,004	E
Avenue City R-IX School District	Operating Funds-Schools	22,040,075	3.4012	3.4012	749,627	E
	Debt Service	22,040,075	1.0881	0.9800	215,993	
Savannah R-III School District	Operating Funds-Schools	170,393,608	3.7652	3.7652	6,415,660	E
Andrew County	General Revenue	249,330,017	0.3136	0.2216	552,515	
	Johnson Grass	249,330,017	0.0148	0.0148	36,901	
	Road & Bridge	249,330,017	0.2440	0.2440	608,365	
	Special Road and Bridge	249,330,017	0.2474	0.2474	616,842	2016

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Andrew</u>						
Andrew County	Developmentally Disabled	249,330,017	0.0783	0.0783	195,225	
	Senior Services	249,330,017	0.0276	0.0276	68,815	
<u>Atchison</u>						
Atchison-Holt Ambulance District	General Revenue	259,360,670	0.2911	0.2911	754,999	
Langdon Spec Road Dist Atchison Co	Special Road and Bridge	4,083,998	0.3331	0.3331	13,604	2016
Phelps Ciy Spec Rd Dist Atchison Co	Special Road and Bridge	6,954,040	0.3500	0.3500	24,339	2017
Tarkio Spec Road Dist Atchison Co	Special Road and Bridge	23,295,995	0.3500	0.3500	81,536 ^A	2018
Watson Spec Road Dist Atchison Co	Special Road and Bridge	5,446,244	0.3379	0.3379	18,403	2016
General Road District	Special Road and Bridge	90,892,649	0.3500	0.3500	318,124 ^A	2018
City of Fairfax	General Revenue	4,197,829	0.8124	0.8124	34,103	
	Parks & Recreation	4,197,829	0.1958	0.1958	8,219	
	General Revenue-Temp	4,197,829	0.2960	0.2960	12,426	2016
	Street Lights	4,197,829	0.2428	0.2428	10,192	
City of Rock Port	General Revenue	12,095,779	0.8641	0.8641	104,520	
	Parks & Recreation	12,095,779	0.3456	0.3456	41,803	
City of Tarkio	General Revenue	13,367,373	0.7946	0.7946	106,217	
	Parks & Recreation	13,367,373	0.3008	0.3008	40,209	
	Lights	13,367,373	0.6555	0.6555	87,623	
Village of Watson	General Revenue	503,573	0.4671	0.4671	2,352	
	General Revenue-Temp	503,573	0.2911	0.2911	1,466	2016
City of Westboro	General Revenue	892,921	0.9970	0.9970	8,902	
	Lights	892,921	0.2493	0.2493	2,226	
	Streets	892,921	0.8973	0.8973	8,012	
Atchison County Library	General Revenue	130,852,926	0.2932	0.2932	383,661	
Fairfax Rural Fire Protect District	General Revenue	16,342,393	0.3769	0.3769	61,594	
Tarkio Rural Fire Prot District	General Revenue	18,289,111	0.3931	0.3931	71,894	
West Atchison Rural Fire Prot Dist	General Revenue	38,018,796	0.2357	0.2357	89,610	
Westboro Fire Protection District	General Revenue	18,219,748	0.3475	0.3475	63,314	
Atchison County Health Department	General Revenue	130,852,926	0.0978	0.0978	127,974	
Tarkio R-I School District	Operating Funds-Schools	43,513,306	3.6400	3.6400	1,583,884 ^E	
	Debt Service	43,513,306	0.0618	0.0618	26,891	
Rock Port R-II School District	Operating Funds-Schools	47,613,355	4.1278	4.1278	1,965,384 ^E	
	Debt Service	47,613,355	1.0978	0.7118	338,912	
Fairfax R-III School District	Operating Funds-Schools	18,559,238	4.1259	4.1259	765,736 ^E	
Atchison County	General Revenue	130,852,926	0.4887	0.4887	639,478	
	Solid Waste Landfill	130,852,926	0.0000	0.0000	0	
	Road & Bridge	130,852,926	0.4887	0.4887	639,478	
	Senate Bill 40	130,852,926	0.0978	0.0978	127,974	
	Senior Services	130,852,926	0.0488	0.0488	63,856	
<u>Audrain</u>						
Van-Far Ambulance District	General Revenue	51,821,972	0.2961	0.1139	59,025	
Audrain Ambulance District	General Revenue	253,352,548	0.3000	0.1079	273,367	
Tri County Nursing Home District	General Revenue	55,848,956	0.2498	0.2498	139,511	
Laddonia Farber Spec Rd Audrain Co	Special Road and Bridge	22,356,768	0.3471	0.3471	77,600	2017
Saling Spec Rd Dist #2 Audrain Co	Special Road and Bridge	14,498,662	0.3663	0.3500	50,745 ^A	2018
Vandalia Special Rd Dist Audrain Co	Special Road and Bridge	37,929,288	0.3566	0.3500	132,753	2015
Village of Benton City	General Revenue	818,382	0.3995	0.3995	3,269	
City of Farber	General Revenue	1,943,311	0.6300	0.6300	12,243	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Audrain</u>						
City of Farber	Lights	1,943,311	0.3200	0.3200	6,219	
City of Laddonia	General Revenue	5,814,103	0.8043	0.8043	46,763	
	Lights	5,814,103	0.2845	0.2845	16,541	
City of Martinsburg	General Revenue	3,568,239	0.5716	0.5716	20,396	
City of Mexico	General Revenue	137,790,155	0.4325	0.4325	595,942	
	Parks & Recreation	137,790,155	0.1000	0.1000	137,790	
	Health	137,790,155	0.2000	0.2000	275,580	
Village of Rush Hill	General Revenue	606,239	0.4525	0.4525	2,743	
City of Vandalia	General Revenue	18,958,459	0.7517	0.7517	142,511	
	Parks & Recreation	18,958,459	0.1700	0.1700	32,229	
Village of Vandiver	General Revenue	3,357,968	0.3207	0.3124	10,490	
Mexico Audrain County Library Dist	General Revenue	364,696,803	0.2225	0.2225	811,450	
Little Dixie Fire Prot District	General Revenue	110,291,387	0.3992	0.3992	440,283	
Martinsburg Area Fire Prot District	Fire	19,820,015	0.1937	0.1937	38,391	
Laddonia Rural Fire Protection Dist	General Revenue	14,112,766	0.3000	0.3000	42,338	
Audrain County Health Center	General Revenue	364,696,803	0.2525	0.2512	916,118	
Community R-VI School District	Operating Funds-Schools	31,468,573	3.9986	3.9986	1,258,302	E
	Debt Service	31,468,573	1.0075	0.5500	173,077	
Van-Far R-I School District	Operating Funds-Schools	42,724,165	3.3563	3.3563	1,433,951	E
	Debt Service	42,724,165	0.8414	0.6099	260,575	
Mexico 59 School District	Operating Funds-Schools	185,695,100	3.3847	3.3847	6,285,222	E
	Debt Service	185,695,100	0.9462	0.8800	1,634,117	
Audrain County	General Revenue	364,696,803	0.4050	0.2145	782,275	
	Road & Bridge	364,696,803	0.3036	0.3036	1,107,219	
	Common Road District	111,833,484	0.3500	0.3500	391,417	2016
	Hospital	364,696,803	0.1912	0.1912	697,300	
	Senate Bill 40	364,696,803	0.2100	0.2100	765,863	
<u>Barry</u>						
Barry-Lawrence Co Ambulance Dist	General Revenue	240,260,676	0.1260	0.1260	302,728	
South Barry County Ambulance Dist	General Revenue	280,837,319	0.0830	0.0830	233,095	
South Barry Co Memorial Hospital	General Revenue	273,218,077	0.0916	0.0916	250,268	
Ash Special Road District Barry Co	Road & Bridge	4,786,830	0.1767	0.1767	8,458	
	Special Road and Bridge	4,786,830	0.1324	0.1324	6,338	2015
Butterfield Spec Road Dist Barry Co	Road & Bridge	17,654,210	0.1850	0.1850	32,660	
	Special Road and Bridge	17,654,210	0.1315	0.1315	23,215	2015
Capps Creek Spec Road Dist Barry Co	Road & Bridge	8,130,452	0.2681	0.2681	21,798	
Corsicana Spec Road Dist Barry Co	Road & Bridge	4,708,145	0.2014	0.2014	9,482	
	Special Road and Bridge	4,708,145	0.1324	0.1324	6,234	2015
Crane Creek Spec Road Dist Barry Co	Road & Bridge	8,804,718	0.1943	0.1943	17,108	
Exeter Special Road Dist Barry Co	Road & Bridge	16,928,310	0.1990	0.1990	33,687	
	Special Road and Bridge	16,928,310	0.1347	0.1347	22,802	2016
Flat Creek Spec Road Dist Barry Co	Road & Bridge	72,567,789	0.1565	0.1565	113,569	
	Special Road and Bridge	72,567,789	0.1383	0.1383	100,361	2015
Greasy Creek Sp Rd Dist 35 Barry Co	Road & Bridge	2,267,750	0.1891	0.1891	4,288	
	Special Road and Bridge	2,267,750	0.3636	0.3636	8,246	2015
Jenkins Spec Road Dist 20 Barry Co	Road & Bridge	4,167,399	0.1490	0.1490	6,209	
Kings Prairie Spec Rd Dist Barry Co	Road & Bridge	11,343,521	0.1997	0.1997	22,653	
	Special Road and Bridge	11,343,521	0.1316	0.1316	14,928	2015

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Barry						
Liberty Common Rd Dist 34 Barry Co	Road & Bridge	645,067	0.1244	0.1243	802	
McDonald Spec Road Dist 19 Barry Co	Road & Bridge	4,067,727	0.1649	0.1649	6,708	
Mineral Spgs Sp Rd Dist 10 Barry Co	Road & Bridge	8,022,147	0.1837	0.1837	14,737	
	Special Road and Bridge	8,022,147	0.1340	0.1340	10,750	2015
Mountain Special Road District #22	Road & Bridge	3,180,566	0.1901	0.1901	6,046	
Ozark Special Road Dist Barry Co	Road & Bridge	8,711,424	0.1504	0.1504	13,102	
	Special Road and Bridge	8,711,424	0.1344	0.1344	11,708	2015
Pioneer Spec Road Dist 31 Barry Co	Road & Bridge	1,794,748	0.2060	0.2060	3,697	
	Special Road and Bridge	1,794,748	0.1350	0.1350	2,423	2015
Pleasant Ridge Spec Rd 25 Barry Co	Road & Bridge	5,285,947	0.1619	0.1619	8,558	
	Special Road and Bridge	5,285,947	0.1350	0.1350	7,136	2015
Purdy Special Road Dist 28 Barry Co	Road & Bridge	19,746,881	0.2030	0.2030	40,086	
	Special Road and Bridge	19,746,881	0.1365	0.1365	26,954	2015
Roaring River Sp Rd Dist 2 Barry Co	Road & Bridge	24,219,522	0.1387	0.1387	33,592	
Shell Knob Spec Rd Dist 9 Barry Co	Road & Bridge	30,855,059	0.1615	0.1615	49,831	
Sugar Creek Spec Rd Dist 3 Barry Co	Road & Bridge	13,500,124	0.1542	0.1542	20,817	
Viola Special Road Dist 21 Barry Co	Road & Bridge	32,480,225	0.1263	0.1263	41,023	
Washburn Spec Road Dist 4 Barry Co	Road & Bridge	10,687,550	0.2071	0.2071	22,134	
	Special Road and Bridge	10,687,550	0.1321	0.1321	14,118	2017
Wheaton Spec Road Dist 29 Barry Co	Road & Bridge	14,083,236	0.1893	0.1893	26,660	
	Special Road and Bridge	14,083,236	0.1315	0.1315	18,519	2015
White River Spec Rd Dist 7 Barry Co	Road & Bridge	26,902,111	0.1316	0.1316	35,403	
Monett Special Road District	Road & Bridge	109,444,706	0.1816	0.1816	198,752	
City of Butterfield	General Revenue	1,860,000	0.4694	0.4694	8,731	
	Debt Service	1,860,000	1.5523	1.5523	28,873	
City of Cassville	General Revenue	39,778,626	0.0000	0.0000	0	
City of Exeter	General Revenue	4,042,408	0.4560	0.4560	18,433	
City of Purdy	General Revenue	4,791,700	0.4094	0.4094	19,617	
City of Seligman	General Revenue	4,601,496	0.2647	0.2647	12,180	
	Streets	4,601,496	0.1628	0.1628	7,491	
City of Washburn	General Revenue	2,644,706	0.4063	0.4063	10,745	
City of Wheaton	General Revenue	3,460,045	0.4848	0.4848	16,774	
Barry Lawrence Con Library District	General Revenue	903,710,181	0.1500	0.1500	1,355,565	
Eagle Rock, Golden & Mano Fire Dist	General Revenue	52,714,688	0.3959	0.3959	208,697	
Central Crossing Fire Prot District	General Revenue	95,522,669	0.3749	0.3749	358,114	
Cassville Fire Protection District	General Revenue	71,711,213	0.3000	0.3000	215,134	
Butterfield Fire Protection Dist	General Revenue	20,618,060	0.2993	0.2993	61,710	
Exeter Fire Protection District	General Revenue	17,784,801	0.3000	0.3000	53,354	
Seligman Fire Protection District	General Revenue	15,365,330	0.3000	0.3000	46,096	
Purdy Fire Protection District	General Revenue	26,396,741	0.2928	0.2928	77,290	
Jenkins Fire Protection District	General Revenue	14,555,747	0.2953	0.2953	42,983	
Wheaton Fire Protection District	General Revenue	21,621,831	0.3010	0.3000	64,865	
Monett Rural Fire Protection Dist	General Revenue	43,994,297	0.3000	0.3000	131,983	
Washburn Fire Protection District	General Revenue	18,567,590	0.3069	0.3000	55,703 ^A	
Barry County Health Department	General Revenue	465,022,099	0.0716	0.0716	332,956	
Wheaton R-III School District	Operating Funds-Schools	19,883,445	2.7526	2.7500	546,795 ^E	
	Debt Service	19,883,445	0.8651	0.8300	165,033	
Southwest Barry Co R-V School Dist	Operating Funds-Schools	36,017,358	2.7500	2.7500	990,477 ^F	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Barry</u>						
Southwest Barry Co R-V School Dist	Debt Service	36,017,358	0.8640	0.8500	306,148	
Exeter R-VI School District	Operating Funds-Schools	14,271,671	3.4854	3.4854	497,425	E
	Debt Service	14,271,671	0.8612	0.6490	92,623	
Cassville R-IV School District	Operating Funds-Schools	166,441,656	2.9463	2.9463	4,903,871	E
	Debt Service	166,441,656	0.5360	0.4037	671,925	
Purdy R-II School District	Operating Funds-Schools	27,418,397	2.7986	2.7986	767,331	E
	Debt Service	27,418,397	0.7519	0.7300	200,154	
Shell Knob 78 School District	Operating Funds-Schools	65,109,104	3.4749	3.4749	2,262,476	E
Monett R-I School District	Operating Funds-Schools	159,067,069	3.1849	3.1849	5,066,127	E
	Debt Service	159,067,069	0.6643	0.5600	890,776	
Barry County	General Revenue	465,022,099	0.0000	0.0000	0	
	Developmentally Disabled	465,022,099	0.0700	0.0650	302,264	
	Senior Services	465,022,099	0.0500	0.0500	232,511	
<u>Barton</u>						
Barton County Ambulance District	General Revenue	179,197,889	0.0000	0.0000	0	
City of Golden City	General Revenue	5,905,482	0.6036	0.6036	35,645	
	Parks & Recreation	5,905,482	0.1367	0.1367	8,073	
	Public Health	5,905,482	0.1710	0.1710	10,098	
City of Lamar	General Revenue	55,406,974	0.6152	0.6152	340,864	
	Parks & Recreation	55,406,974	0.1800	0.1800	99,733	
	Memorial Fund	55,406,974	0.1800	0.1800	99,733	
City of Liberal	General Revenue	4,315,522	0.5931	0.5931	25,595	
Barton County Library	General Revenue	179,197,889	0.0764	0.0764	136,907	
	Library	179,197,889	0.0790	0.0790	141,566	
Barton City Township Barton County	General Revenue	4,119,353	0.0983	0.0983	4,049	
	Road & Bridge	4,119,353	0.2501	0.2501	10,303	
	Special Road and Bridge	4,119,353	0.2457	0.2457	10,121	2017
Central Township Barton County	General Revenue	12,216,282	0.0841	0.0841	10,274	
	Road & Bridge	12,216,282	0.3265	0.3265	39,886	
	Special Road and Bridge	12,216,282	0.4542	0.4542	55,486	2016
City Township Barton County	General Revenue	52,368,121	0.0500	0.0500	26,184	
	Road & Bridge	52,368,121	0.1700	0.1700	89,026	
Doylesport Township Barton County	General Revenue	4,736,094	0.0979	0.0979	4,637	
	Road & Bridge	4,736,094	0.2902	0.2902	13,744	
	Special Road and Bridge	4,736,094	0.2447	0.2447	11,589	2016
Golden City Township Barton County	General Revenue	13,436,512	0.0889	0.0889	11,945	
	Road & Bridge	13,436,512	0.2334	0.2334	31,361	
Lamar Township Barton County	General Revenue	31,234,605	0.0596	0.0596	18,616	
	Road & Bridge	31,234,605	0.2385	0.2385	74,495	
Leroy Township Barton County	General Revenue	7,016,949	0.0888	0.0888	6,231	
	Road & Bridge	7,016,949	0.3271	0.3271	22,952	
Milford Township Barton County	General Revenue	3,251,669	0.0992	0.0992	3,226	
	Road & Bridge	3,251,669	0.3020	0.3020	9,820	
Nashville Township Barton County	General Revenue	8,047,549	0.0936	0.0936	7,533	
	Road & Bridge	8,047,549	0.3388	0.3388	27,265	
	Special Road and Bridge	8,047,549	0.3641	0.3641	29,301	2016
Newport Township Barton County	General Revenue	4,446,404	0.0991	0.0991	4,406	
	Road & Bridge	4,446,404	0.2493	0.2493	11,085	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Barton</u>						
Newport Township Barton County	Special Road and Bridge	4,446,404	0.1000	0.1000	4,446 ^A	2018
North Fork Township Barton County	General Revenue	4,126,081	0.0959	0.0959	3,957	
	Road & Bridge	4,126,081	0.2998	0.2998	12,370	
	Special Road and Bridge	4,126,081	0.2927	0.2927	12,077	2016
Ozark Township Barton County	General Revenue	9,501,804	0.0922	0.0922	8,761	
	Road & Bridge	9,501,804	0.2356	0.2356	22,386	
Richland Township Barton County	General Revenue	10,328,004	0.0952	0.0952	9,832	
	Road & Bridge	10,328,004	0.3901	0.3901	40,290	
	Special Road and Bridge	10,328,004	0.3646	0.3646	37,656	2017
South West Township Barton County	General Revenue	8,187,308	0.0975	0.0975	7,983	
	Road & Bridge	8,187,308	0.3410	0.3410	27,919	
Union Township Barton County	General Revenue	6,181,154	0.0941	0.0941	5,816	
	Road & Bridge	6,181,154	0.4065	0.4065	25,126	
Golden City Fire Protection Dist	General Revenue	24,044,581	0.0940	0.0940	22,602	
Barton County Health Department	General Revenue	179,197,889	0.1481	0.1481	265,392	
Liberal R-II School District	Operating Funds-Schools	32,851,731	3.1100	3.1100	1,021,689 ^E	
Golden City R-III School District	Operating Funds-Schools	18,720,533	3.4260	3.4260	641,365 ^E	
Lamar R-I School District	Operating Funds-Schools	98,836,094	3.7280	3.7200	3,676,703 ^E	
	Debt Service	98,836,094	0.7250	0.5400	533,715	
Barton County	General Revenue	179,197,889	0.2419	0.0500	89,599	
	Hospital	179,197,889	0.4332	0.4332	776,285 ^B	
<u>Bates</u>						
Cornland Special Road Dist Bates Co	Road & Bridge	850,241	0.3423	0.3423	2,910	
	Special Road and Bridge	850,241	0.1768	0.1768	1,503	2015
South Hudson Spec Rd Dist Bates Co	Road & Bridge	1,156,425	0.3109	0.3109	3,595	
	Special Road and Bridge	1,156,425	0.2972	0.2972	3,437 ^A	2018
City of Adrian	General Revenue	13,647,571	0.5774	0.5774	78,801	
	Parks & Recreation	13,647,571	0.0500	0.0500	6,824	
City of Amoret	General Revenue	710,172	0.5297	0.5297	3,762	
City of Amsterdam	General Revenue	1,995,633	0.9796	0.9796	19,549	
City of Butler	General Revenue	42,615,740	0.6046	0.6000	255,694	
	Parks & Recreation	42,615,740	0.0282	0.0280	11,932	
	Lake	42,615,740	0.0123	0.0122	5,199	
City of Hume	General Revenue	1,896,428	0.9920	0.9920	18,813	
	Lights	1,896,428	0.3517	0.3517	6,670	
	Water	1,896,428	0.4454	0.4454	8,447	
Village of Merwin	General Revenue	286,172	0.5145	0.5145	1,472	
Village of Passaic	General Revenue	145,554	1.0000	1.0000	1,456	
City of Rich Hill	General Revenue	6,709,325	0.6840	0.6840	45,892	
	Parks & Recreation	6,709,325	0.2759	0.2759	18,511	
	Library	6,709,325	0.2400	0.2400	16,102	
	Health	6,709,325	0.1434	0.1434	9,621	
City of Rockville	General Revenue	1,282,504	0.8744	0.8744	11,214	
	Streets	1,282,504	0.3886	0.3886	4,984	
Village of Foster	General Revenue	574,484	0.7061	0.7061	4,056	
Charlotte Township Bates County	General Revenue	5,369,895	0.0998	0.0998	5,359	
	Road & Bridge	5,369,895	0.2986	0.2986	16,035	
	Special Road and Bridge	5,369,895	0.2939	0.2939	15,782	2017

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Bates</u>						
Deepwater Township Bates County	General Revenue	4,147,814	0.0972	0.0972	4,032	
	Road & Bridge	4,147,814	0.2371	0.2371	9,834	
	Special Road and Bridge	4,147,814	0.3520	0.3520	14,600 ^A	2018
Deer Creek Township Bates County	General Revenue	24,106,440	0.0711	0.0711	17,140	
	Road & Bridge	24,106,440	0.2341	0.2341	56,433	
East Boone Township Bates County	General Revenue	12,657,363	0.0872	0.0872	11,037	
	Road & Bridge	12,657,363	0.2400	0.2400	30,378	
	Special Road and Bridge	12,657,363	0.3494	0.3494	44,225 ^A	2018
Elkhart Township Bates County	General Revenue	4,263,098	0.0894	0.0894	3,811	
	Road & Bridge	4,263,098	0.2459	0.2459	10,483	
	Special Road and Bridge	4,263,098	0.2800	0.2800	11,937	2016
Grand River Township Bates County	General Revenue	3,575,543	0.1000	0.1000	3,576	
	Road & Bridge	3,575,543	0.2724	0.2724	9,740	
	Special Road and Bridge	3,575,543	0.2533	0.2533	9,057	2016
Homer Township Bates County	General Revenue	6,966,559	0.0895	0.0895	6,235	
	Road & Bridge	6,966,559	0.3021	0.3021	21,046	
	Special Road and Bridge	6,966,559	0.1797	0.1797	12,519	2015
Howard Township Bates County	General Revenue	6,253,831	0.0989	0.0989	6,185	
	Road & Bridge	6,253,831	0.3349	0.3349	20,944	
	Special Road and Bridge	6,253,831	0.3497	0.3497	21,870	2015
Hudson Township Bates County	General Revenue	4,990,965	0.0996	0.0996	4,971	
	Road & Bridge	4,990,965	0.3019	0.3019	15,068	
	Special Road and Bridge	4,990,965	0.3516	0.3516	17,548	2016
Lone Oak Township Bates County	General Revenue	5,074,624	0.0917	0.0917	4,653	
	Road & Bridge	5,074,624	0.2638	0.2638	13,387	
	Special Road and Bridge	5,074,624	0.3043	0.3043	15,442	2017
Mingo Township Bates County	General Revenue	3,927,338	0.0900	0.0900	3,535	
	Road & Bridge	3,927,338	0.2496	0.2496	9,803	
	Special Road and Bridge	3,927,338	0.1941	0.1941	7,623	2016
Mound Township Bates County	General Revenue	11,504,578	0.0864	0.0864	9,940	
	Road & Bridge	11,504,578	0.2375	0.2375	27,323	
	Special Road and Bridge	11,504,578	0.1938	0.1938	22,296 ^A	2018
Mount Pleasant Township Bates Co	General Revenue	55,591,194	0.1000	0.1000	55,591	
	Road & Bridge	55,591,194	0.2222	0.2222	123,524	
New Home Township Bates County	General Revenue	3,568,621	0.1000	0.1000	3,569	
	Road & Bridge	3,568,621	0.2797	0.2797	9,981	
	Special Road and Bridge	3,568,621	0.2540	0.2540	9,064	2017
Osage Township Bates County	General Revenue	11,966,997	0.1000	0.1000	11,967	
	Road & Bridge	11,966,997	0.2667	0.2667	31,916	
	Special Road and Bridge	11,966,997	0.2031	0.2031	24,305	2017
Pleasant Gap Township Bates County	General Revenue	4,689,744	0.1000	0.1000	4,690	
	Road & Bridge	4,689,744	0.2916	0.2916	13,675	
	Special Road and Bridge	4,689,744	0.3522	0.3522	16,517 ^A	2018
Rockville Township Bates County	General Revenue	3,911,739	0.0975	0.0975	3,814	
	Road & Bridge	3,911,739	0.2754	0.2754	10,773	
Spruce Township Bates County	General Revenue	4,243,965	0.0789	0.0789	3,348	
	Road & Bridge	4,243,965	0.2366	0.2366	10,041	
	Special Road and Bridge	4,243,965	0.3676	0.3676	15,601 ^A	2018

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Bates</u>						
Summit Township Bates County	General Revenue	4,249,052	0.0748	0.0748	3,178	
	Road & Bridge	4,249,052	0.2567	0.2567	10,907	
	Special Road and Bridge	4,249,052	0.3537	0.3537	15,029 ^A	2018
Walnut Township Bates County	General Revenue	6,452,144	0.0947	0.0947	6,110	
	Road & Bridge	6,452,144	0.2974	0.2974	19,189	
	Special Road and Bridge	6,452,144	0.1796	0.1796	11,588	2015
West Boone Township Bates County	General Revenue	9,143,673	0.0763	0.0763	6,977	
	Road & Bridge	9,143,673	0.2400	0.2400	21,945	
	Special Road and Bridge	9,143,673	0.3452	0.3452	31,564 ^A	2018
West Point Township Bates County	General Revenue	14,789,061	0.0872	0.0872	12,896	
	Road & Bridge	14,789,061	0.2707	0.2707	40,034	
	Special Road and Bridge	14,789,061	0.1987	0.1987	29,386	2015
Prairie Township Bates County	General Revenue	2,029,702	0.0996	0.0996	2,022	
	Road & Bridge	2,029,702	0.2859	0.2859	5,803	
	Special Road and Bridge	2,029,702	0.2363	0.2363	4,796	2015
Shawnee Township Bates County	General Revenue	4,127,569	0.1000	0.1000	4,128	
	Road & Bridge	4,127,569	0.2993	0.2993	12,354	
	Special Road and Bridge	4,127,569	0.3609	0.3609	14,896 ^A	2018
Bates County Health Center	General Revenue	217,601,509	0.0835	0.0834	181,480	
Miami R-I School District	Operating Funds-Schools	15,746,025	3.8248	3.8248	602,254 ^E	
Ballard R-II School District	Operating Funds-Schools	10,171,111	4.1202	4.1202	419,070 ^E	
	Debt Service	10,171,111	0.7582	0.7500	76,283	
Adrian R-III School District	Operating Funds-Schools	40,501,828	3.5877	3.5877	1,453,084 ^E	
	Debt Service	40,501,828	0.8870	0.8023	324,946	
Rich Hill R-IV School District	Operating Funds-Schools	22,755,589	3.1155	3.1155	708,950 ^E	
	Debt Service	22,755,589	1.1358	1.0086	229,513	
Hume R-VIII School District	Operating Funds-Schools	8,320,429	5.2592	5.0000	416,021 ^E	
Hudson R-IX School District	Operating Funds-Schools	7,258,468	3.5772	3.5772	259,650 ^E	
Butler R-V School District	Operating Funds-Schools	72,663,733	3.5498	3.5498	2,579,417 ^E	
	Operating Funds-Temp	72,583,755	0.2100	0.2100	152,426	2025
	Debt Service	72,663,733	1.0708	0.7800	566,777	
Bates County	General Revenue	217,601,509	0.2719	0.2719	591,659	
	Developmentally Disabled	217,601,509	0.0698	0.0698	151,886	
	Senior Services	217,601,509	0.0005	0.0005	1,088 ^A	
<u>Benton</u>						
Warsaw-Lincoln Ambulance District	General Revenue	198,602,621	0.1832	0.0000	0	
Cole Camp Ambulance District	General Revenue	60,177,765	0.2870	0.2027	121,980	
Lincoln Community Nursing Home Dist	Maintenance	60,371,626	0.1940	0.1940	117,121	
Good Samaritan Nursing Home Dist	General Revenue	73,635,662	0.1092	0.1092	80,410	
Brandon Special Road Dist Benton Co	Road & Bridge	1,526,615	0.3500	0.3500	5,343	
Cole Camp Spec Road Dist Benton Co	Road & Bridge	13,755,729	0.3500	0.3500	48,145	
Ionia Special Road Dist Benton Co	Road & Bridge	4,336,197	0.2777	0.2777	12,042	
City of Cole Camp	General Revenue	9,181,557	0.4793	0.4793	44,007	
Village of Ionia	General Revenue	629,060	0.6904	0.6904	4,343	
City of Lincoln	General Revenue	8,974,301	0.7700	0.7700	69,102	
	Parks & Recreation	8,974,301	0.1506	0.1506	13,515	
City of Warsaw	General Revenue	25,471,672	0.4589	0.4589	116,890	
	Parks & Recreation	25,471,672	0.0000	0.0000	0	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Benton</u>						
Lincoln Community Fire Prot Dist	General Revenue	46,568,940	0.2435	0.2435	113,395	
Deer Creek Fire Protection District	General Revenue	18,885,440	0.2948	0.2948	55,674	
Warsaw Fire Protection District	General Revenue	119,176,088	0.2855	0.2855	340,248	
Lakeview Heights Fire Prot District	General Revenue	13,871,358	0.2878	0.2878	39,922	
Osage Valley Fire Protection Dist	General Revenue	11,915,423	0.2870	0.2870	34,197	
Cole Camp & Rural Fire Prot Dist	General Revenue	35,399,844	0.2945	0.2945	104,253	
Benton County Health Department	General Revenue	251,474,191	0.3883	0.3883	976,474	
Lincoln R-II School District	Operating Funds-Schools	43,440,823	3.5429	3.5000	1,520,429	BE
	Debt Service	43,440,823	0.5105	0.5000	217,204	
Warsaw R-IX School District	Operating Funds-Schools	147,162,421	2.7500	2.7500	4,046,967	E
	Debt Service	147,162,421	0.8287	0.8000	1,177,299	
Cole Camp R-I School District	Operating Funds-Schools	56,323,193	2.7500	2.7500	1,548,888	F
	Debt Service	56,323,193	0.7917	0.5173	291,360	
Benton County	General Revenue	251,474,191	0.3247	0.1350	339,490	
	Common Road District	251,474,191	0.2074	0.2074	521,557	
	Senior Services	251,474,191	0.0500	0.0500	125,737	
<u>Bollinger</u>						
Village of Glen Allen	General Revenue	824,645	0.4526	0.4526	3,732	
Village of Sedgwickville	General Revenue	1,183,964	0.4700	0.4700	5,565	
Village of Zalma	General Revenue	409,370	1.0000	1.0000	4,094	
Glen Allen Fire Protection District	General Revenue	16,119,420	0.3000	0.3000	48,358	
Sedgwickville Fire Protection Dist	General Revenue	19,301,309	0.2022	0.2022	39,027	
North County Fire Protection Dist	General Revenue	35,020,994	0.2723	0.2723	95,362	
Zalma Fire Protection District	Fire	16,071,467	0.2800	0.2800	45,000	
Bollinger County Health Center	General Revenue	125,373,555	0.2500	0.2500	313,434	
Meadow Heights R-II School District	Operating Funds-Schools	37,140,798	2.7500	2.7500	1,021,372	E
	Debt Service	37,140,798	0.3723	0.3500	129,993	
Leopold R-III School District	Operating Funds-Schools	9,254,660	2.9649	2.9500	273,012	E
Zalma R-V School District	Operating Funds-Schools	13,526,900	2.8020	2.7500	371,990	F
Woodland R-IV School District	Operating Funds-Schools	54,399,653	2.7500	2.7500	1,495,990	E
Bollinger County	General Revenue	125,373,555	0.3663	0.2200	275,822	
	Library	125,373,555	0.1004	0.1000	125,374	B
	Road & Bridge	125,373,555	0.2617	0.2617	328,103	
	Ambulance	125,373,555	0.2000	0.2000	250,747	
	Senate Bill 40	125,373,555	0.1000	0.1000	125,374	
<u>Boone</u>						
Callahan Creek Watershed Subdist	General Revenue	19,501,032	0.0900	0.0900	17,551	
City of Ashland	General Revenue	52,748,944	0.2641	0.2641	139,310	
City of Centralia	General Revenue	51,540,058	0.6698	0.6698	345,215	
	Parks & Recreation	51,540,058	0.2999	0.2999	154,569	
City of Columbia	General Revenue	1,862,843,338	0.4100	0.4100	7,637,658	
City of Hallsville	General Revenue	16,539,699	0.5861	0.5825	96,344	
	Debt Service	16,539,699	0.7527	0.2675	44,244	
Town of Harrisburg	General Revenue	2,500,966	0.3562	0.3562	8,908	
Village of Hartsburg	General Revenue	944,286	0.5798	0.5798	5,475	
City of Rocheport	General Revenue	2,821,624	0.2744	0.2744	7,743	
City of Sturgeon	General Revenue	7,235,185	0.5547	0.5547	40,134	
Centralia Public Library	General Revenue	45,320,699	0.5527	0.5500	249,264	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Boone</u>						
Centralia Public Library	Debt Service	45,320,699	0.0921	0.0785	35,577	
Boone County Library	General Revenue	1,807,186,311	0.3091	0.3091	5,586,013	
Columbia Public Library	General Revenue	759,872,749	0.3114	0.3114	2,366,244	
	Debt Service	759,872,749	0.2110	0.2110	1,603,332	
Boone County Fire Protection Dist	General Revenue	559,376,130	0.6342	0.6342	3,547,563	
	Dispatch	559,376,130	0.0000	0.0000	0	
	Debt Service	559,376,130	0.4418	0.2500	1,398,440	
Southern Boone Co Fire Prot Dist	General Revenue	137,587,358	0.2137	0.2137	294,024	
	Dispatch	137,587,358	0.0000	0.0000	0	
	Debt Service	137,587,358	0.1518	0.1470	202,253	
Columbia Special Business District	General Revenue	37,081,221	0.0000	0.0000	0	
Southern Boone Co R-I School Dist	Operating Funds-Schools	118,197,405	3.7500	3.7500	4,432,403	E
	Debt Service	118,197,405	2.2466	1.2800	1,512,927	
Hallsville R-IV School District	Operating Funds-Schools	76,982,218	3.1891	3.1891	2,455,040	E
	Debt Service	76,982,218	1.3465	1.1100	854,503	
Sturgeon R-V School District	Operating Funds-Schools	34,359,410	3.8490	3.8490	1,322,494	F
	Debt Service	34,359,410	1.7475	1.2700	436,365	
Centralia R-VI School District	Operating Funds-Schools	96,583,345	3.4382	3.4382	3,320,729	E
	Debt Service	96,583,345	0.9172	0.8900	859,592	
Harrisburg R-VIII School District	Operating Funds-Schools	38,051,795	3.4111	3.4111	1,297,985	F
	Debt Service	38,051,795	1.4400	1.1500	437,596	
Columbia 93 School District	Operating Funds-Schools	2,248,499,392	4.7902	4.4937	101,040,817	
	Debt Service	2,248,499,392	1.2311	0.9719	21,853,166	
Boone County	General Revenue	2,612,371,496	0.3155	0.1200	3,134,846	
	Road & Bridge	2,612,371,496	0.2677	0.0500	1,306,186	
	Hospital	2,612,371,496	0.0000	0.0000	0	
	Sheltered Workshop	2,612,371,496	0.1146	0.1146	2,993,778	
<u>Buchanan</u>						
Village of Agency	General Revenue	6,977,788	0.5961	0.5961	41,595	
Village of DeKalb	General Revenue	1,330,034	0.9302	0.9302	12,372	
City of Easton	General Revenue	1,354,586	0.4731	0.4731	6,409	
Village of Lewis & Clark	General Revenue	1,094,074	0.2114	0.2114	2,313	
	General Revenue-Temp	1,094,074	0.2035	0.2035	2,226	2015
Village of Rushville	General Revenue	1,350,840	0.4965	0.4965	6,707	
City of St. Joseph	General Revenue	994,243,445	0.6700	0.6700	6,661,431	
	Parks & Recreation	994,243,445	0.2000	0.2000	1,988,487	
	Museum	994,243,445	0.0500	0.0500	497,122	
	Health	994,243,445	0.2195	0.2195	2,182,364	
St. Joseph Public Library	Library	672,096,746	0.4131	0.4131	2,776,432	
Rolling Hills Consolidated Library	General Revenue	798,723,543	0.3079	0.3079	2,459,270	
Colony Hills Fire Protection Dist	General Revenue	9,071,088	1.1286	1.1286	102,376	
	Fire	9,071,088	0.2559	0.2559	23,213	
Lake Contrary Fire Protection Dist	General Revenue	5,395,335	0.8383	0.8383	45,229	
	Fire	5,395,335	0.3792	0.3792	20,459	
Maxwell Heights Fire Prot District	General Revenue	19,309,610	1.1700	1.1700	225,922	
S Central Buchanan Fire Prot Dist	General Revenue	83,221,010	0.2832	0.2832	235,682	
San Antonio Fire Protection Dist	General Revenue	17,615,952	0.2942	0.2942	51,826	
DeKalb Fire Protection District	General Revenue	27,920,408	0.2826	0.2826	78,903	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Buchanan</u>						
Easton Fire Protection District	General Revenue	11,966,255	0.2525	0.2525	30,215	
Southwest Buchanan Co Fire Prot Dis	General Revenue	19,848,654	0.4023	0.4023	79,851	
St. Joseph Downtown Comm Impr Dist	General Revenue	8,542,770	0.4474	0.4474	38,220	2041
East Buchanan Co C-1 School Dist	Operating Funds-Schools	53,910,781	5.2793	5.2793	2,846,112	E
Mid-Buchanan Co R-V School District	Operating Funds-Schools	60,150,170	4.7012	4.7012	2,827,780	E
	Debt Service	60,150,170	1.3405	0.9000	541,352	
Buchanan County R-IV School Dist	Operating Funds-Schools	20,839,200	4.2350	4.2350	882,540	E
	Debt Service	20,839,200	0.8640	0.8486	176,841	
St. Joseph School District	Operating Funds-Schools	1,030,098,592	3.6339	3.1171	32,109,203	
	Debt Service	1,030,098,592	0.4541	0.3145	3,239,660	
Buchanan County	General Revenue	1,221,490,272	0.3500	0.0731	892,909	
	Road & Bridge	1,221,490,272	0.2895	0.2895	3,536,214	
	Senate Bill 40	1,221,490,272	0.1000	0.1000	1,221,490	
<u>Butler</u>						
Naylor-Neelyville Ambulance Dist	General Revenue	43,226,580	0.2944	0.2944	127,259	
City of Fisk	General Revenue	2,198,940	0.7476	0.7476	16,439	
City of Neelyville	General Revenue	2,169,105	0.6506	0.6506	14,112	
City of Poplar Bluff	General Revenue	242,121,355	0.5127	0.5127	1,241,356	
	Pension	242,124,355	0.0967	0.0967	234,134	
City of Qulin	General Revenue	3,188,671	0.5638	0.5638	17,978	
Poplar Bluff Municipal Library	Library	242,121,355	0.0000	0.0000	0	
Butler County Fire Protection Dist	General Revenue	317,847,609	0.2408	0.2408	765,377	
Qulin Community Fire Prot District	General Revenue	18,697,265	0.1576	0.1576	29,467	
Butler County Health Department	General Revenue	579,571,335	0.0958	0.0958	555,229	
Three Rivers Community College	General Revenue	868,924,222	0.2352	0.2352	2,043,710	
Neelyville R-IV School District	Operating Funds-Schools	37,246,959	2.9672	2.9672	1,105,192	E
Poplar Bluff R-I School District	Operating Funds-Schools	443,336,248	3.4210	3.4210	15,166,533	E
	Debt Service	443,336,248	0.2224	0.2000	886,672	
Twin Rivers R-X School District	Operating Funds-Schools	65,357,777	3.0171	3.0171	1,971,909	E
Butler County	General Revenue	579,571,335	0.2275	0.0855	495,533	
	Road & Bridge	579,571,335	0.1648	0.0228	132,142	
	Senate Bill 40	579,571,335	0.0958	0.0958	555,229	
	Senior Services	579,571,335	0.0476	0.0476	275,876	
<u>Caldwell</u>						
Caldwell County Ambulance District	General Revenue	141,623,698	0.1348	0.0570	80,726	
Golden Age Nursing Home District	General Revenue	47,793,302	0.1118	0.1118	53,433	
City of Braymer	General Revenue	5,266,059	0.8145	0.8145	42,892	
City of Breckenridge	General Revenue	2,140,463	0.9886	0.9886	21,161	
	Lights	2,140,463	0.0988	0.0988	2,115	
	Library	2,140,463	0.0494	0.0494	1,057	
	Police	2,140,463	0.0988	0.0988	2,115	
	Fire	2,140,463	0.1483	0.1483	3,174	
City of Cowgill	General Revenue	972,840	0.9282	0.9282	9,030	
City of Hamilton	General Revenue	14,726,621	0.9260	0.9260	136,369	
	Parks & Recreation	14,726,621	0.2499	0.2499	36,802	
	Library	14,726,621	0.3020	0.3020	44,474	
	Debt Service	14,726,621	0.7463	0.7463	109,905	
City of Kidder	General Revenue	1,953,227	1.0000	1.0000	19,532	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Caldwell</u>						
City of Kingston	General Revenue	1,452,650	1.0000	1.0000	14,527	
City of Polo	General Revenue	4,568,101	0.7284	0.7284	33,274	
	Debt Service	4,568,101	0.4888	0.2513	11,480	
Caldwell County Library	General Revenue	124,756,677	0.1200	0.1200	149,708	
Breckenridge Township Caldwell Co	General Revenue	7,735,644	0.0949	0.0949	7,341	
	Road & Bridge	7,735,644	0.4751	0.4751	36,752	
	Special Road and Bridge	7,735,644	0.3236	0.3236	25,033	2015
Davis Township Caldwell County	General Revenue	16,412,634	0.0789	0.0789	12,950	
	Road & Bridge	16,412,634	0.3767	0.3767	61,826	
	Special Road and Bridge	16,412,634	0.1700	0.1700	27,901	2015
Fairview Township Caldwell County	General Revenue	3,753,942	0.0979	0.0979	3,675	
	Road & Bridge	3,753,942	0.4892	0.4892	18,364	
	Special Road and Bridge	3,753,942	0.3197	0.3197	12,001	2016
Gomer Township Caldwell County	General Revenue	6,846,456	0.0935	0.0935	6,401	
	Road & Bridge	6,846,456	0.4652	0.4652	31,850	
	Special Road and Bridge	6,846,456	0.3378	0.3378	23,127	2016
Grant Township Caldwell County	General Revenue	25,238,507	0.0897	0.0897	22,639	
	Road & Bridge	25,238,507	0.3658	0.3658	92,322	
	Special Road and Bridge	25,238,507	0.2400	0.2400	60,572	2015
Hamilton Township Caldwell County	General Revenue	22,947,362	0.0708	0.0708	16,247	
	Road & Bridge	22,947,362	0.3135	0.3135	71,940	
Kidder Township Caldwell County	General Revenue	12,000,732	0.0937	0.0937	11,245	
	Road & Bridge	12,000,732	0.3847	0.3847	46,167	
	Special Road and Bridge	12,000,732	0.3316	0.3316	39,794	2015
Kingston Township Caldwell County	General Revenue	6,987,769	0.0984	0.0984	6,876	
	Road & Bridge	6,987,769	0.4921	0.4921	34,387	
	Special Road and Bridge	6,987,769	0.3656	0.3656	25,547	2015
Lincoln Township Caldwell County	General Revenue	12,944,318	0.0762	0.0762	9,864	
	Road & Bridge	12,944,318	0.3353	0.3353	43,402	
	Special Road and Bridge	12,944,318	0.3300	0.3300	42,716	2015
Mirabile Township Caldwell County	General Revenue	5,503,192	0.0994	0.0994	5,470	
	Road & Bridge	5,503,192	0.4673	0.4673	25,716	
	Special Road and Bridge	5,503,192	0.3530	0.3530	19,426	2016
New York Township Caldwell County	General Revenue	6,308,669	0.0773	0.0773	4,877	
	Road & Bridge	6,308,669	0.3696	0.3696	23,317	
	Special Road and Bridge	6,308,669	0.2866	0.2866	18,081	2015
Rockford Township Caldwell County	General Revenue	14,864,380	0.0794	0.0794	11,802	
	Road & Bridge	14,864,380	0.3492	0.3492	51,906	
	Special Road and Bridge	14,864,380	0.3500	0.3500	52,025	2016
Hamilton Rural Fire Protection Dist	General Revenue	36,775,130	0.1789	0.1789	65,791	
Caldwell County Health Department	General Revenue	141,623,698	0.2373	0.2373	336,073	
Breckenridge R-I School District	Operating Funds-Schools	6,656,630	4.5428	4.5428	302,397 ^E	
Hamilton R-II School District	Operating Funds-Schools	37,666,604	2.7361	2.7361	1,030,596 ^E	
	Operating Funds-Temp	37,666,604	1.7433	1.7433	656,642	2026
New York R-IV School District	Operating Funds-Schools	3,794,860	5.1458	4.5900	174,184	
Cowgill R-VI School District	Operating Funds-Schools	4,065,430	4.0726	4.0726	165,569 ^E	
Polo R-VII School District	Operating Funds-Schools	24,058,985	3.6939	3.6939	888,715 ^E	
	Debt Service	24,058,985	1.0853	0.9132	219,707	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Caldwell</u>						
Mirabile C-1 School District	Operating Funds-Schools	4,693,730	3.7457	3.7457	175,813	E
	Debt Service	4,693,730	0.5604	0.5500	25,816	
Braymer C-4 School District	Operating Funds-Schools	18,857,752	2.7500	2.7500	518,588	E
	Debt Service	18,857,752	0.0000	0.0000	0	
Kingston 42 School District	Operating Funds-Schools	4,540,050	4.6863	4.6863	212,760	E
Caldwell County	General Revenue	141,623,698	0.3563	0.2119	300,101	
	Senior Services	141,623,698	0.0511	0.0500	70,812	A 2018
<u>Callaway</u>						
Callaway County Ambulance District	General Revenue	748,126,439	0.1226	0.0000	0	
City of Auxvasse	General Revenue	8,873,379	0.7195	0.7195	63,844	
City of Fulton	General Revenue	101,927,027	0.5306	0.5306	540,825	
Village of Kingdom City	General Revenue	9,262,844	0.2223	0.2157	19,980	
City of Mokane	General Revenue	1,080,477	0.8538	0.8538	9,225	
City of New Bloomfield	General Revenue	5,816,767	0.3167	0.3167	18,422	
	Debt Service	5,816,767	1.1279	1.1279	65,607	
Town of Lake Mykee	General Revenue	4,299,632	0.5048	0.5048	21,705	
Callaway County Library	General Revenue	748,126,439	0.2000	0.2000	1,496,253	
Millersburg Fire Protection Dist	General Revenue	33,090,745	0.4608	0.4608	152,482	
Central Callaway Fire Prot District	General Revenue	66,102,510	0.4307	0.4307	284,704	
Holts Summit Fire Protection Dist	General Revenue	111,156,408	0.2476	0.2476	275,223	
	Debt Service	111,156,408	0.2401	0.2401	266,887	
South Callaway Fire Protection Dist	General Revenue	286,286,711	0.2005	0.2005	574,005	
North Callaway Fire Protection Dist	General Revenue	82,881,208	0.2786	0.2786	230,907	
New Bloomfield Fire Protection Dist	General Revenue	38,271,524	0.2674	0.2674	102,338	
North Callaway Co R-I School Dist	Operating Funds-Schools	90,379,694	3.1263	3.1263	2,825,540	E
	Debt Service	90,379,694	1.0705	0.6662	602,110	
New Bloomfield R-III School Dist	Operating Funds-Schools	46,023,974	2.9873	2.9873	1,374,874	E
	Debt Service	46,023,974	1.6011	1.3452	619,114	
Fulton 58 School District	Operating Funds-Schools	172,290,635	3.4725	3.4725	5,982,792	E
	Debt Service	172,290,635	0.7297	0.7297	1,257,205	
South Callaway Co R-II School Dist	Operating Funds-Schools	288,313,168	2.7500	2.7500	7,928,612	
Callaway County	General Revenue	748,126,439	0.3361	0.3361	2,514,453	
	Road & Bridge	748,126,439	0.2602	0.2602	1,946,625	
	Senate Bill 40	748,126,439	0.1000	0.1000	748,126	
<u>Camden</u>						
CAM-MO Ambulance District	General Revenue	636,202,704	0.1045	0.0440	279,929	
Camden County Ambulance District	General Revenue	575,037,787	0.2828	0.2796	1,607,806	
Horseshoe Bend Spec Rd 1 Camden Co	Special Road and Bridge	305,017,432	0.3511	0.3511	1,070,916	2016
City of Linn Creek	General Revenue	5,191,064	0.0000	0.0000	0	
City of Stoutland	General Revenue	1,160,116	0.7275	0.7161	8,308	
Camden County Library	General Revenue	1,635,069,028	0.0940	0.0940	1,536,965	
Osage Beach Fire Protection Dist	General Revenue	489,862,776	0.5934	0.5934	2,906,846	
Sunrise Beach Fire Protection Dist	General Revenue	334,003,051	0.5082	0.5082	1,697,404	
	Debt Service	334,003,051	0.1763	0.1063	355,045	
Mid County Fire Protection District	General Revenue	299,295,206	0.3910	0.3910	1,170,244	
	Debt Service	299,295,206	0.2601	0.2500	748,238	
Northwest Fire Protection District	General Revenue	69,136,211	0.2404	0.2404	166,203	
Southwest Camden Co Fire Prot Dist	General Revenue	25,101,360	0.2988	0.2988	75,003	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Camden</u>						
Tri-County Fire Protection District	General Revenue	18,761,787	0.2997	0.2997	56,229	
Camelot Sewer District	Debt Service	20,925,746	0.0000	0.0000	0	
Stoutland R-II School District	Operating Funds-Schools	24,767,834	3.4272	2.7500	681,115	F
Camdenton R-III School District	Operating Funds-Schools	1,133,554,142	2.5600	2.5600	29,018,986	E
	Debt Service	1,133,554,142	0.4747	0.3100	3,514,018	
Climax Springs R-IV School District	Operating Funds-Schools	95,936,930	2.7500	2.7500	2,638,266	
Macks Creek R-V School District	Operating Funds-Schools	31,642,200	3.3497	3.3497	1,059,919	E
	Debt Service	31,642,200	0.9736	0.4903	155,142	
Camden County	General Revenue	1,635,069,028	0.2068	0.1100	1,798,576	
	Road & Bridge	1,635,069,028	0.1411	0.1100	1,798,576	
	Senate Bill 40	1,635,069,028	0.0563	0.0563	920,544	
	Senior Services	1,635,069,028	0.0449	0.0449	734,146	
<u>Cape Girardeau</u>						
Cape Special Road District	Road & Bridge	758,646,605	0.0000	0.0000	0	
City of Cape Girardeau	General Revenue	617,619,311	0.3027	0.3027	1,869,534	
	Health	617,619,311	0.0567	0.0567	350,190	
City of Delta	General Revenue	3,183,131	0.6607	0.6607	21,031	
Village of Gordonville	General Revenue	6,800,654	0.4394	0.4394	29,882	
City of Jackson	General Revenue	217,610,321	0.5838	0.5838	1,270,409	
	Parks & Recreation	217,610,321	0.1225	0.1225	266,573	
	Band	217,610,321	0.0754	0.0754	164,078	
	Cemetery	217,610,321	0.0754	0.0754	164,078	
Village of Oak Ridge	General Revenue	1,458,404	0.3481	0.3481	5,077	
Village of Pochahontas	General Revenue	647,163	0.5465	0.5465	3,537	
Village of Whitewater	General Revenue	590,071	0.7791	0.7791	4,597	
Village of Old Appleton	General Revenue	874,232	0.3777	0.3777	3,302	
Town of Allenville	General Revenue	295,510	0.4884	0.4884	1,443	
Cape Girardeau Public Library	General Revenue	531,015,961	0.1632	0.1632	866,618	
	General Revenue-Temp	531,015,961	0.1500	0.1500	796,524	2026
Cape Girardeau County Library	General Revenue	725,075,530	0.0729	0.0729	528,580	
East County Area Fire Prot District	General Revenue	92,671,305	0.2964	0.2964	274,678	
Delta Fire Protection District	General Revenue	17,173,282	0.2814	0.2814	48,326	
Fruitland Area Fire Protection Dist	General Revenue	99,663,609	0.2693	0.2693	268,394	
North Cape Co Rural Fire Prot Dist	General Revenue	28,526,922	0.2554	0.2554	72,858	
Gordonville Fire Protection Dist	General Revenue	86,833,693	0.2703	0.2703	234,711	
Millersville Fire Protection Dist	General Revenue	49,119,134	0.2894	0.2894	142,151	
Whitewater Fire Protection District	General Revenue	14,045,609	0.3826	0.3826	53,739	
Cape Girardeau Spec Business Dist	General Revenue	3,670,210	0.6866	0.6866	25,200	
Cape Girardeau County Public Health	General Revenue	1,256,091,492	0.0960	0.0960	1,205,848	
Jackson R-II School District	Operating Funds-Schools	466,789,058	3.4454	3.4454	16,082,750	E
	Debt Service	466,789,058	0.5271	0.3546	1,655,234	
Delta R-V School District	Operating Funds-Schools	22,488,069	3.5000	3.5000	787,082	E
	Debt Service	22,488,069	0.9800	0.6900	155,168	
Oak Ridge R-VI School District	Operating Funds-Schools	26,145,433	2.9167	2.9166	762,558	E
	Debt Service	26,145,433	0.7571	0.7352	192,221	
Cape Girardeau 63 School District	Operating Funds-Schools	633,657,242	3.4856	3.4856	22,086,757	E
	Debt Service	633,657,242	1.3298	0.6711	4,252,474	
Nell Holcomb R-IV School District	Operating Funds-Schools	50,217,151	3.5896	3.5896	1,802,595	E

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cape Girardeau</u>						
Cape Girardeau County	General Revenue	1,256,091,492	0.3358	0.0349	438,376	
	Road & Bridge	497,444,886	0.0000	0.0000	0	
	Mental Health	1,256,091,492	0.0772	0.0772	969,703	
	Senate Bill 40	1,256,091,492	0.0772	0.0772	969,703	
	Senior Services	1,256,091,492	0.0478	0.0478	600,412	
<u>Carroll</u>						
Carroll County Ambulance District	General Revenue	216,053,412	0.2745	0.2745	593,067	
Big Creek Watershed Subdistrict	General Revenue	18,024,600	0.2574	0.2574	46,395	
City of Bogard	General Revenue	1,042,520	1.0000	1.0000	10,425	
City of Bosworth	General Revenue	1,699,195	0.9352	0.9352	15,891	
Town of Carrollton	General Revenue	36,584,536	0.7915	0.7915	289,567	
	Parks & Recreation	36,584,536	0.2997	0.2997	109,644	
	Library	36,584,536	0.3118	0.3118	114,071	
City of De Witt	General Revenue	531,744	0.9909	0.9909	5,269	
City of Hale	General Revenue	2,764,228	0.3678	0.3678	10,167	
	Lights	2,764,228	0.2897	0.2897	8,008	
	Streets	2,764,228	0.1671	0.1671	4,619	
City of Norborne	General Revenue	6,540,398	0.7570	0.7570	49,511	
	Parks & Recreation	6,540,398	0.1839	0.1839	12,028	
	Library	6,540,398	0.1405	0.1405	9,189	
Village of Tina	General Revenue	1,009,093	1.0000	1.0000	10,091	
Carrollton Township Carroll County	General Revenue	54,713,901	0.0983	0.0983	53,784	
	Road & Bridge	54,713,901	0.4150	0.4150	227,063	
Cherry Valley Township Carroll Co	General Revenue	1,260,043	0.0985	0.0985	1,241	
	Road & Bridge	1,260,043	0.4926	0.4926	6,207	
	Special Road and Bridge	1,260,043	0.3563	0.3563	4,490	2016
De Witt Township Carroll County	General Revenue	10,666,390	0.0840	0.0840	8,960	
	Road & Bridge	10,666,390	0.3817	0.3817	40,714	
	Special Road and Bridge	10,666,390	0.3483	0.3483	37,151	2017
Egypt Township Carroll County	General Revenue	14,275,249	0.0922	0.0922	13,162	
	Road & Bridge	14,275,249	0.3379	0.3379	48,236	
	Special Road and Bridge	14,275,249	0.3451	0.3451	49,264	2016
Eugene Township Carroll County	General Revenue	8,842,551	0.0968	0.0968	8,560	
	Road & Bridge	8,842,551	0.4835	0.4835	42,754	
	Special Road and Bridge	8,842,551	0.3390	0.3390	29,976	2016
Fairfield Township Carroll County	General Revenue	3,573,389	0.0805	0.0805	2,877	
	Road & Bridge	3,573,389	0.3925	0.3925	14,026	
	Special Road and Bridge	3,573,389	0.3440	0.3440	12,292	2017
Hill Township Carroll County	General Revenue	10,467,399	0.0652	0.0652	6,825	
	Road & Bridge	10,467,399	0.3262	0.3262	34,145	
	Special Road and Bridge	10,467,399	0.3500	0.3500	36,636	2016
Hurricane Township Carroll County	General Revenue	9,850,773	0.0898	0.0898	8,846	
	Road & Bridge	9,850,773	0.3995	0.3995	39,354	
	Special Road and Bridge	9,850,773	0.3484	0.3484	34,320	2016
Leslie Township Carroll County	General Revenue	8,766,788	0.0722	0.0722	6,330	
	Road & Bridge	8,766,788	0.3453	0.3453	30,272	
	Special Road and Bridge	8,766,788	0.3453	0.3453	30,272	2016
Moss Creek Township Carroll County	General Revenue	9,115,577	0.0873	0.0873	7,958	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Carroll</u>						
Moss Creek Township Carroll County	Road & Bridge	9,115,577	0.4367	0.4367	39,808	
	Special Road and Bridge	9,115,577	0.3421	0.3421	31,184	2017
Prairie Township Carroll County	General Revenue	5,540,523	0.0759	0.0759	4,205	
	Road & Bridge	5,540,523	0.3607	0.3607	19,985	
	Special Road and Bridge	5,540,523	0.3407	0.3407	18,877	2016
Ridge Township Carroll County	General Revenue	14,085,609	0.0719	0.0719	10,128	
	Road & Bridge	14,085,609	0.3419	0.3419	48,159	
	Special Road and Bridge	14,085,609	0.3500	0.3500	49,300	2016
Rockford Township Carroll County	General Revenue	5,657,231	0.0674	0.0674	3,813	
	Road & Bridge	5,657,231	0.2847	0.2847	16,106	
	Special Road and Bridge	5,657,231	0.3500	0.3500	19,800	2016
Stokes Mound Township Carroll Co	General Revenue	6,211,824	0.0969	0.0969	6,019	
	Road & Bridge	6,211,824	0.4841	0.4841	30,071	
	Special Road and Bridge	6,211,824	0.3510	0.3510	21,804	2016
Sugartree Township Carroll County	General Revenue	2,218,710	0.0842	0.0842	1,868	
	Road & Bridge	2,218,710	0.4208	0.4208	9,336	
	Special Road and Bridge	2,218,710	0.3411	0.3411	7,568	2016
Trotter Township Carroll County	General Revenue	5,254,639	0.0910	0.0910	4,782	
	Road & Bridge	5,254,639	0.4557	0.4557	23,945	
	Special Road and Bridge	5,254,639	0.3500	0.3500	18,391	2017
Van Horn Township Carroll County	General Revenue	16,506,744	0.0985	0.0985	16,259	
	Road & Bridge	16,506,744	0.4787	0.4787	79,018	
	Special Road and Bridge	16,506,744	0.1092	0.1092	18,025	2016
Wakenda Township Carroll County	General Revenue	9,936,669	0.0936	0.0936	9,301	
	Road & Bridge	9,936,669	0.4677	0.4677	46,474	
	Special Road and Bridge	9,936,669	0.3640	0.3640	36,169	2017
Washington Township Carroll County	General Revenue	9,744,205	0.0556	0.0556	5,418	
	Road & Bridge	9,744,205	0.2599	0.2599	25,325	
	Special Road and Bridge	9,744,205	0.3511	0.3511	34,212	2016
Combs Township Carroll County	General Revenue	9,365,190	0.0702	0.0702	6,574	
	Road & Bridge	9,365,190	0.3513	0.3513	32,900	
	Special Road and Bridge	9,365,190	0.3361	0.3361	31,476	2016
North Central Carroll Fire Prot Dis	General Revenue	36,686,468	0.2380	0.2380	87,314	
Carroll County Fire Protection Dist	General Revenue	77,161,583	0.2479	0.2479	191,284	
Norborne Fire Protection District	General Revenue	22,283,078	0.2894	0.2894	64,487	
Hale Fire Protection District	General Revenue	17,616,151	0.2926	0.2926	51,545	
Carroll County Health Department	General Revenue	216,053,412	0.0961	0.0961	207,627	
Hale R-I School District	Operating Funds-Schools	8,860,505	3.5921	3.5921	318,278	E
Tina-Avalon R-II School District	Operating Funds-Schools	10,348,496	3.8021	3.7972	392,953	E
Bosworth R-V School District	Operating Funds-Schools	8,392,300	3.9897	3.9897	334,828	E
Carrollton R-VII School District	Operating Funds-Schools	70,433,810	3.6200	3.6200	2,549,704	E
	Operating Funds-Temp	70,433,810	1.3407	1.3407	944,306	2026
Norborne R-VIII School District	Operating Funds-Schools	17,339,740	3.9796	3.9796	690,052	E
	Debt Service	17,339,740	0.5581	0.5300	91,901	
Carroll County	General Revenue	216,053,412	0.3524	0.2583	558,066	
	Johnson Grass	216,053,412	0.0100	0.0100	21,605	
	Senate Bill 40	216,053,412	0.0961	0.0961	207,627	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Carter</u>						
East Carter County Ambulance Dist	General Revenue	28,682,837	0.3630	0.3630	104,119	
West Carter County Ambulance Dist	General Revenue	35,367,119	0.4273	0.4273	151,124	
City of Grandin	General Revenue	992,089	0.8827	0.8827	8,757	
Carter County Library District	General Revenue	64,049,956	0.1808	0.1808	115,802	
Ellsinore Rural Fire Prot District	General Revenue	16,022,447	0.1354	0.1354	21,694	
Eastwood Fire Protection District	General Revenue	2,672,342	0.2210	0.2210	5,906	
Fremont Fire Protection District	General Revenue	2,937,887	0.3160	0.3160	9,284	
Ellsinore Hwy 60 Comm Improv Dist	General Revenue	586,710	0.0000	0.0000	0	2040
Carter County Health Center	General Revenue	64,049,956	0.2260	0.2260	144,753	
East Carter Co R-II School District	Operating Funds-Schools	35,805,683	2.7500	2.7500	984,656	E
Van Buren R-I School District	Operating Funds-Schools	36,590,306	1.7317	1.7317	633,634	E
	Operating Funds-Temp	36,590,306	1.3620	1.3620	498,360	2015
Carter County	General Revenue	64,049,956	0.2989	0.1276	81,728	
	Road & Bridge	64,049,956	0.2173	0.2173	139,181	
	Senate Bill 40	64,049,956	0.0771	0.0771	49,383	
	Senior Services	64,049,956	0.0271	0.0271	17,358	
<u>Cass</u>						
Cass Medical Center	General Revenue	1,440,089,659	0.1356	0.1356	1,952,762	
Mt. Pleasant Spec Road Dist Cass Co	Road & Bridge	259,281,643	0.2000	0.2000	518,563	
City of Archie	General Revenue	12,121,304	0.6666	0.6666	80,801	
City of Belton	General Revenue	234,819,454	0.5455	0.5455	1,280,940	
	Parks & Recreation	234,819,454	0.2427	0.2427	569,907	
	Debt Service	234,819,454	1.6379	1.1300	2,653,460	
City of Cleveland	General Revenue	8,877,761	0.4931	0.4931	43,776	
City of Creighton	General Revenue	1,968,733	0.9640	0.9640	18,979	
City of Drexel	General Revenue	9,648,918	0.6607	0.6607	63,750	
City of East Lynne	General Revenue	2,369,230	0.9700	0.9700	22,982	
City of Freeman	General Revenue	4,264,499	0.5827	0.5827	24,849	
City of Garden City	General Revenue	13,367,245	0.4297	0.4297	57,439	
City of Harrisonville	General Revenue	121,506,475	0.5696	0.5672	689,185	
	Parks & Recreation	121,506,475	0.1289	0.1283	155,893	
City of Lake Winnebago	General Revenue	33,998,854	0.9490	0.9490	322,649	
	Debt Service	33,998,854	0.6003	0.5898	200,525	
City of Peculiar	General Revenue	56,021,113	0.4556	0.4556	255,232	
	Debt Service	56,021,113	0.9639	0.9639	539,988	
City of Pleasant Hill	General Revenue	100,338,947	0.3678	0.3678	369,047	
	Parks & Recreation	100,338,947	0.0736	0.0736	73,849	
	Health	100,338,947	0.0736	0.0736	73,849	
	Road	100,338,947	0.1379	0.1379	138,367	
	Debt Service	100,338,947	1.3238	0.3434	344,564	
City of Raymore	General Revenue	283,422,039	0.4638	0.4638	1,314,511	
	Parks & Recreation	283,422,039	0.1249	0.1249	353,994	
	Debt Service	283,422,039	0.7275	0.7170	2,032,136	
City of Strasburg	General Revenue	1,034,284	0.9897	0.9897	10,236	
Village of West Line	General Revenue	1,176,703	0.5775	0.5775	6,795	
Village of Baldwin Park	General Revenue	435,024	0.5000	0.5000	2,175	
City of Lake Annette	General Revenue	549,525	0.2000	0.2000	1,099	
Village of Riverview Estates	General Revenue	1,086,299	0.5000	0.5000	5,431	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Cass						
Cass County Public Library	General Revenue	1,440,089,659	0.1495	0.1495	2,152,934	
Central Cass County Fire Prot Dist	General Revenue	114,165,986	0.2601	0.2601	296,946	
	Ambulance	114,165,986	0.2503	0.2503	285,757	
	Debt Service	114,165,986	0.2151	0.1500	171,249	
Garden City Fire Prot District	General Revenue	42,943,436	0.2200	0.2200	94,476	
	Ambulance	42,943,436	0.3000	0.3000	128,830	
South Metropolitan Fire Prot Dist	General Revenue	370,952,930	0.5657	0.4636	1,719,738	
	Ambulance	370,952,930	0.4432	0.3632	1,347,301	
	Dispatch	370,952,930	0.0471	0.0386	143,188	
	Debt Service	370,952,930	0.2415	0.2236	829,451	
West Peculiar Fire Protection Dist	General Revenue	107,757,806	0.7456	0.7456	803,442	
	Ambulance	107,757,806	0.2989	0.2989	322,088	
	Dispatch	107,757,806	0.0498	0.0498	53,663	
	Ambulance/EMT	107,757,806	0.3000	0.2989	322,088	A
	Debt Service	107,757,806	0.2115	0.2115	227,908	
Creighton Fire Protection District	General Revenue	9,892,957	0.2611	0.2611	25,831	
	Ambulance	9,892,957	0.3034	0.3034	30,015	
Western Cass Fire Protection Dist	General Revenue	39,862,424	0.3888	0.3888	154,985	
	Dispatch	39,862,424	0.0458	0.0458	18,257	
	Debt Service	39,862,424	0.4586	0.3000	119,587	
Dolan & West Dolan Fire Prot Dist	General Revenue	36,554,975	0.5010	0.5010	183,140	
East Lynne-Gunn City Fire Prot Dist	General Revenue	21,021,913	0.2897	0.2897	60,900	
Mount Pleasant Fire Protection Dist	General Revenue	86,802,083	0.2853	0.2853	247,646	
Pleasant Hill Fire Protection Dist	General Revenue	174,043,186	0.4436	0.4343	755,870	
	Ambulance	174,043,186	0.2957	0.2864	498,460	
Dikeland Sewer District	General Revenue	1,426,068	0.0000	0.0000	0	
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	9,680	0.5785	0.5785	56	2040
Y Belton Community Improvement Dist	General Revenue	990	1.5152	0.7490	7	2043
Cass Co R-V School District	Operating Funds-Schools	34,262,968	3.9600	3.9600	1,356,814	E
	Debt Service	34,262,968	1.2456	0.6200	212,430	
Strasburg C-3 School District	Operating Funds-Schools	11,918,382	4.2835	4.2835	510,524	E
	Debt Service	11,918,382	1.7519	1.1865	141,412	
Raymore-Peculiar R-II School Dist	Operating Funds-Schools	483,146,939	3.6940	3.6940	17,847,448	E
	Debt Service	483,146,939	1.9765	1.3457	6,501,708	
Sherwood Cass R-VIII School Dist	Operating Funds-Schools	51,501,852	3.4000	3.2500	1,673,810	E
	Debt Service	51,501,852	1.3646	1.0000	515,019	
East Lynne 40 School District	Operating Funds-Schools	15,441,257	4.8000	4.8000	741,180	E
Pleasant Hill R-III School District	Operating Funds-Schools	144,002,180	3.8499	3.8499	5,543,940	E
	Debt Service	144,002,180	0.9177	0.8846	1,273,843	
Harrisonville R-IX School District	Operating Funds-Schools	185,159,072	4.1577	4.1577	7,698,359	E
	Debt Service	185,159,072	1.7302	0.9195	1,702,538	
Drexel R-IV School District	Operating Funds-Schools	18,542,433	4.3786	4.3786	811,899	E
	Debt Service	18,542,433	1.9588	0.9672	179,342	
Midway R-I School District	Operating Funds-Schools	43,800,230	5.1381	5.1381	2,250,500	E
	Debt Service	43,800,230	0.8258	0.6700	293,462	
Belton 124 School District	Operating Funds-Schools	314,866,224	4.0220	4.0220	12,663,920	E
	Debt Service	314,866,224	1.5193	1.4100	4,439,614	
Cass County	Road & Bridge	1,179,199,331	0.2287	0.2287	2,696,829	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cass</u>						
Cass County	Senate Bill 40	1,440,089,659	0.0498	0.0498	717,165	
<u>Cedar</u>						
Cedar County Memorial Hospital	General Revenue	166,845,674	0.1510	0.1510	251,937	
Bear Creek Spec Road Dist Cedar Co	Special Road and Bridge	5,759,664	0.3707	0.3707	21,351	2017
Bethel Special Road Dist Cedar Co	Special Road and Bridge	1,063,714	0.3548	0.3548	3,774	2017
Caplinger Mills Sp Rd Dist Cedar Co	Special Road and Bridge	3,210,645	0.3543	0.3543	11,375	2017
Cedar Hall Spec Road Dist Cedar Co	Special Road and Bridge	1,421,983	0.3500	0.3500	4,977	2017
Eldorado Spgs Spec Rd Dist Cedar Co	Special Road and Bridge	50,105,450	0.3614	0.3614	181,081	2017
Independence Spec Rd Dist Cedar Co	Special Road and Bridge	1,136,322	0.3537	0.3537	4,019	2017
Jerico Springs Sp Rd Dist Cedar Co	Special Road and Bridge	903,234	0.3585	0.3585	3,238	2017
Koncord Special Road Dist Cedar Co	Special Road and Bridge	3,965,640	0.3989	0.3989	15,819	2017
Madison Special Road Dist Cedar Co	Special Road and Bridge	1,995,236	0.3662	0.3662	7,307	2017
Masters Special Road Dist Cedar Co	Special Road and Bridge	2,080,246	0.3564	0.3564	7,414	2017
Omer Special Road District Cedar Co	Special Road and Bridge	1,152,467	0.3597	0.3597	4,145	2016
Rowland Special Road Dist Cedar Co	Special Road and Bridge	6,157,242	0.3569	0.3569	21,975	2017
Dogwood Special Road District	Special Road and Bridge	838,776	0.3625	0.3625	3,041	2015
City of El Dorado Springs	General Revenue	33,354,772	0.5777	0.5777	192,691	
	Band	33,383,637	0.1391	0.1391	46,437	
	Park	33,383,637	0.2138	0.2138	71,374	
	Recreation	33,383,637	0.1000	0.1000	33,384	
Village of Jerico Springs	General Revenue	841,650	0.5000	0.5000	4,208	
City of Stockton	General Revenue	24,970,529	0.4320	0.4320	107,873	
Village of Umber View Heights	General Revenue	732,100	0.2470	0.2470	1,808	
Cedar County Library District	General Revenue	166,845,674	0.0805	0.0805	134,311	
Cedar County Chapel Hills FPD	General Revenue	21,579,825	0.2000	0.2000	43,160	
Korth Special Road Subdistrict	Special Road and Bridge	3,137,522	0.3254	0.3254	10,209	2017
Stockton R-I School District	Operating Funds-Schools	88,909,249	2.8705	2.8643	2,546,628	E
	Debt Service	88,909,249	0.9351	0.7463	663,530	
El Dorado Springs R-II School Dist	Operating Funds-Schools	88,375,328	3.1841	3.1841	2,813,959	E
	Debt Service	88,375,328	0.5827	0.5400	477,227	
Cedar County	General Revenue	166,845,674	0.3220	0.1508	251,603	
	Road & Bridge	166,845,674	0.2414	0.2414	402,765	
	Senior Services	166,845,674	0.0496	0.0496	82,755	
<u>Chariton</u>						
Chariton County Ambulance District	General Revenue	215,767,332	0.2600	0.2600	560,995	
City of Brunswick	General Revenue	6,952,949	0.9048	0.9048	62,910	
Village of Dalton	General Revenue	550,610	0.4650	0.4650	2,560	
City of Keytesville	General Revenue	2,861,285	0.9089	0.9089	26,006	
	Parks & Recreation	2,861,285	0.1999	0.1999	5,720	
City of Mendon	General Revenue	1,269,368	1.0000	1.0000	12,694	
Village of Rothville	General Revenue	294,114	0.9988	0.9988	2,938	
City of Salisbury	General Revenue	15,890,844	0.7320	0.7320	116,321	
	Parks & Recreation	15,890,844	0.1754	0.1754	27,873	
	Library	15,890,844	0.0986	0.0986	15,668	
	Museum	15,890,844	0.1341	0.1341	21,310	
City of Sumner	General Revenue	935,024	0.9983	0.9983	9,334	
	Streets	935,024	0.2585	0.2585	2,417	2015
City of Triplett	General Revenue	316,792	1.0000	1.0000	3,168	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Chariton</u>						
Bee Branch Township Chariton County	Road & Bridge	4,489,969	0.4936	0.4936	22,162	
	Special Road and Bridge	4,489,969	0.3500	0.3500	15,715 ^A	2018
Bowling Green Township Chariton Co	Road & Bridge	11,966,721	0.2257	0.2257	27,009	
	Special Road and Bridge	11,966,721	0.3163	0.3163	37,851 ^A	2018
Brunswick Township Chariton County	Road & Bridge	29,685,784	0.4821	0.4821	143,115	
	Special Road and Bridge	29,685,784	0.2411	0.2411	71,572	2016
Chariton Township Chariton County	Road & Bridge	9,179,828	0.2682	0.2682	24,620	
	Special Road and Bridge	9,179,828	0.1640	0.1640	15,055	2016
Clark Township Chariton County	Road & Bridge	6,791,852	0.4966	0.4966	33,728	
	Special Road and Bridge	6,791,852	0.3533	0.3533	23,996	2016
Cockrell Township Chariton County	Road & Bridge	3,897,022	0.4647	0.4647	18,109	
	Special Road and Bridge	3,897,022	0.3457	0.3457	13,472 ^A	2018
Cunningham Township Chariton County	Road & Bridge	8,351,739	0.4379	0.4379	36,572	
	Special Road and Bridge	8,351,739	0.2635	0.2635	22,007	2016
Keytesville Township Chariton Co	Road & Bridge	28,283,266	0.3604	0.3604	101,933	
	Special Road and Bridge	28,283,266	0.3387	0.3387	95,795 ^A	2018
Mendon Township Chariton County	Road & Bridge	8,645,103	0.4237	0.4237	36,629	
	Special Road and Bridge	8,645,103	0.3455	0.3455	29,869	2016
Musselfork Township Chariton County	Road & Bridge	6,860,931	0.3402	0.3402	23,341	
	Special Road and Bridge	6,860,931	0.2276	0.2276	15,615	2016
Salisbury Township Chariton County	Road & Bridge	63,453,866	0.5000	0.5000	317,269	
	Special Road and Bridge	63,453,866	0.1041	0.1041	66,055 ^A	2018
Salt Creek Township Chariton County	Road & Bridge	5,527,794	0.3702	0.3702	20,464	
	Special Road and Bridge	5,527,794	0.2414	0.2414	13,344	2016
Triplett Township Chariton County	Road & Bridge	15,686,356	0.4608	0.4608	72,283	
	Special Road and Bridge	15,686,356	0.3091	0.3091	48,487	2016
Wayland Township Chariton County	Road & Bridge	4,425,268	0.4749	0.4749	21,016	
	Special Road and Bridge	4,425,268	0.2206	0.2206	9,762	2016
Yellow Creek Township Chariton Co	Road & Bridge	8,521,833	0.4493	0.4493	38,289	
	Special Road and Bridge	8,521,833	0.3485	0.3485	29,699 ^A	2018
Keytesville Fire Protection Dist	General Revenue	40,299,517	0.1604	0.1604	64,640	
Mendon Fire Protection District	General Revenue	17,321,985	0.2413	0.2413	41,798	
Sumner Community Fire Prot District	General Revenue	7,356,222	0.2618	0.2618	19,259	
Yellow Creek Fire Protection Dist	General Revenue	6,822,205	0.2726	0.2726	18,597	
Chariton County Health Center	General Revenue	215,767,332	0.1000	0.1000	215,767	
Northwestern R-I School District	Operating Funds-Schools	16,835,490	3.5094	3.5094	590,825 ^E	
Brunswick R-II School District	Operating Funds-Schools	20,124,716	3.5393	3.5393	712,274 ^E	
	Debt Service	20,124,716	0.4289	0.3900	78,486	
Keytesville R-III School District	Operating Funds-Schools	16,154,710	4.2455	4.1500	670,420 ^E	
Salisbury R-IV School District	Operating Funds-Schools	52,140,016	5.0826	4.4697	2,330,502 ^E	
Chariton County	General Revenue	215,767,332	0.4000	0.3150	679,667	
	Senate Bill 40	215,767,332	0.0960	0.0900	194,191	
	Township	215,767,332	0.1000	0.1000	215,767	
<u>Christian</u>						
Christian County Ambulance District	General Revenue	993,297,178	0.1324	0.1324	1,315,125	
Billings Spec Rd Dist Christian Co	Road & Bridge	51,416,600	0.2265	0.2265	116,459	
	Special Road and Bridge	51,416,600	0.3401	0.3401	174,868	2017
Garrison Spec Rd Dist Christian Co	Road & Bridge	1,651,433	0.2427	0.2427	4,008	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Christian</u>						
Ozark Special Rd Dist Christian Co	Road & Bridge	374,656,443	0.1482	0.1482	555,241	
Selmore Spec Road Dist Christian Co	Road & Bridge	17,886,086	0.1785	0.1785	31,927	
South Sparta Road Dist Christian Co	Road & Bridge	10,303,216	0.1716	0.1690	17,412	
Stoneshire Sp Rd Dist Christian Co	Road & Bridge	3,210,176	0.1476	0.1476	4,738	
City of Billings	General Revenue	9,996,961	0.5696	0.5696	56,943	
	Parks & Recreation	9,996,961	0.1655	0.1655	16,545	
City of Clever	General Revenue	22,868,290	0.6212	0.6212	142,058	
City of Nixa	General Revenue	219,987,715	0.3316	0.3316	729,479	
City of Ozark	General Revenue	213,076,405	0.2337	0.2337	497,960	
	Parks & Recreation	213,076,405	0.0585	0.0585	124,650	
City of Sparta	General Revenue	15,314,223	0.3748	0.3748	57,398	
City of Fremont Hills	General Revenue	22,699,063	0.6320	0.6268	142,278	
	Debt Service	22,699,063	0.1445	0.1445	32,800	
Village of Saddlebrooke	General Revenue	10,229,490	0.7429	0.7429	75,995	
Christian County Library District	General Revenue	1,099,194,038	0.0887	0.0887	974,985	
Ozark Fire Protection District	General Revenue	448,176,160	0.3877	0.3877	1,737,579	
	Fire	448,176,160	0.2503	0.2503	1,121,785	
Nixa Fire Protection District	General Revenue	414,476,723	0.6549	0.6549	2,714,408	
	Debt Service	414,476,723	0.1395	0.0790	327,437	
Billings Fire Protection District	General Revenue	57,363,218	0.3960	0.3960	227,158	
Clever Fire Protection District	General Revenue	65,192,509	0.3921	0.3921	255,620	
Highlandville Fire Protection Dist	General Revenue	76,857,514	0.3953	0.3953	303,818	
Sparta Fire Protection District	General Revenue	39,920,954	0.5878	0.5878	234,655	B
Chadwick Rural Fire Protection Dist	General Revenue	9,952,920	0.5546	0.5546	55,199	B
Christian County Health Department	General Revenue	1,099,194,038	0.0444	0.0444	488,042	
Chadwick R-I School District	Operating Funds-Schools	11,723,690	3.6303	3.6303	425,605	E
	Debt Service	11,723,690	1.0456	1.0373	121,610	
Nixa Public School	Operating Funds-Schools	420,429,153	3.2295	3.2295	13,577,759	E
	Debt Service	420,429,153	1.7065	1.0666	4,484,297	
Sparta R-III School District	Operating Funds-Schools	38,723,426	3.4149	3.4149	1,322,366	E
	Debt Service	38,723,426	0.7716	0.6851	265,294	
Billings R-IV School District	Operating Funds-Schools	33,503,944	3.2257	3.2257	1,080,737	E
	Debt Service	33,503,944	1.7104	0.9500	318,287	
Clever R-V School District	Operating Funds-Schools	64,453,421	3.6186	3.6186	2,332,311	E
	Debt Service	64,453,421	1.3114	1.0300	663,870	
Ozark R-VI School District	Operating Funds-Schools	420,198,186	3.2826	3.2826	13,793,426	E
	Debt Service	420,198,186	1.4473	0.8574	3,602,779	
Spokane R-VII School District	Operating Funds-Schools	61,108,808	3.4650	3.4650	2,117,420	E
	Debt Service	61,108,808	1.3221	0.7445	454,955	
Christian County	General Revenue	1,099,194,038	0.2266	0.0715	785,924	
	Senate Bill 40	1,099,194,038	0.0799	0.0799	878,256	
	Senior Services	1,099,194,038	0.0500	0.0500	549,597	
	Common 1 Road & Bridge	109,024,450	0.2093	0.2093	228,188	
	Common 2 Road & Bridge	223,831,962	0.0848	0.0000	0	
<u>Clark</u>						
Clark County Ambulance District	General Revenue	108,506,200	0.2943	0.2943	319,334	
Clark County Nursing Home District	General Revenue	102,410,767	0.2373	0.2373	243,021	
Wayland Special Road Dist Clark Co	Road & Bridge	14,443,060	0.3241	0.3241	46,810	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clark</u>						
City of Alexandria	General Revenue	1,501,692	0.8884	0.8884	13,341	
City of Kahoka	General Revenue	17,138,784	0.7342	0.7342	125,833	
	Parks & Recreation	17,138,784	0.1418	0.1418	24,303	
	Library	17,138,784	0.2269	0.2269	38,888	
Village of Luray	General Revenue	339,470	0.5877	0.5877	1,995	
City of Wayland	General Revenue	4,253,628	0.6862	0.6862	29,188	
	Streets	4,253,628	0.2287	0.2287	9,728	
City of Wyaconda	General Revenue	1,933,876	0.9401	0.9401	18,180	
City of Revere	General Revenue	684,086	1.0000	1.0000	6,841	
Clark County Library	General Revenue	90,886,872	0.1000	0.1000	90,887	
Alexandria Fire Protection District	General Revenue	10,646,325	0.2323	0.2323	24,731	
Clark County Health Department	General Revenue	108,506,200	0.0981	0.0981	106,445	
Clark Co. R-I School District	Operating Funds-Schools	88,277,010	2.7507	2.7507	2,428,236 ^F	
	Debt Service	88,277,010	1.1544	0.7500	662,078	
Clark County	General Revenue	108,506,200	0.4572	0.3102	336,586	
	Road & Bridge	93,966,400	0.3194	0.3194	300,129	
	Special Road and Bridge	93,966,400	0.3380	0.3380	317,606	2016
	Senior Services	108,506,200	0.0504	0.0504	54,687	
<u>Clay</u>						
Eastern Clay County Ambulance Dist	General Revenue	36,379,656	0.2727	0.2727	99,207	
New Liberty Hospital District	General Revenue	1,009,495,985	0.1483	0.1483	1,497,083	
City of Avondale	General Revenue	4,010,550	0.4630	0.4630	18,569	
	Debt Service	4,010,550	0.8691	0.8691	34,856	
Village of Birmingham	General Revenue	2,956,543	0.3136	0.3136	9,272	
Village of Claycomo	General Revenue	95,929,708	0.3300	0.3300	316,568	
City of Excelsior Springs	General Revenue	148,553,092	0.6391	0.6391	949,403	
	Hospital	148,553,092	0.1799	0.1799	267,247	
	Parks	148,553,092	0.1799	0.1799	267,247	
	Recreation	148,553,092	0.1799	0.1799	267,247	
City of Glenaire	General Revenue	6,194,469	0.6572	0.6572	40,710	
City of Holt	General Revenue	5,109,386	0.4803	0.4803	24,540	
City of Kearney	General Revenue	146,100,993	0.5806	0.5800	847,386	
	Debt Service	146,100,993	0.0502	0.0500	73,050	
City of Liberty	General Revenue	464,762,342	0.8424	0.8287	3,851,486	
	Parks & Recreation	464,762,342	0.1484	0.1460	678,553	
City of Missouri City	General Revenue	1,748,282	0.8658	0.8658	15,137	
City of Mosby	General Revenue	2,957,123	0.9712	0.9712	28,720	
City of North Kansas City	General Revenue	258,143,004	0.4459	0.4459	1,151,060	
	Parks & Recreation	258,143,004	0.2000	0.2000	516,286	
	Library	258,143,004	0.3000	0.3000	774,429	
	Pension	258,143,004	0.2200	0.2200	567,915	
Village of Oaks	General Revenue	2,440,579	0.4945	0.4945	12,069	
	Fire	2,440,579	0.3092	0.3092	7,546	2015
	General Revenue-Temp	2,440,579	0.0000	0.0000	0	2015
Village of Oakview	General Revenue	5,764,662	0.4191	0.4191	24,160	
	Fire	5,764,662	0.1277	0.1277	7,361	
	Fire & Ambulance-Temp	5,764,662	0.3000	0.3000	17,294	2015
Village of Oakwood	General Revenue	4,396,613	0.2578	0.2578	11,334	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clay</u>						
Village of Oakwood	Fire	4,396,613	0.2865	0.2865	12,596	2015
	General Revenue-Temp	4,396,613	0.2196	0.2196	9,655	2015
Village of Oakwood Park	General Revenue	2,532,138	0.4551	0.4551	11,524	
City of Pleasant Valley	General Revenue	41,295,392	0.7160	0.7160	295,675	
Village of Prathersville	General Revenue	2,878,254	0.2701	0.2701	7,774	
City of Randolph	General Revenue	6,223,266	0.4986	0.4986	31,029	
City of Smithville	General Revenue	137,910,239	0.4523	0.4523	623,768	
Kearney Fire Protection District	General Revenue	294,409,581	0.5135	0.5135	1,511,793	
	Ambulance	294,409,581	0.2817	0.2817	829,352	
	Dispatch	294,409,581	0.0298	0.0298	87,734	
	Debt Service	294,409,581	0.0887	0.0887	261,141	
Holt Community Fire Protection Dist	General Revenue	69,504,698	0.5689	0.5689	395,412	
	Ambulance	69,504,698	0.2800	0.2800	194,613	
Fishing River Fire Protection Dist	General Revenue	67,518,122	0.2685	0.2685	181,286	
Developmental Disabilities Resource	General Revenue	3,753,556,008	0.1182	0.1144	4,294,068	
Clay Platte Ray Mental Health Board	General Revenue	3,753,556,008	0.0969	0.0969	3,637,196	
Clay County Public Health Center	General Revenue	3,753,556,008	0.0985	0.0985	3,697,253	
The 210 Hwy Trans Development Dist	General Revenue	44,558,647	0.0674	0.0674	30,033	2016
Kearney R-I School District	Operating Funds-Schools	328,509,817	4.1557	4.1557	13,651,882	E
	Debt Service	328,509,817	1.6394	1.1904	3,910,581	
Smithville R-II School District	Operating Funds-Schools	222,948,152	3.3521	3.3521	7,473,445	E
	Debt Service	222,948,152	1.1206	1.0467	2,333,598	
Excelsior Springs 40 School Dist	Operating Funds-Schools	218,408,915	4.2224	4.2224	9,222,098	E
	Debt Service	218,408,915	0.9779	0.9500	2,074,885	
Liberty 53 School District	Operating Funds-Schools	845,836,855	5.2056	5.2056	44,030,883	E
	Debt Service	845,836,855	2.1663	1.2494	10,567,886	
Missouri City 56 School District	Operating Funds-Schools	7,084,759	4.4598	4.3327	306,961	
North Kansas City 74 School Dist	Operating Funds-Schools	2,009,984,252	5.1433	5.1433	103,379,520	E
	Debt Service	2,009,984,252	1.4340	1.2900	25,928,797	
Clay County	General Revenue	3,753,556,008	0.3092	0.0839	3,149,233	
	Parks & Recreation	3,753,556,008	0.0000	0.0000	0	
	Road & Bridge	3,753,556,008	0.0850	0.0800	3,002,845	
	Senior Services	3,753,556,008	0.0491	0.0491	1,842,996	
<u>Clinton</u>						
Cameron Ambulance District	General Revenue	103,671,500	0.2048	0.0000	0	
Tri-County Ambulance District	General Revenue	211,306,750	0.2700	0.2700	570,528	
Cameron Spec Road Dist Clinton Co	Road & Bridge	59,022,196	0.2577	0.2577	152,100	
	Special Road and Bridge	59,022,196	0.3505	0.3500	206,578	2017
Plattsburg Spec Rd Dist Clinton Co	Road & Bridge	38,311,259	0.2702	0.2702	103,517	
	Special Road and Bridge	38,311,259	0.3529	0.3529	135,200	A 2018
City of Cameron	General Revenue	68,576,058	0.6263	0.6263	429,492	
	Parks & Recreation	68,576,058	0.1538	0.1538	105,470	
	Library	68,576,058	0.1758	0.1758	120,557	
	Band Revenue	68,576,058	0.0879	0.0879	60,278	
City of Gower	General Revenue	14,232,430	0.5571	0.5571	79,289	
City of Lathrop	General Revenue	20,291,655	0.5799	0.5799	117,671	
	Parks & Recreation	20,291,655	0.1526	0.1526	30,965	
	Debt Service	20,291,655	0.4746	0.4746	96,304	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clinton</u>						
City of Plattsburg	General Revenue	26,170,618	0.5815	0.5815	152,182	
	Lights	26,170,618	0.1021	0.1021	26,720	2016
	Police	26,170,618	0.2205	0.2205	57,706	
	Cemetery	26,170,618	0.0188	0.0188	4,920	2016
	Park	26,170,618	0.1408	0.1408	36,848	
	Recreation	26,170,618	0.0489	0.0489	12,797	
City of Trimble	General Revenue	6,759,433	0.3322	0.3322	22,455	
	Debt Service	6,759,433	0.0068	0.0068	460	
Village of Turney	General Revenue	1,741,692	0.3263	0.3263	5,683	
Gower Fire Protection District	General Revenue	47,379,679	0.2599	0.2599	123,140	
Lathrop Fire Protection District	General Revenue	61,283,157	0.3704	0.3704	226,993	
Plattsburg Fire Protection District	General Revenue	63,860,719	0.4579	0.4500	287,373	B
Cameron Fire Protection District	General Revenue	43,226,276	0.2880	0.2880	124,492	
Clinton County Health Department	General Revenue	282,689,087	0.0922	0.0922	260,639	
Cameron R-I School District	Operating Funds-Schools	110,572,885	3.4596	3.4596	3,825,380	E
	Debt Service	110,572,885	0.9746	0.6897	762,621	
Lathrop R-II School District	Operating Funds-Schools	60,219,387	4.3619	4.3619	2,626,709	E
	Debt Service	60,219,387	1.4775	0.9725	585,634	
Clinton County R-III School Dist	Operating Funds-Schools	72,913,710	3.9134	3.9134	2,853,405	E
	Debt Service	72,913,710	1.2382	1.0000	729,137	
Clinton County	General Revenue	282,689,087	0.3584	0.2482	701,634	
	Common Road District	185,355,632	0.2774	0.2774	514,177	
	Senate Bill 40	282,689,087	0.0922	0.0922	260,639	
	Special Road and Bridge	185,355,632	0.3561	0.3500	648,745	A 2018
<u>Cole</u>						
Village of Centertown	General Revenue	4,161,886	0.7500	0.7500	31,214	
City of Jefferson City	General Revenue	863,071,468	0.4621	0.4600	3,970,129	
	Firemen Retirement	863,071,468	0.0965	0.0961	829,412	
City of Lohman	General Revenue	2,162,172	0.2864	0.2864	6,192	
	Debt Service	2,162,172	0.3191	0.3191	6,899	
City of Russellville	General Revenue	7,333,922	0.7828	0.7828	57,410	
City of Taos	General Revenue	16,054,637	0.2766	0.2766	44,407	
Jeff City/Cole County Library Dist	General Revenue	1,364,309,822	0.2000	0.2000	2,728,620	
Cole County Fire Protection Dist	General Revenue	185,148,883	0.3000	0.3000	555,447	
Regional West Fire Protection Dist	General Revenue	183,425,335	0.2922	0.2922	535,969	
Osage Fire Protection District	General Revenue	122,049,426	0.2993	0.2993	365,294	
Russellville-Lohman Fire Prot Dist	General Revenue	49,370,544	0.3000	0.3000	148,112	
Cole County R-I School District	Operating Funds-Schools	52,816,473	3.2551	3.2551	1,719,229	E
	Debt Service	52,816,473	1.1813	0.8800	464,785	
Cole County R-II School District	Operating Funds-Schools	100,059,755	2.7500	2.7500	2,751,643	E
	Debt Service	100,059,755	1.0740	0.9100	910,544	
Cole County R-V School District	Operating Funds-Schools	64,399,814	3.3902	2.9600	1,906,234	F
	Debt Service	64,399,814	0.7296	0.6900	444,359	
Jefferson City School District	Operating Funds-Schools	1,222,978,929	3.7642	3.4358	42,019,110	
	Debt Service	1,222,978,929	0.4893	0.2570	3,143,056	
Cole County	General Revenue	1,364,309,822	0.3364	0.0752	1,025,961	
	Road & Bridge	1,364,309,822	0.2706	0.2700	3,683,637	
	Senate Bill 40	1,364,309,822	0.0903	0.0903	1,231,972	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cooper</u>						
Cooper County Memorial Hospital	General Revenue	238,272,791	0.1496	0.1496	356,456	
Cooper County Nursing Home District	General Revenue	39,314,991	0.1420	0.1420	55,827	
City of Blackwater	General Revenue	1,385,661	0.9229	0.9229	12,788	
	Debt Service	1,385,661	0.3729	0.3729	5,167	
City of Boonville	General Revenue	97,640,977	0.7034	0.7034	686,807	
City of Bunceton	General Revenue	2,111,105	0.9782	0.9782	20,651	
City of Otterville	General Revenue	3,076,513	0.8310	0.8269	25,440	
City of Pilot Grove	General Revenue	5,267,165	0.7238	0.7238	38,124	
City of Prairie Home	General Revenue	2,160,077	0.9799	0.9799	21,167	
Village of Wooldridge	General Revenue	257,830	0.6955	0.6955	1,793	
Cooper Co Fire Protection District	General Revenue	74,243,289	0.4715	0.4715	350,057	
	Debt Service	74,243,289	0.3592	0.3592	266,682	
Otterville Fire Protection District	General Revenue	13,406,620	0.3000	0.3000	40,220	
Prairie Home Rural Fire Prot Dist	General Revenue	12,529,948	0.2540	0.2540	31,826	
Blackwater Area Fire Prot District	General Revenue	17,859,260	0.1981	0.1981	35,379	
Pilot Grove Area Fire Prot District	General Revenue	20,765,480	0.2941	0.2941	61,071	
Cooper County Public Health Center	General Revenue	238,272,791	0.1895	0.1895	451,527	
Blackwater R-II School District	Operating Funds-Schools	8,770,361	3.2459	3.2459	284,677	E
Cooper County R-IV School District	Operating Funds-Schools	9,189,666	4.4335	4.4335	407,424	E
	Debt Service	9,189,666	0.8923	0.5978	54,936	
Prairie Home R-V School District	Operating Funds-Schools	13,256,967	4.4095	4.4095	584,566	E
	Debt Service	13,256,967	0.6354	0.4117	54,579	
Otterville R-VI School District	Operating Funds-Schools	13,858,244	3.7902	3.7902	525,255	E
	Debt Service	13,858,244	0.9516	0.6700	92,850	
Pilot Grove C-4 School District	Operating Funds-Schools	18,375,929	3.1277	3.1277	574,744	E
	Operating Funds-Temp	18,375,929	0.6941	0.6941	127,547	2026
	Debt Service	18,375,929	1.1433	0.9000	165,383	
Boonville R-I School District	Operating Funds-Schools	138,213,898	3.3820	3.3820	4,674,394	E
	Debt Service	138,213,898	0.9897	0.8968	1,239,502	
Cooper County	General Revenue	238,272,791	0.4320	0.2316	551,840	
	Road & Bridge	238,272,791	0.3189	0.3189	759,852	
	Senate Bill 40	238,272,791	0.1995	0.1995	475,354	
<u>Crawford</u>						
North Crawford Co Ambulance Dist	General Revenue	195,991,801	0.2729	0.0990	194,032	
Steelville Ambulance District	General Revenue	70,668,923	0.3207	0.1807	127,699	
City of Bourbon	General Revenue	10,195,685	0.6828	0.6828	69,616	
	Parks & Recreation	10,195,685	0.1000	0.1000	10,196	
	Police	10,195,685	0.3239	0.3239	33,024	
Village of Leasburg	General Revenue	1,722,866	0.4962	0.4962	8,549	
City of Steelville	General Revenue	14,031,608	0.5192	0.5192	72,852	
Crawford County Library District	General Revenue	282,105,640	0.0933	0.0933	263,205	
Bourbon Fire Protection District	General Revenue	48,472,035	0.2700	0.1346	65,243	
Steelville Fire Protection District	General Revenue	80,637,870	0.1977	0.1977	159,421	
Crawford County R-I School District	Operating Funds-Schools	63,706,390	3.0785	3.0785	1,961,201	E
	Debt Service	63,706,390	1.4440	0.9350	595,655	
Crawford Co R-II School District	Operating Funds-Schools	115,820,925	2.9545	2.7500	3,185,075	F
	Debt Service	115,820,925	0.8885	0.5600	648,597	
Steelville R-III School District	Operating Funds-Schools	59,033,610	3.1467	3.1467	1,857,611	E

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Crawford</u>						
Steelville R-III School District	Debt Service	59,033,610	0.9893	0.7867	464,417	
Crawford County	General Revenue	299,252,745	0.2891	0.1187	355,213	
	Road & Bridge	299,252,745	0.2050	0.2050	613,468	
	Senate Bill 40	299,252,745	0.0932	0.0932	278,904	
	Senior Services	299,252,745	0.0465	0.0465	139,153	
<u>Dade</u>						
Dade County Nursing Home	General Revenue	83,038,732	0.2565	0.2565	212,994	
Good Shepherd Nursing Home District	General Revenue	30,132,229	0.1537	0.1537	46,313	
	Debt Service	30,132,229	0.4981	0.4300	129,569	
Bona Special Road District Dade Co	Road & Bridge	845,891	0.4234	0.4234	3,582	
Dry Bone Special Road Dist Dade Co	Road & Bridge	533,863	0.3414	0.3414	1,823	
Maize Creek Spec Road Dist Dade Co	Road & Bridge	518,520	0.5000	0.5000	2,593	
Sac Special Road Dist #1 Dade Co	Road & Bridge	1,069,972	0.3114	0.3114	3,332	
Sac Special Road Dist #2 Dade Co	Road & Bridge	1,216,421	0.2483	0.2483	3,020	
Southeast Special Road Dist Dade Co	Road & Bridge	404,608	0.3839	0.3839	1,553	
Birchwood Special Road District	Road & Bridge	1,119,127	0.2723	0.2723	3,047	
Village of Dadeville	General Revenue	1,546,649	0.4500	0.4500	6,960	
City of Everton	General Revenue	1,759,478	1.0000	1.0000	17,595	
	Parks & Recreation	1,759,478	0.1000	0.1000	1,759	
City of Greenfield	General Revenue	13,303,291	0.4340	0.4340	57,736	
	Parks & Recreation	13,303,291	0.0000	0.0000	0	
	Streets	13,303,291	0.1754	0.1754	23,334	
Village of South Greenfield	General Revenue	880,924	0.4404	0.4404	3,880	
City of Lockwood	General Revenue	7,684,089	0.5825	0.5825	44,760	
	Parks & Recreation	7,684,089	0.1553	0.1553	11,933	
	Library	7,684,089	0.1845	0.1845	14,177	
Dade County Library District	General Revenue	105,614,485	0.0929	0.0929	98,116	
Cedar Township Dade County	Road & Bridge	5,056,944	0.3960	0.3960	20,025	
	Special Road and Bridge	5,056,944	0.1312	0.1312	6,635 ^A	2018
Center Township Dade County	Road & Bridge	22,610,108	0.3462	0.3462	78,276	
Ernest Township Dade County	Road & Bridge	1,621,060	0.5000	0.5000	8,105	
Grant Township Dade County	Road & Bridge	4,930,029	0.3662	0.3662	18,054	
Lockwood Township Dade County	Road & Bridge	16,970,332	0.3025	0.3025	51,335	
Marion Township Dade County	Road & Bridge	5,776,795	0.3393	0.3393	19,601	
North Morgan Township Dade County	Road & Bridge	2,140,934	0.2168	0.2168	4,642	
North Township Dade County	Road & Bridge	4,728,558	0.4074	0.4074	19,264	
Pilgrim Township Dade County	Road & Bridge	3,138,139	0.2957	0.2957	9,279	
	Special Road and Bridge	3,138,139	0.2300	0.2300	7,218 ^A	2018
Polk Township Dade County	Road & Bridge	7,174,415	0.3332	0.3332	23,905	
	Special Road and Bridge	7,174,415	0.3438	0.3438	24,666	2015
Rock Prairie Township Dade County	Road & Bridge	13,385,259	0.3409	0.3409	45,630	
Sac Township Dade County	Road & Bridge	4,551,355	0.2787	0.2787	12,685	
Smith Township Dade County	Road & Bridge	2,543,183	0.4510	0.4510	11,470	
	Special Road and Bridge	2,543,183	0.2584	0.2584	6,572	2016
South Township Dade County	Road & Bridge	3,908,205	0.3967	0.3967	15,504	
	Special Road and Bridge	3,908,205	0.3397	0.3397	13,276	2016
South Morgan Township Dade County	Road & Bridge	3,645,416	0.3954	0.3954	14,414	
Washington Township Dade County	Road & Bridge	5,257,254	0.2636	0.2636	13,858	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Dade</u>						
Dadeville Rural Fire Prot District	General Revenue	11,911,986	0.1792	0.1792	21,346	
Dade Co R-4 Rural Fire Prot Dist	General Revenue	44,466,642	0.1866	0.1866	82,975	
Dade County Health Department	General Revenue	113,210,753	0.0924	0.0924	104,607	
Lockwood R-I School District	Operating Funds-Schools	31,422,372	3.4370	3.4370	1,079,987	BE
	Debt Service	31,422,372	0.6863	0.6000	188,534	
Dadeville R-II School District	Operating Funds-Schools	11,076,995	3.4339	3.4300	379,941	E
	Debt Service	11,076,995	0.9938	0.9900	109,662	
Everton R-III School District	Operating Funds-Schools	10,978,989	4.3759	4.3759	480,430	E
	Debt Service	10,978,989	0.8605	0.5500	60,384	
Greenfield R-IV School District	Operating Funds-Schools	38,095,229	2.9328	2.9328	1,117,257	E
	Debt Service	38,095,229	0.5814	0.5363	204,305	
Dade County	General Revenue	113,210,753	0.2501	0.1300	147,174	
	Township Tax	113,210,753	0.0924	0.0924	104,607	
<u>Dallas</u>						
City of Buffalo	General Revenue	28,708,422	0.5988	0.5988	171,906	
City of Urbana	General Revenue	3,057,376	0.5814	0.5814	17,776	
Dallas County Library	General Revenue	158,611,963	0.1000	0.1000	158,612	
Southern Dallas Co Fire Prot Dist	General Revenue	23,234,386	0.2880	0.2880	66,915	
Elkland Fire Protection District	General Revenue	14,589,066	0.3000	0.3000	43,767	
Dallas County Health Department	General Revenue	158,611,963	0.1005	0.1005	159,405	
Dallas Co R-I School District	Operating Funds-Schools	112,316,031	3.3500	3.3500	3,762,587	E
Dallas County	General Revenue	158,611,963	0.3592	0.1380	218,885	
	Road & Bridge	158,611,963	0.2669	0.2669	423,335	
<u>Daviess</u>						
Community Ambulance District	General Revenue	110,372,533	0.3459	0.3459	381,779	
West Fork of Big Creek Watershed	Main & Op	1,199,035	0.1518	0.1518	1,820	
Jamesport Spec Rd Dist Daviess Co	Road & Bridge	11,593,558	0.3566	0.3566	41,343	
	Special Road and Bridge	11,593,558	0.2659	0.2659	30,827	2016
Lock Springs Special Road District	Road & Bridge	4,340,101	0.3113	0.3113	13,511	
	Special Road and Bridge	4,340,101	0.3500	0.3500	15,190	2016
Daviess County Special Road Dist #1	Road & Bridge	22,602,222	0.2120	0.2120	47,917	
	Special Road and Bridge	22,602,222	0.3608	0.3608	81,549	2015
Village of Altamont	General Revenue	817,335	0.6478	0.6478	5,295	
City of Coffey	General Revenue	496,697	1.0000	1.0000	4,967	
City of Gallatin	General Revenue	13,721,702	0.6267	0.6267	85,994	
	Parks & Recreation	13,721,702	0.2230	0.2230	30,599	
	Band	13,721,702	0.0200	0.0200	2,744	
City of Jamesport	General Revenue	4,156,663	0.6953	0.6953	28,901	
	Parks & Recreation	4,156,663	0.1647	0.1647	6,846	
Village of Jameson	General Revenue	476,730	0.5000	0.5000	2,384	
	General Revenue-Temp	476,730	0.2071	0.2071	987	2017
Village of Lock Springs	General Revenue	302,245	0.3950	0.3950	1,194	
City of Pattonsburg	General Revenue	1,922,372	1.0000	1.0000	19,224	
Village of Winston	General Revenue	1,007,889	0.5000	0.5000	5,039	
	Streets	1,007,889	0.3169	0.3169	3,194	2016
Daviess County Library	General Revenue	126,779,712	0.1829	0.1829	231,880	
Benton Township Daviess County	General Revenue	6,866,925	0.0981	0.0981	6,736	
	Road & Bridge	6,866,925	0.4903	0.4903	33,669	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Daviess</u>						
Colfax Township Daviess County	General Revenue	6,528,898	0.0976	0.0976	6,372	2016
	Road & Bridge	6,528,898	0.4881	0.4881	31,868	
	Special Road and Bridge	6,528,898	0.2482	0.2482	16,205	
Grand River Township Daviess County	General Revenue	4,941,744	0.1000	0.1000	4,942	2016
	Road & Bridge	4,941,744	0.5000	0.5000	24,709	
	Special Road and Bridge	4,941,744	0.3534	0.3534	17,464	
Harrison Township Daviess County	General Revenue	3,934,426	0.0788	0.0788	3,100	2016
	Road & Bridge	3,934,426	0.3892	0.3892	15,313	
	Special Road and Bridge	3,934,426	0.3328	0.3328	13,094	
Jackson Township Daviess County	General Revenue	11,598,797	0.0898	0.0898	10,416	2016
	Road & Bridge	11,598,797	0.4465	0.4465	51,789	
	Special Road and Bridge	7,258,620	0.3488	0.3488	25,318	
Jamesport Township Daviess County	General Revenue	11,593,558	0.0862	0.0862	9,994	
Jefferson Township Daviess County	General Revenue	5,858,913	0.0998	0.0998	5,847	2016
	Road & Bridge	5,858,913	0.4613	0.4613	27,027	
	Special Road and Bridge	5,858,913	0.3494	0.3494	20,471	
Liberty Township Daviess County	General Revenue	28,025,145	0.0644	0.0644	18,048	
	Road & Bridge	5,422,923	0.4972	0.4972	26,963	
Lincoln Township Daviess County	General Revenue	4,670,254	0.0990	0.0990	4,624	2016
	Road & Bridge	4,670,254	0.4949	0.4949	23,113	
	Special Road and Bridge	4,670,254	0.3468	0.3468	16,196	
Marion Township Daviess County	General Revenue	5,008,178	0.0778	0.0778	3,896	2016
	Road & Bridge	5,008,178	0.4767	0.4767	23,874	
	Special Road and Bridge	5,008,178	0.3405	0.3405	17,053	
Monroe Township Daviess County	General Revenue	3,423,857	0.1000	0.1000	3,424	2016
	Road & Bridge	3,423,857	0.4964	0.4964	16,996	
	Special Road and Bridge	3,423,857	0.3526	0.3526	12,073	
Salem Township Daviess County	General Revenue	6,124,800	0.1000	0.1000	6,125	2016
	Road & Bridge	6,124,800	0.5000	0.5000	30,624	
	Special Road and Bridge	6,124,800	0.3515	0.3515	21,529	
Sheridan Township Daviess County	General Revenue	5,004,722	0.0960	0.0960	4,805	2016
	Road & Bridge	5,004,722	0.4462	0.4462	22,331	
	Special Road and Bridge	5,004,722	0.3495	0.3495	17,492	
Union Township Daviess County	General Revenue	19,784,041	0.0497	0.0497	9,833	
	Road & Bridge	19,784,041	0.3780	0.3780	74,784	
Washington Township Daviess County	General Revenue	3,415,454	0.1000	0.1000	3,415	2016
	Road & Bridge	3,415,454	0.5000	0.5000	17,077	
	Special Road and Bridge	3,415,454	0.3588	0.3588	12,255	
KAW Fire Protection District	General Revenue	28,291,021	0.5013	0.5013	141,823	
Jameson Fire Protection District	General Revenue	5,815,916	0.3000	0.3000	17,448	
Coffey Fire Protection District	General Revenue	4,896,683	0.2959	0.2959	14,489	
Pattonsburg Rescue & Fire Prot Dist	General Revenue	14,273,984	0.2937	0.2937	41,923	
Gallatin Fire Protection District	General Revenue	29,183,136	0.2981	0.2981	86,995	
Daviess County Health Department	General Revenue	126,779,712	0.2396	0.2396	303,764	
Pattonsburg R-II School District	Operating Funds-Schools	14,163,359	4.2729	4.2729	605,186 ^E	
	Debt Service	14,163,359	0.5721	0.5623	79,641	
Winston R-VI School District	Operating Funds-Schools	22,966,045	3.0000	3.0000	688,981 ^E	
	Debt Service	22,966,045	0.0913	0.0900	20,669	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Daviess</u>						
North Daviess R-III School District	Operating Funds-Schools	10,721,185	5.3113	5.3113	569,434 ^E	
Gallatin R-V School District	Operating Funds-Schools	42,351,151	3.4662	3.4662	1,467,976 ^E	
Tri-County R-VII School District	Operating Funds-Schools	19,080,243	4.1086	4.1086	783,931 ^E	
	Operating Funds-Temp	19,080,243	0.2500	0.2500	47,701	2017
Daviess County	General Revenue	126,779,712	0.1188	0.1188	150,614	
	Senate Bill 40	126,779,712	0.0793	0.0793	100,536	
	Senior Services	126,779,712	0.0496	0.0496	62,883	
<u>DeKalb</u>						
DeKalb-Clinton Ambulance Dist No 1	General Revenue	78,155,997	0.2469	0.2469	192,967	
Grindstone-Lost-Muddy-Creek Subdist	General Revenue	40,131,517	0.1326	0.1326	53,214	
Village of Amity	General Revenue	391,118	0.4408	0.4408	1,724	
City of Clarksdale	General Revenue	1,570,818	0.7401	0.7401	11,626	
	Lights	1,570,818	0.2312	0.2312	3,632	
	Streets	1,570,818	0.2544	0.2544	3,996	
City of Maysville	General Revenue	9,497,653	0.8171	0.8171	77,605	
City of Stewartsville	General Revenue	6,247,879	0.5328	0.5328	33,289	
	Lights	6,247,879	0.1282	0.1282	8,010	
City of Union Star	General Revenue	2,152,030	0.4905	0.4905	10,556	
	Lights	2,152,030	0.2189	0.2189	4,711	
	Streets	2,152,030	0.3773	0.3773	8,120	
	Debt Service	2,152,030	1.6714	1.6714	35,969	
Village of Weatherby	General Revenue	615,830	0.3913	0.3913	2,410	
City of Osborn	General Revenue	3,599,771	0.7766	0.7766	27,956	
Adams Township DeKalb County	General Revenue	8,395,261	0.0977	0.0977	8,202	
	Road & Bridge	8,395,261	0.3919	0.3919	32,901	
	Special Road and Bridge	8,395,261	0.1421	0.1421	11,930 ^A	2018
Camden Township DeKalb County	General Revenue	18,871,599	0.0991	0.0991	18,702	
	Road & Bridge	18,871,599	0.3554	0.3554	67,070	
Colfax Township DeKalb County	General Revenue	9,792,749	0.0988	0.0988	9,675	
	Road & Bridge	9,792,749	0.4282	0.4282	41,933	
	Special Road and Bridge	9,792,749	0.3559	0.3559	34,852	2015
Dallas Township DeKalb County	General Revenue	4,844,747	0.0986	0.0986	4,777	
	Road & Bridge	4,844,747	0.4226	0.4226	20,474	
	Special Road and Bridge	4,844,747	0.3489	0.3489	16,903	2017
Grand River Township DeKalb County	General Revenue	39,523,615	0.1000	0.1000	39,524	
	Road & Bridge	39,523,615	0.3988	0.3988	157,620	
Grant Township DeKalb County	General Revenue	6,023,863	0.0991	0.0991	5,970	
	Road & Bridge	6,023,863	0.4957	0.4957	29,860	
	Special Road and Bridge	6,023,863	0.3553	0.3553	21,403	2015
Polk Township DeKalb County	General Revenue	36,222,268	0.1000	0.1000	36,222	
	Road & Bridge	36,222,268	0.4453	0.4453	161,298	
Sherman Township DeKalb County	General Revenue	7,616,480	0.0992	0.0992	7,556	
	Road & Bridge	7,616,480	0.4046	0.4046	30,816	
	Special Road and Bridge	7,616,480	0.3619	0.3619	27,564	2015
Washington Township DeKalb County	General Revenue	20,391,474	0.0932	0.0932	19,005	
	Road & Bridge	20,391,474	0.3520	0.3520	71,778	
Osborn Fire Protection District	General Revenue	11,927,094	0.2454	0.2454	29,269	
Stewartsville Fire Protection Dist	General Revenue	20,198,921	0.2790	0.2790	56,355	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>DeKalb</u>						
Central DeKalb Co Fire Prot Dist	General Revenue	35,774,496	0.2561	0.2561	91,618	
Clarksdale Fire Protection District	General Revenue	10,662,302	0.4269	0.4269	45,517	
Union Star Fire Protection District	General Revenue	26,781,573	0.2968	0.2968	79,488	
Osborn R-O School District	Operating Funds-Schools	9,654,759	4.7738	4.7738	460,899	E
	Debt Service	9,654,759	0.4609	0.4600	44,412	
Maysville R-I School District	Operating Funds-Schools	45,207,179	3.5982	3.5982	1,626,645	E
	Operating Funds-Temp	45,207,179	0.5148	0.5148	232,727	A
Union Star R-II School District	Operating Funds-Schools	25,704,983	5.2018	5.0518	1,298,564	E
Stewartsville C-2 School District	Operating Funds-Schools	14,730,445	4.0476	4.0476	596,229	E
	Debt Service	14,730,445	0.6335	0.5015	73,873	
DeKalb County	General Revenue	151,677,171	0.3801	0.3023	458,520	
	Senate Bill 40	151,677,171	0.0900	0.0900	136,509	
	Senior Services	151,677,171	0.0300	0.0300	45,503	
<u>Dent</u>						
Salem Memorial Hospital District	General Revenue	244,543,347	0.2006	0.1920	469,523	
City of Salem	General Revenue	47,173,766	0.6374	0.6374	300,686	
	Library	47,173,766	0.2878	0.2878	135,766	
Dent County Fire Protection Dist	General Revenue	95,463,964	0.2327	0.2327	222,145	
Dent County Health Center	General Revenue	157,318,324	0.0957	0.0957	150,554	
Salem R-80 School District	Operating Funds-Schools	66,997,619	2.7500	2.7500	1,842,435	E
	Debt Service	66,997,619	0.5556	0.4500	301,489	
Oak Hill R-I School District	Operating Funds-Schools	13,942,310	3.0621	3.0621	426,927	E
Green Forest R-II School District	Operating Funds-Schools	19,207,690	2.7500	2.7500	528,211	E
Dent-Phelps R-III School District	Operating Funds-Schools	30,619,677	2.7500	2.7500	842,041	E
North Wood R-IV School District	Operating Funds-Schools	18,540,590	2.7653	2.7500	509,866	E
Dent County	General Revenue	157,318,324	0.3131	0.0350	55,061	
	Road & Bridge	157,318,324	0.2569	0.2550	401,162	
	Senate Bill 40	157,318,324	0.1360	0.1350	212,380	
	Senior Services	157,318,324	0.0479	0.0479	75,355	
<u>Douglas</u>						
Ava Ambulance District	General Revenue	100,978,671	0.1178	0.0000	0	
Douglas County Library	General Revenue	134,521,532	0.0851	0.0851	114,478	
Douglas County Health Department	General Revenue	134,521,532	0.2112	0.2112	284,109	
Skyline R-II School District	Operating Funds-Schools	9,243,995	2.9502	2.9502	272,716	E
Plainview R-VIII School District	Operating Funds-Schools	6,524,336	2.9508	2.9508	192,520	E
Ava R-I School District	Operating Funds-Schools	92,268,176	2.7500	2.7500	2,537,375	E
Douglas County	General Revenue	134,521,532	0.3081	0.1050	141,248	
	Road & Bridge	134,521,532	0.2231	0.2231	300,118	
	Senate Bill 40	134,521,532	0.0851	0.0851	114,478	
<u>Dunklin</u>						
City of Arbyrd	General Revenue	2,841,547	1.0000	1.0000	28,415	
City of Campbell	General Revenue	9,822,419	0.0000	0.0000	0	
City of Cardwell	General Revenue	2,843,556	0.6068	0.6068	17,255	
	Streets	2,843,556	0.1847	0.1847	5,252	
City of Clarkton	General Revenue	5,182,698	0.6882	0.6882	35,667	
City of Holcomb	General Revenue	3,370,647	0.7231	0.7231	24,373	
City of Homersville	General Revenue	3,731,285	0.8357	0.8357	31,182	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Dunklin</u>						
City of Kennett	General Revenue	93,962,704	0.0000	0.0000	0	
	Parks & Recreation	93,962,704	0.0000	0.0000	0	
	Special Park	93,962,704	0.0000	0.0000	0	
City of Malden	General Revenue	29,702,406	0.7585	0.7585	225,293	
City of Senath	General Revenue	9,590,284	0.6566	0.6546	62,778	
	Health	9,590,284	0.1152	0.1149	11,019	
Buffalo Township Dunklin County	General Revenue	10,262,240	0.1000	0.1000	10,262	
	Road & Bridge	10,262,240	0.3090	0.3090	31,710	
Clay Township Dunklin County	General Revenue	19,235,742	0.1000	0.1000	19,236	
	Road & Bridge	19,235,742	0.3375	0.3375	64,921	
Cotton Hill Township Dunklin County	General Revenue	47,076,529	0.1000	0.1000	47,077	
	Road & Bridge	47,076,529	0.3097	0.3097	145,796	
Freeborn Township Dunklin County	General Revenue	13,292,726	0.0999	0.0999	13,279	
	Road & Bridge	13,292,726	0.2609	0.2609	34,681	
Holcomb Township Dunklin County	General Revenue	12,227,779	0.1000	0.1000	12,228	
	Road & Bridge	12,227,779	0.2663	0.2611	31,927	
Independence Township Dunklin Co	General Revenue	120,902,164	0.1000	0.1000	120,902	
	Road & Bridge	120,902,164	0.2595	0.2595	313,741	
Salem Township Dunklin County	General Revenue	28,589,562	0.1000	0.1000	28,590	
	Road & Bridge	28,589,562	0.3104	0.3104	88,742	
Union Township Dunklin County	General Revenue	56,479,878	0.1000	0.1000	56,480	
	Road & Bridge	56,479,878	0.3790	0.3790	214,059	
Dunklin County Health Department	General Revenue	308,066,620	0.1000	0.1000	308,067	
Malden R-I School District	Operating Funds-Schools	45,477,319	2.8376	2.8376	1,290,464	E
	Debt Service	45,477,319	0.7696	0.7696	349,993	
Campbell R-II School District	Operating Funds-Schools	47,603,420	3.3815	3.2722	1,557,679	E
	Debt Service	47,603,420	0.9282	0.7635	363,452	
Holcomb R-III School District	Operating Funds-Schools	22,689,025	3.2881	3.2881	746,038	E
	Debt Service	22,689,025	0.7909	0.7405	168,012	
Clarkton C-4 School District	Operating Funds-Schools	13,605,619	3.4362	3.4300	466,673	E
Senath-Hornersville C-8 School Dist	Operating Funds-Schools	50,838,820	3.4922	3.4922	1,775,393	E
Southland C-9 School District	Operating Funds-Schools	15,330,885	3.5247	3.2767	502,347	E
Kennett 39 School District	Operating Funds-Schools	95,318,810	3.5007	3.5000	3,336,158	E
	Debt Service	95,318,810	0.9260	0.7000	667,232	
Dunklin County	General Revenue	308,066,620	0.0000	0.0000	0	
	Library	308,066,620	0.2500	0.2500	770,167	
	Johnson Grass	308,066,620	0.0000	0.0000	0	
	Ambulance	308,066,620	0.1396	0.1396	430,061	
	Senate Bill 40	308,066,620	0.1000	0.1000	308,067	
<u>Franklin</u>						
Gerald Ambulance District	General Revenue	111,840,371	0.3000	0.3000	335,521	
Meramec Ambulance District	General Revenue	500,404,362	0.4247	0.3489	1,745,911	B
	Dispatch	500,404,362	0.0300	0.0300	150,121	
St. Clair Ambulance District	General Revenue	206,257,617	0.3510	0.2525	520,800	
Union Ambulance District	General Revenue	322,795,315	0.1794	0.1794	579,095	
Washington Area Ambulance District	General Revenue	444,622,624	0.1688	0.0000	0	
New Haven Ambulance District	General Revenue	92,383,064	0.3000	0.2170	200,471	
City of Berger	General Revenue	1,818,511	0.9102	0.9102	16,552	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Franklin</u>						
City of Gerald	General Revenue	15,866,655	0.8390	0.7663	121,586	
	Parks & Recreation	15,866,655	0.2307	0.2104	33,383	
Village of Leslie	General Revenue	1,113,061	0.4862	0.4800	5,343	
City of New Haven	General Revenue	37,365,655	0.7222	0.6975	260,625	
	Parks & Recreation	37,365,655	0.1881	0.1800	67,258	
Village of Oak Grove	General Revenue	10,676,623	0.1695	0.1600	17,083	
City of Pacific	General Revenue	110,389,375	0.4397	0.4397	485,382	
Village of Parkway	General Revenue	5,665,805	0.2697	0.2650	15,014	
City of St. Clair	General Revenue	55,710,389	0.5491	0.5491	305,906	
	Parks & Recreation	55,710,389	0.1714	0.1714	95,488	
City of Sullivan	General Revenue	77,698,838	0.4299	0.4299	334,027	
	Library	76,110,704	0.2021	0.2021	153,820	
City of Union	General Revenue	167,023,964	0.5809	0.5809	970,242	
	Parks & Recreation	167,023,964	0.1399	0.1399	233,667	
City of Washington	General Revenue	306,544,022	0.6062	0.6062	1,858,270	
Washington Public Library	General Revenue	132,452,230	0.1000	0.1000	132,452	
Scenic Regional Library	General Revenue	2,344,010,766	0.2008	0.2008	4,706,774	
Beaufort Leslie Fire Prot District	General Revenue	54,553,224	0.4654	0.4654	253,891	
Boles Fire Protection District	General Revenue	262,704,126	0.5911	0.5911	1,552,844	
	Debt Service	262,704,126	0.2356	0.2356	618,931	
Pacific Fire Protection District	General Revenue	229,625,097	0.6912	0.6912	1,587,169	
	Pension	229,625,097	0.0494	0.0494	113,435	
	Joint Dispatch	229,625,097	0.0494	0.0494	113,435	
	Debt Service	229,625,097	0.0863	0.0700	160,738	
St. Clair Fire Protection District	General Revenue	215,350,870	0.6071	0.5044	1,086,230	
Sullivan Fire Protection District	General Revenue	189,231,332	0.3986	0.1340	253,570	
	Debt Service	189,231,332	0.2274	0.1400	264,924	
Union Fire Protection District	General Revenue	311,824,714	0.2928	0.1241	386,974	
Gerald-Rosebud Fire Protection Dist	General Revenue	66,936,989	0.2551	0.2551	170,756	
New Haven-Berger Fire Prot District	General Revenue	98,193,193	0.2500	0.2500	245,483	
Crestview Sewer District	General Revenue	1,104,571	0.4751	0.4751	5,248	
St. Clair Sewer District	General Revenue	9,185,650	0.3289	0.3289	30,212	
Sylvan Manor Sunset Acres Sew Dist	General Revenue	1,594,040	0.5627	0.5627	8,970	
Calvey Creek Sewer District	General Revenue	16,817,227	0.3998	0.3998	67,235	
East Central College	General Revenue	1,624,041,405	0.3700	0.3700	6,008,953	
	Debt Service	1,624,041,405	0.1336	0.0841	1,365,819	
Franklin Co R-II School District	Operating Funds-Schools	27,826,010	4.0500	3.8500	1,071,301	^E
Meramec Valley R-III School Dist	Operating Funds-Schools	304,155,722	3.6200	3.6200	11,010,437	^F
	Debt Service	304,155,722	1.0376	0.6900	2,098,674	
Union R-XI School District	Operating Funds-Schools	290,565,878	3.0386	2.7900	8,106,788	^F
	Debt Service	290,565,878	1.0393	0.9600	2,789,432	
Lonedell R-XIV School District	Operating Funds-Schools	35,530,170	3.5659	3.5659	1,266,970	^E
	Debt Service	35,530,170	0.3640	0.3000	106,591	
Spring Bluff R-XV School District	Operating Funds-Schools	24,180,497	3.1704	3.1666	765,700	^E
	Debt Service	24,180,497	0.8840	0.7000	169,263	
Strain-Japan R-XVI School District	Operating Funds-Schools	11,101,202	3.8393	3.8393	426,208	^E
	Debt Service	11,101,202	0.2279	0.1800	19,982	
St. Clair R-XIII School District	Operating Funds-Schools	136,916,864	2.7500	2.7500	3,765,214	^E

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Franklin</u>						
St. Clair R-XIII School District	Debt Service	136,916,864	0.7712	0.6200	848,885	
Sullivan C-2 School District	Operating Funds-Schools	157,646,640	3.0895	3.0895	4,870,493	E
	Debt Service	157,646,640	1.4555	1.1073	1,745,621	
New Haven School District	Operating Funds-Schools	34,298,996	4.1997	3.9448	1,353,027	E
	Debt Service	34,298,996	0.9587	0.5300	181,785	
Washington School District	Operating Funds-Schools	708,061,982	3.7038	3.7038	26,225,200	E
	Debt Service	708,061,982	0.3805	0.3700	2,619,829	
Franklin County	General Revenue	1,775,004,115	0.2984	0.1243	2,206,330	
	Road & Bridge	1,775,004,115	0.2145	0.2145	3,807,384	
	Senate Bill 40	1,775,004,115	0.1000	0.1000	1,775,004	
<u>Gasconade</u>						
Owensville Ambulance District	General Revenue	91,694,140	0.3221	0.0884	81,058	
Hermann Area Ambulance District	General Revenue	135,509,322	0.2865	0.1395	189,036	
Hermann Area Hospital District	General Revenue	128,509,185	1.0000	1.0000	1,285,092	B
Gasconade Manor Nursing Home Dist	General Revenue	135,414,871	0.1245	0.1245	168,592	
Morrison Levee Dist Gasconade Co	General Revenue	78,290	0.7178	0.7178	562	
Morrison Sp Rd Dist #4 Gasconade Co	Road & Bridge	6,001,212	0.2445	0.2445	14,673	
City of Bland	General Revenue	3,429,771	0.9465	0.9465	32,463	
	Parks & Recreation	3,429,771	0.2533	0.2533	8,688	
	Debt Service	3,429,771	0.0000	0.0000	0	
City of Gasconade	General Revenue	1,549,095	0.6207	0.6207	9,615	
	Debt Service	1,549,095	1.8383	1.8383	28,477	
City of Hermann	General Revenue	40,125,471	0.3579	0.3579	143,609	
	Parks & Recreation	40,125,471	0.0092	0.0092	3,692	
	Band	40,125,471	0.0101	0.0101	4,053	
City of Morrison	General Revenue	1,353,491	0.5259	0.5259	7,118	
City of Owensville	General Revenue	36,766,883	0.3337	0.3337	122,691	
	Parks & Recreation	36,766,883	0.3337	0.3337	122,691	
	Debt Service	36,766,883	0.6943	0.6943	255,272	
City of Rosebud	General Revenue	4,301,608	0.4277	0.4277	18,398	
Bland Fire Protection District	General Revenue	22,420,452	0.2116	0.2116	47,442	
Gasconade County Health Department	General Revenue	229,198,205	0.0963	0.0963	220,718	
Gasconade Co R-II School District	Operating Funds-Schools	152,723,123	3.4090	3.1800	4,856,595	F
	Debt Service	152,723,123	0.7841	0.6700	1,023,245	
Gasconade Co R-I School District	Operating Funds-Schools	116,863,972	2.9856	2.9856	3,489,091	E
	Debt Service	116,863,972	1.4708	0.7500	876,480	
Gasconade County	General Revenue	229,198,205	0.3631	0.1534	351,590	
	Common Road District	223,196,996	0.2663	0.2663	594,374	
	Mental Health	229,198,205	0.0797	0.0797	182,671	
	Senate Bill 40	229,198,205	0.0963	0.0963	220,718	
<u>Gentry</u>						
Grand River Regional Ambulance Dist	General Revenue	152,084,430	0.4510	0.4510	685,901	
City of Albany	General Revenue	16,642,319	0.6583	0.6583	109,556	
	Parks & Recreation	16,642,319	0.2916	0.2916	48,529	
	Library	16,642,319	0.6256	0.6100	101,518	B
	Health	16,642,319	0.1836	0.1836	30,555	
Village of Darlington	General Revenue	256,047	0.4940	0.4940	1,265	
Village of Gentry	General Revenue	310,903	0.5000	0.5000	1,555	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Gentry						
City of King City	General Revenue	7,182,957	0.7253	0.7253	52,098	2017
	Parks & Recreation	7,182,957	0.1787	0.1787	12,836	
	Health	7,182,957	0.1787	0.1787	12,836	
	Police	7,182,957	0.1551	0.1551	11,141	
City of McFall	General Revenue	619,377	0.7286	0.7286	4,513	
City of Stanberry	General Revenue	11,153,146	0.6554	0.6554	73,098	
	Parks & Recreation	11,153,146	0.1700	0.1700	18,960	
	Streets	11,153,146	0.3867	0.3867	43,129	
Gentry County Library District	General Revenue	76,876,498	0.3022	0.3022	232,321	
Athens Township Gentry County	General Revenue	24,956,046	0.1000	0.1000	24,956	
	Road & Bridge	24,956,046	0.3986	0.3986	99,475	
	Special Road District	24,956,046	0.2019	0.2019	50,386	2016
	Special Road and Bridge	24,956,046	0.2571	0.2571	64,162	2015
Bogle Township Gentry County	General Revenue	5,726,551	0.0988	0.0988	5,658	
	Road & Bridge	5,726,551	0.4939	0.4939	28,283	
	Special Road and Bridge	5,726,551	0.3209	0.3209	18,377	2015
	Gravel	5,726,551	0.3510	0.3510	20,100	2015
	Gravel & Maintenance	5,726,551	0.4497	0.4497	25,752	2017
Cooper Township Gentry County	General Revenue	19,995,484	0.1000	0.1000	19,995	
	Road & Bridge	19,995,484	0.4855	0.4855	97,078	
	Special Road and Bridge	19,995,484	0.1539	0.1539	30,773	2015
Howard Township Gentry County	General Revenue	2,330,375	0.0986	0.0986	2,298	
	Road & Bridge	2,330,375	0.4928	0.4928	11,484	
	Special Road and Bridge	2,330,375	0.3588	0.3588	8,361	2015
	Gravel	2,330,375	0.3076	0.3076	7,168	2015
Huggins Township Gentry County	General Revenue	3,355,725	0.1000	0.1000	3,356	
	Road & Bridge	3,355,725	0.5000	0.5000	16,779	
	Special Road and Bridge	3,355,725	0.3404	0.3404	11,423	2015
Jackson Township Gentry County	General Revenue	23,020,012	0.1000	0.1000	23,020	
	Road & Bridge	23,020,012	0.4820	0.4820	110,956	
	Special Road and Bridge	23,020,012	0.1246	0.1246	28,683	2015
	Special Road District	23,020,012	0.2503	0.2503	57,619 ^A	2018
Miller Township Gentry County	General Revenue	9,621,639	0.0997	0.0997	9,593	
	Road & Bridge	9,621,639	0.4983	0.4983	47,945	
	Special Road District	9,621,639	0.3488	0.3488	33,560	2016
	Special Road and Bridge	9,621,639	0.3500	0.3500	33,676 ^A	2018
Wilson Township Gentry County	General Revenue	4,513,970	0.0997	0.0997	4,500	
	Road & Bridge	4,513,970	0.4983	0.4983	22,493	
	Special Road and Bridge	4,513,970	0.2916	0.2916	13,163	2016
	Gravel	4,513,970	0.3130	0.3130	14,129	2015
	Gravel & Maintenance	4,513,970	0.3130	0.3130	14,129	2017
	Gravel and Maintenance	4,513,970	0.3561	0.3561	16,074	2015
Albany Community Fire Prot District	General Revenue	38,917,622	0.1702	0.1702	66,238	
	Fire	38,917,622	0.1500	0.1500	58,376	
Stanberry Fire Protection District	General Revenue	26,066,551	0.4000	0.4000	104,266	
McFall Fire Protection District	General Revenue	4,351,435	0.2938	0.2938	12,785	
King City Fire Protection District	General Revenue	46,252,590	0.2996	0.2996	138,573	
King City R-I School District	Operating Funds-Schools	45,465,742	4.3500	4.1893	1,904,696	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Gentry</u>						
King City R-I School District	Debt Service	45,465,742	0.5883	0.5100	231,875	
Stanberry R-II School District	Operating Funds-Schools	25,842,244	4.0958	4.0958	1,058,447	E 2026
	Operating Funds-Temp	25,842,244	1.3300	1.3300	343,702	
Albany R-III School District	Operating Funds-Schools	37,495,553	4.4893	4.4893	1,683,288	E
Gentry County	General Revenue	93,518,817	0.3526	0.3526	329,747	
	Senior Services	93,518,817	0.0500	0.0500	46,759	
	General Revenue-Temp	93,518,817	0.1903	0.1903	177,966	A 2018
<u>Greene</u>						
City of Ash Grove	General Revenue	13,963,908	0.5531	0.5531	77,234	
City of Battlefield	General Revenue	53,845,042	0.3394	0.3394	182,750	
City of Fair Grove	General Revenue	15,355,225	0.5338	0.5338	81,966	
	Debt Service	15,355,225	0.1958	0.1958	30,066	
City of Republic	General Revenue	171,255,959	0.4338	0.4338	742,908	
	Parks & Recreation	171,255,959	0.1168	0.1168	200,027	
	Lights	171,255,959	0.0667	0.0667	114,228	
City of Springfield	Parks & Recreation	2,835,546,833	0.1837	0.1837	5,208,900	
	Health	2,835,546,833	0.1252	0.1252	3,550,105	
	Art Museum	2,835,546,833	0.0385	0.0385	1,091,686	
	General Revenue-Temp	2,835,546,833	0.2620	0.2620	7,429,133	2025
City of Strafford	General Revenue	28,245,912	0.3424	0.3424	96,714	
City of Walnut Grove	General Revenue	5,327,712	0.6036	0.6036	32,158	
City of Willard	General Revenue	47,339,686	0.3899	0.3899	184,577	
	Parks & Recreation	47,339,686	0.1193	0.1193	56,476	
Springfield Greene County Library	General Revenue	4,631,454,331	0.2443	0.2443	11,314,643	
Battlefield Fire Protection Dist	General Revenue	543,232,917	0.5995	0.5995	3,256,681	
Strafford Fire Protection District	General Revenue	161,538,711	0.7323	0.7323	1,182,948	
Fair Grove Fire Protection District	General Revenue	67,114,660	0.9512	0.9512	638,395	
Brookline Fire Protection District	General Revenue	115,797,711	0.2479	0.2479	287,063	
Logan-Rogersville Fire Prot Dist	General Revenue	395,683,948	0.6157	0.6157	2,436,226	B
Willard Fire Protection District	General Revenue	150,369,872	0.7646	0.7646	1,149,728	
Walnut Grove Fire Protection Dist	General Revenue	37,219,060	0.2956	0.2956	110,020	
West Republic Fire Protection Dist	General Revenue	28,380,824	0.2662	0.2662	75,550	
Ebenezer Fire Protection District	General Revenue	108,244,574	0.8579	0.8579	928,630	
Bois D'Arc Fire Protection District	General Revenue	26,109,060	0.3138	0.3138	81,930	
Ash Grove Fire Protection District	General Revenue	26,829,580	0.5142	0.5142	137,958	B
Pleasant View Fire Protection Dist	General Revenue	31,285,480	0.8613	0.8579	268,398	B
C and E Community Improvement Dist	General Revenue	20,358,250	2.5281	2.5281	514,677	
Ozarks Technical Community College	General Revenue	6,773,749,667	0.0996	0.0996	6,746,655	
	General Revenue-Temp	6,773,749,667	0.0498	0.0498	3,373,327	2019
Willard R-II School District	Operating Funds-Schools	351,995,341	3.1162	3.1162	10,968,879	E
	Debt Service	351,995,341	1.4985	0.9738	3,427,731	
Republic R-III School District	Operating Funds-Schools	336,996,340	3.4200	3.4200	11,525,275	E
	Debt Service	336,996,340	2.0454	0.9400	3,167,766	
Ash Grove R-IV School District	Operating Funds-Schools	56,828,097	3.1146	3.1146	1,769,968	E
	Debt Service	56,828,097	0.5159	0.5000	284,140	
Walnut Grove R-V School District	Operating Funds-Schools	18,420,172	3.8278	3.8278	705,087	E
Strafford R-VI School District	Operating Funds-Schools	179,407,443	2.7500	2.7500	4,933,705	F
	Debt Service	179,407,443	0.8264	0.7000	1,255,852	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Greene</u>						
Logan-Rogersville R-VIII School Dis	Operating Funds-Schools	232,081,295	3.0710	3.0710	7,127,217	E
	Debt Service	232,081,295	1.1451	0.9250	2,146,752	
Springfield R-XII School District	Operating Funds-Schools	3,423,943,441	3.5193	3.5193	120,498,842	E
	Debt Service	3,423,943,441	0.8597	0.5500	18,831,689	
Fair Grove R-X School District	Operating Funds-Schools	64,417,052	3.0119	2.7500	1,771,469	F
	Debt Service	64,417,052	1.7823	0.9000	579,753	
Greene County	General Revenue	4,631,454,331	0.2524	0.1160	5,372,487	
	Road & Bridge	4,631,454,331	0.2524	0.1160	5,372,487	
	Senate Bill 40	4,631,454,331	0.0468	0.0468	2,167,521	
	Senior Services	4,631,454,331	0.0494	0.0494	2,287,938	
<u>Grundy</u>						
Grundy County Nursing Home District	General Revenue	123,383,970	0.1475	0.1475	181,991	
Spickard Special Road District	Special Road and Bridge	1,842,635	0.3359	0.3359	6,189	2017
Village of Brimson	General Revenue	281,184	0.1961	0.1961	551	
City of Galt	General Revenue	861,866	1.0000	1.0000	8,619	
City of Laredo	General Revenue	936,166	0.6977	0.6977	6,532	
	Streets	936,166	0.2988	0.2988	2,797	
City of Spickard	General Revenue	1,322,894	0.9079	0.9079	12,011	
City of Tindall	General Revenue	582,937	0.4416	0.4416	2,574	
	General Revenue	54,847,152	0.9186	0.9186	503,826	
City of Trenton	Parks & Recreation	54,847,152	0.1697	0.1697	93,076	
	General Revenue	123,383,970	0.1986	0.1986	245,041	
Franklin Township Grundy County	General Revenue	5,723,970	0.0892	0.0892	5,106	
	Road & Bridge	3,881,335	0.4840	0.4840	18,786	
	Special Road and Bridge	3,881,335	0.3500	0.3500	13,585	A 2018
Harrison Township Grundy County	General Revenue	2,226,173	0.0999	0.0999	2,224	
	Road & Bridge	2,226,173	0.4993	0.4993	11,115	
	Special Road and Bridge	2,226,173	0.3583	0.3583	7,976	2016
Jackson Township Grundy County	General Revenue	4,815,086	0.0889	0.0889	4,281	
	Road & Bridge	4,815,086	0.3653	0.3653	17,590	
	Special Road and Bridge	4,815,086	0.3500	0.3500	16,853	A 2018
	Debt Service	4,815,086	0.3940	0.3940	18,971	
Jefferson Township Grundy County	General Revenue	8,389,668	0.0854	0.0854	7,165	
	Road & Bridge	8,389,668	0.4334	0.4334	36,361	
	Special Road and Bridge	8,389,668	0.3500	0.3500	29,364	A 2018
Liberty Township Grundy County	General Revenue	3,893,151	0.1000	0.1000	3,893	
	Road & Bridge	3,893,151	0.5000	0.5000	19,466	
	Special Road and Bridge	3,893,151	0.3519	0.3519	13,700	2016
Lincoln Township Grundy County	General Revenue	9,328,212	0.0901	0.0901	8,405	
	Road & Bridge	9,328,212	0.2733	0.2733	25,494	
	Special Road and Bridge	9,328,212	0.3355	0.3355	31,296	2016
Madison Township Grundy County	General Revenue	6,755,624	0.1000	0.1000	6,756	
	Road & Bridge	6,755,624	0.5000	0.5000	33,778	
	Special Road and Bridge	6,755,624	0.3653	0.3653	24,678	A 2018
Marion Township Grundy County	General Revenue	5,783,961	0.0918	0.0918	5,310	
	Road & Bridge	5,783,961	0.4588	0.4588	26,537	
	Special Road and Bridge	5,783,961	0.3500	0.3500	20,244	A 2018
	Debt Service	5,783,961	0.1177	0.1177	6,808	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Grundy</u>						
Myers Township Grundy County	General Revenue	1,910,491	0.1000	0.1000	1,910	
	Road & Bridge	1,910,491	0.5000	0.5000	9,552	
	Special Road and Bridge	1,910,491	0.3713	0.3713	7,094 ^A	2018
Taylor Township Grundy County	General Revenue	2,001,012	0.0970	0.0970	1,941	
	Road & Bridge	2,001,012	0.4653	0.4653	9,311	
	Special Road and Bridge	2,001,012	0.3399	0.3399	6,801	2016
Trenton Township Grundy County	General Revenue	66,039,551	0.0628	0.0628	41,473	
	Road & Bridge	66,039,551	0.2811	0.2811	185,637	
Wilson Township Grundy County	General Revenue	5,015,299	0.0952	0.0952	4,775	
	Road & Bridge	5,015,299	0.4760	0.4760	23,873	
	Special Road and Bridge	5,015,299	0.3500	0.3500	17,554 ^A	2018
Washington Township Grundy County	General Revenue	1,501,771	0.0995	0.0995	1,494	
	Road & Bridge	1,501,771	0.4974	0.4974	7,470	
Grundy County Rural Fire Prot Dist	General Revenue	37,912,713	0.2548	0.2548	96,602	
Laredo Fire Protection District	General Revenue	11,837,199	0.2663	0.2663	31,522	
Spickard Fire Protection District	General Revenue	15,213,584	0.2677	0.2677	40,727	
Grundy County Health Department	General Revenue	123,383,970	0.2979	0.2979	367,561	
North Central Missouri College	General Revenue	88,254,779	0.3949	0.3949	348,518	
Grundy County R-V School District	Operating Funds-Schools	11,949,503	5.9207	5.9207	707,494 ^E	
Spickard R-II School District	Operating Funds-Schools	4,172,238	4.1065	4.1065	171,333 ^E	
Pleasant View R-VI School District	Operating Funds-Schools	7,699,327	4.7786	4.7786	367,920 ^E	
Laredo R-VII School District	Operating Funds-Schools	5,835,510	4.4845	4.2845	250,022 ^E	
	Operating Funds-Temp	5,835,510	1.4075	1.4075	82,135	2018
Trenton R-IX School District	Operating Funds-Schools	75,399,666	3.3812	3.3812	2,549,414 ^E	
	Debt Service	75,399,666	0.9085	0.9000	678,597	
Grundy County	General Revenue	123,383,970	0.3891	0.1732	213,701	
	Developmentally Disabled	123,383,970	0.0993	0.0993	122,520	
	Senior Services	123,383,970	0.0497	0.0497	61,322	
<u>Harrison</u>						
North Harrison Co Ambulance Dist	General Revenue	34,018,682	0.4807	0.4807	163,528	
Noel Adams Ambulance District	General Revenue	81,555,732	0.2815	0.0000	0	
Harrison County Hospital District	General Revenue	108,960,514	0.4417	0.4417	481,279	
Panther Creek Watershed Subdistrict	General Revenue	1,652,550	0.2388	0.2388	3,946	
West Fork of Big Creek Subdistrict	General Revenue	13,086,280	0.3872	0.3872	50,670	
East Fork of Big Creek Subdistrict	General Revenue	5,288,510	0.3791	0.3791	20,049	
City of Bethany	General Revenue	29,380,416	0.5766	0.5766	169,407	
	Parks & Recreation	29,380,416	0.0000	0.0000	0	
	Road	29,380,416	0.3261	0.3261	95,810	
Village of Blythedale	General Revenue	740,433	0.9622	0.9622	7,124	
City of Cainsville	General Revenue	1,639,188	0.5162	0.5162	8,461	
	Fire	1,639,188	0.0000	0.0000	0	
	General Revenue-Temp	1,639,188	0.0000	0.0000	0	2015
	General Revenue-Temporary	1,639,188	0.3000	0.3000	4,918	2016
	Gravel	1,639,188	0.5162	0.5162	8,461	
	Debt Service	1,639,188	0.1812	0.1812	2,970	
City of Gilman City	General Revenue	1,801,141	0.5070	0.5070	9,132	
	Parks & Recreation	1,801,141	0.0491	0.0491	884	
	Streets	1,801,141	0.1836	0.1836	3,307	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Harrison</u>						
Village of Mount Moriah	General Revenue	529,047	0.4569	0.4569	2,417	
City of New Hampton	General Revenue	1,085,428	0.6736	0.6736	7,311	
	Lights	1,085,428	0.1486	0.1486	1,613	
	Streets	1,085,428	0.2972	0.2972	3,226	
City of Ridgeway	General Revenue	1,973,578	1.0000	1.0000	19,736	
	Parks & Recreation	1,973,578	0.0500	0.0500	987	
Adams Township Harrison County	General Revenue	2,948,302	0.0983	0.0983	2,898	
	Road & Bridge	2,948,302	0.4916	0.4916	14,494	
	Special Road and Bridge	2,948,302	0.3460	0.3460	10,201	2015
Bethany Township Harrison County	General Revenue	36,582,528	0.1000	0.1000	36,583	
	Road & Bridge	36,582,528	0.3547	0.3547	129,758	
Butler Township Harrison County	General Revenue	2,403,300	0.0922	0.0922	2,216	
	Road & Bridge	2,403,300	0.4087	0.4087	9,822	
	Special Road and Bridge	2,403,300	0.3228	0.3228	7,758	2015
Clay Township Harrison County	General Revenue	2,737,051	0.0927	0.0927	2,537	
	Road & Bridge	2,737,051	0.4636	0.4636	12,689	
	Special Road and Bridge	2,737,051	0.3337	0.3337	9,134	2015
Colfax Township Harrison County	General Revenue	6,910,394	0.0935	0.0935	6,461	
	Road & Bridge	6,910,394	0.4471	0.4471	30,896	
	Special Road and Bridge	6,910,394	0.3320	0.3320	22,943	2015
Cypress Township Harrison County	General Revenue	2,635,031	0.1000	0.1000	2,635	
	Road & Bridge	2,635,031	0.4386	0.4386	11,557	
	Special Road and Bridge	2,635,031	0.3655	0.3655	9,631	2015
Dallas Township Harrison County	General Revenue	2,425,258	0.0978	0.0978	2,372	
	Road & Bridge	2,425,258	0.4259	0.4259	10,329	
	Special Road and Bridge	2,425,258	0.3519	0.3519	8,534	2015
Fox Creek Township Harrison County	General Revenue	2,128,058	0.0999	0.0999	2,126	
	Road & Bridge	2,128,058	0.4764	0.4764	10,138	
	Special Road and Bridge	2,128,058	0.3604	0.3604	7,670	2015
Grant Township Harrison County	General Revenue	3,793,058	0.0993	0.0993	3,767	
	Road & Bridge	3,793,058	0.4962	0.4962	18,821	
	Special Road and Bridge	3,793,058	0.3500	0.3500	13,276	2015
Hamilton Township Harrison County	General Revenue	2,759,283	0.1000	0.1000	2,759	
	Road & Bridge	2,759,283	0.5000	0.5000	13,796	
	Special Road and Bridge	2,759,283	0.3598	0.3598	9,928	2015
Jefferson Township Harrison County	General Revenue	4,536,935	0.0957	0.0957	4,342	
	Road & Bridge	4,536,935	0.4533	0.4533	20,566	
	Special Road and Bridge	4,536,935	0.3353	0.3353	15,212	2015
Lincoln Township Harrison County	General Revenue	2,324,384	0.0991	0.0991	2,303	
	Road & Bridge	2,324,384	0.4953	0.4953	11,513	
	Special Road and Bridge	2,324,384	0.3567	0.3567	8,291	2015
Madison Township Harrison County	General Revenue	5,223,300	0.0951	0.0951	4,967	
	Road & Bridge	5,223,300	0.4754	0.4754	24,832	
	Special Road and Bridge	5,223,300	0.3457	0.3457	18,057	2015
Marion Township Harrison County	General Revenue	7,487,298	0.0894	0.0894	6,694	
	Road & Bridge	7,487,298	0.4110	0.4110	30,773	
	Special Road and Bridge	7,487,298	0.3186	0.3186	23,855	2015
Sherman Township Harrison County	General Revenue	4,372,220	0.0976	0.0976	4,267	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Harrison</u>						
Sherman Township Harrison County	Road & Bridge	4,372,220	0.4879	0.4879	21,332	2015
	Special Road and Bridge	4,372,220	0.3479	0.3479	15,211	
Sugar Creek Township Harrison Co	General Revenue	4,234,266	0.0982	0.0982	4,158	2015
	Road & Bridge	4,234,266	0.3883	0.3883	16,442	
Trail Creek Township Harrison Co	Special Road and Bridge	4,234,266	0.3533	0.3533	14,960	2015
	General Revenue	3,917,776	0.0980	0.0980	3,839	
	Road & Bridge	3,917,776	0.4900	0.4900	19,197	2015
	Special Road and Bridge	3,917,776	0.3699	0.3699	14,492	
Union Township Harrison County	General Revenue	4,516,810	0.0975	0.0975	4,404	2015
	Road & Bridge	4,516,810	0.4873	0.4873	22,010	
Washington Township Harrison County	Special Road and Bridge	4,516,810	0.3479	0.3479	15,714	2015
	General Revenue	2,092,203	0.0978	0.0978	2,046	
	Road & Bridge	2,092,203	0.4888	0.4888	10,227	2015
	Special Road and Bridge	2,092,203	0.3520	0.3520	7,365	
White Oak Township Harrison County	General Revenue	4,933,059	0.0945	0.0945	4,662	2015
	Road & Bridge	4,933,059	0.4433	0.4433	21,868	
	Special Road and Bridge	4,933,059	0.3313	0.3313	16,343	2015
Ridgeway Fire Protection District	General Revenue	8,345,837	0.2952	0.2952	24,637	
Gilman City Fire Protection Dist	General Revenue	11,521,556	0.2988	0.2988	34,426	
New Hampton Fire Protection Dist	General Revenue	10,509,974	0.2924	0.2924	30,731	
North Harrison Fire Protection Dist	Fire	19,723,410	0.2902	0.2902	57,237	
Cainsville Fire Protection District	General Revenue	9,228,571	0.2515	0.2515	23,210	
Harrison County Health Department	General Revenue	108,960,514	0.2945	0.2945	320,889	
Cainsville R-I School District	Operating Funds-Schools	5,881,401	5.6146	5.6146	330,217 E	
South Harrison Co R-II School Dist	Operating Funds-Schools	65,351,171	3.4574	3.2635	2,132,735 E	2034
	Operating Funds-Temp	65,351,171	0.6539	0.6539	427,331 A	
North Harrison Co R-III School Dist	Operating Funds-Schools	18,877,553	4.3250	4.3250	816,454 E	
Gilman City R-IV School District	Operating Funds-Schools	10,971,566	4.9188	4.9188	539,669 E	
Ridgeway R-V School District	Operating Funds-Schools	7,586,442	6.0509	6.0509	459,048 E	
Harrison County	General Revenue	108,960,514	0.3712	0.3712	404,461	
	Senior Services	108,960,514	0.0491	0.0491	53,500	
<u>Henry</u>						
Windsor Ambulance District	General Revenue	49,464,719	0.2857	0.2857	141,321	
Bethlehem Spec Rd Dist #2 Henry Co	Road & Bridge	2,467,040	0.6100	0.6100	15,049	
Deerfield Creek Sp Rd Dist Henry Co	Road & Bridge	6,324,404	0.1815	0.1815	11,479	
Fields Creek Sp Rd Dist #1 Henry Co	Road & Bridge	25,211,034	0.3468	0.3468	87,432	
Honey Creek Sp Rd Dist #1 Henry Co	Road & Bridge	2,111,321	0.4011	0.4011	8,469	
Montrose Special Road Dist Henry Co	Road & Bridge	3,880,247	0.3143	0.3143	12,196	
Mt. Hope Special Road Dist Henry Co	Road & Bridge	1,522,175	0.4529	0.4529	6,894	
Osage Special Road Dist #1 Henry Co	Road & Bridge	5,219,283	0.3500	0.3500	18,267	
Shawnee Spec Road Dist #1 Henry Co	Road & Bridge	5,912,328	0.2742	0.2742	16,212	
Wagner Special Road Dist Henry Co	Road & Bridge	1,136,395	0.3851	0.3851	4,376	
Windsor Special Road Dist Henry Co	Road & Bridge	32,587,636	0.2748	0.2748	89,551	
Clinton Country Club Spec Road Dist	Road & Bridge	2,603,448	0.2639	0.2639	6,870	2017
	Special Road and Bridge	2,603,448	0.5590	0.5590	14,553	
City of Blainstown	General Revenue	532,487	0.9892	0.9892	5,267	2015
	Streets	532,487	0.4990	0.4990	2,657	
Village of Brownington	General Revenue	417,453	1.0000	1.0000	4,175	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Henry						
City of Calhoun	General Revenue	1,948,834	0.6601	0.6601	12,864	
	Police	1,948,834	0.2552	0.2552	4,973	2016
	Fire	1,948,834	0.2042	0.2042	3,980	2016
City of Clinton	General Revenue	123,706,259	0.5319	0.5319	657,994	
	Parks & Recreation	123,706,259	0.1489	0.1489	184,199	
City of Deepwater	General Revenue	2,531,866	0.8541	0.8541	21,625	
	Lights	2,531,866	0.1468	0.1468	3,717	
	Cemetery	2,531,866	0.0993	0.0993	2,514	
City of Montrose	General Revenue	3,262,034	0.9544	0.9544	31,133	
	Debt Service	3,262,034	0.1768	0.1768	5,767	
City of Ulrich	General Revenue	3,259,264	0.9377	0.9377	30,562	
	Parks & Recreation	3,259,264	0.2894	0.2894	9,432	
City of Windsor	General Revenue	22,722,906	0.6223	0.6223	141,405	
	Library	22,722,906	0.0000	0.0000	0	
	Park	22,722,906	0.2400	0.2400	54,535	
	Pool	22,722,906	0.1200	0.1200	27,267	
	Recreation	22,722,906	0.0600	0.0600	13,634	
	General Revenue	323,616,376	0.1962	0.1962	634,935	
Bear Creek Township Henry County	General Revenue	3,897,163	0.1846	0.1846	7,194	
	Road & Bridge	3,897,163	0.3231	0.3231	12,592	
	Special Road and Bridge	3,897,163	0.2432	0.2432	9,478	2017
Bethlehem Township Henry County	General Revenue	11,906,223	0.1242	0.1242	14,788	
	Road & Bridge	8,972,723	0.2748	0.2748	24,657	
Bogard Township Henry County	General Revenue	10,467,470	0.1705	0.1705	17,847	
	Road & Bridge	10,467,470	0.3610	0.3610	37,788	
	Special Road and Bridge	10,467,470	0.2467	0.2467	25,823	2016
Clinton Township Henry County	General Revenue	105,985,743	0.0520	0.0520	55,113	
	Road & Bridge	105,985,743	0.1040	0.1040	110,225	
Davis Township Henry County	General Revenue	13,867,279	0.2000	0.2000	27,735	
	Road & Bridge	13,867,279	0.5000	0.5000	69,336	
Deepwater Township Henry County	General Revenue	8,621,690	0.1682	0.1682	14,502	
	Road & Bridge	2,082,801	0.3536	0.3536	7,365	
Deer Creek Township Henry County	General Revenue	8,906,686	0.1485	0.1485	13,226	
	Road & Bridge	5,286,578	0.4476	0.4476	23,663	
Fairview Township Henry County	General Revenue	7,768,732	0.1543	0.1543	11,987	
	Road & Bridge	7,768,732	0.3292	0.3292	25,575	
Fields Creek Township Henry County	General Revenue	44,609,628	0.1615	0.1615	72,045	
	Road & Bridge	14,527,974	0.3083	0.3083	44,790	
Honey Creek Township Henry County	General Revenue	3,840,137	0.1494	0.1494	5,737	
	Road & Bridge	1,728,816	0.1338	0.1338	2,313	
Leesville Township Henry County	General Revenue	15,656,387	0.1390	0.1390	21,762	
	Road & Bridge	15,656,387	0.2784	0.2784	43,587	
Osage Township Henry County	General Revenue	11,040,643	0.1375	0.1375	15,181	
	Road & Bridge	5,822,147	0.2915	0.2915	16,972	
Shawnee Township Henry County	General Revenue	9,465,019	0.1520	0.1520	14,387	
	Road & Bridge	3,552,690	0.4208	0.4208	14,950	
Springfield Township Henry County	General Revenue	4,422,629	0.1879	0.1879	8,310	
	Road & Bridge	4,422,629	0.4697	0.4697	20,773	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Henry</u>						
Tebo Township Henry County	General Revenue	9,929,294	0.1673	0.1673	16,612	2015
	Road & Bridge	9,929,294	0.3643	0.3643	36,172	
	Special Road and Bridge	9,929,294	0.1719	0.1719	17,068	
Walker Township Henry County	General Revenue	6,639,754	0.1708	0.1708	11,341	
	Road & Bridge	6,639,754	0.2997	0.2997	19,899	
White Oak Township Henry County	General Revenue	8,094,837	0.1883	0.1883	15,243	
	Road & Bridge	8,094,837	0.3971	0.3971	32,145	
Windsor Township Henry County	General Revenue	32,587,636	0.1450	0.1450	47,252	
Big Creek Township Henry County	General Revenue	5,949,913	0.1555	0.1555	9,252	
	Road & Bridge	5,949,913	0.2529	0.2529	15,047	
Tightwad Fire Protection District	General Revenue	15,610,589	0.3000	0.3000	46,832	
Henry County Health Center	General Revenue	323,616,376	0.0979	0.0979	316,820	
Henry County R-I School District	Operating Funds-Schools	43,923,260	3.0175	2.7500	1,207,890	F
	Debt Service	43,923,260	0.7518	0.5000	219,616	
Shawnee R-III School District	Operating Funds-Schools	9,538,722	4.0478	4.0478	386,108	E
	Debt Service	9,538,722	0.5590	0.4034	38,479	
Calhoun R-VIII School District	Operating Funds-Schools	10,312,630	4.1068	4.1068	423,519	E
Leesville R-IX School District	Operating Funds-Schools	14,966,323	3.5385	3.5385	529,583	E
Davis R-XII School District	Operating Funds-Schools	17,986,750	3.5600	3.5600	640,328	E
	Debt Service	17,986,750	0.2706	0.1500	26,980	
Montrose R-XIV School District	Operating Funds-Schools	10,632,975	4.6422	4.6422	493,604	E
	Debt Service	10,632,975	0.8222	0.7922	84,234	
Clinton School District	Operating Funds-Schools	163,494,016	3.5122	3.5122	5,742,237	E
	Operating Funds-Temp	163,494,016	0.0000	0.0000	0	2027
	Debt Service	163,494,016	1.6444	0.8500	1,389,699	
Henry County	General Revenue	323,616,376	0.2494	0.0559	180,902	
	Senior Services	323,616,376	0.0489	0.0489	158,248	
<u>Hickory</u>						
City of Cross Timbers	General Revenue	856,259	0.4149	0.4149	3,553	
City of Hermitage	General Revenue	5,161,056	0.4870	0.4870	25,134	
City of Weaubleau	General Revenue	2,621,956	0.3743	0.3743	9,814	
City of Wheatland	General Revenue	3,813,790	0.3385	0.3385	12,910	
Hickory County Library District	General Revenue	119,880,160	0.1293	0.1293	155,005	
Hickory County Health Department	General Revenue	119,880,160	0.1506	0.1506	180,540	
Hickory County R-I School District	Operating Funds-Schools	42,683,407	2.8499	2.8499	1,216,434	E
	Debt Service	42,683,407	1.3006	0.8101	345,778	
Wheatland R-II School District	Operating Funds-Schools	36,526,531	2.9341	2.9341	1,071,725	E
	Debt Service	36,526,531	0.4316	0.4136	151,074	
Weaubleau R-III School District	Operating Funds-Schools	23,266,316	2.7500	2.7500	639,824	E
	Debt Service	23,266,316	0.9650	0.8900	207,070	
Hermitage R-IV School District	Operating Funds-Schools	41,388,742	2.7500	2.7500	1,138,190	E
	Debt Service	41,388,742	0.5368	0.4500	186,249	
Hickory County	General Revenue	119,880,160	0.3140	0.1859	222,857	
	Road & Bridge	119,880,160	0.2401	0.2401	287,832	
<u>Holt</u>						
Corning Special Road Dist Holt Co	Special Road and Bridge	3,236,572	0.3451	0.3451	11,169	2017
South Union Twsp Indpt Sp Rd Holt	Special Road and Bridge	2,174,005	0.3415	0.3415	7,424	2016
Village of Bigelow	General Revenue	421,934	0.7720	0.7720	3,257	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Holt</u>						
Village of Corning	General Revenue	158,687	0.3696	0.3696	587	
	Lights	158,687	0.1891	0.1891	300	
City of Craig	General Revenue	1,336,744	0.9931	0.9931	13,275	
	Lights	1,336,744	0.1542	0.1542	2,061	2017
	Motor Fuel	1,336,744	0.3972	0.3972	5,310	
	Debt Service	1,336,744	1.3858	1.3858	18,525	
City of Forest City	General Revenue	2,719,257	1.0000	1.0000	27,193	
	Police	2,719,257	0.3552	0.3552	9,659	2017
Village of Fortescue	General Revenue	355,187	0.6751	0.6751	2,398	
City of Maitland	General Revenue	2,246,079	0.9581	0.9581	21,520	
	Lights	2,246,079	0.3481	0.3481	7,819	
	Health	2,246,079	0.1492	0.1492	3,351	
	General Revenue-Temp	2,246,079	0.2429	0.2429	5,456	2016
City of Mound City	General Revenue	13,218,184	0.7628	0.7628	100,828	
	Parks & Recreation	13,218,184	0.2724	0.2724	36,006	
	Library	13,218,184	0.4080	0.4080	53,930	
	Health	13,218,184	0.1635	0.1635	21,612	
	Street Lights	13,218,184	0.2800	0.2800	37,011	2016
City of Oregon	General Revenue	7,652,770	0.9858	0.9858	75,441	
	Library	7,652,770	0.3840	0.3840	29,387	
	Health	7,652,770	0.1717	0.1717	13,140	
	Debt Service	7,652,770	0.5621	0.5621	43,016	
Village of Big Lake	General Revenue	5,370,194	0.2991	0.2991	16,062	
	Health	5,370,194	0.1327	0.1327	7,126	
	General Revenue-Temp	5,370,194	0.3000	0.3000	16,111	2016
Mound City Rural Fire Prot District	General Revenue	41,045,882	0.2103	0.2103	86,319	
Southern Fire Protection District	General Revenue	45,389,576	0.2138	0.2138	97,043	
Northwest Holt Co Fire Prot Dist	General Revenue	20,129,394	0.4489	0.4489	90,361	
Maitland Volunteer Fire Prot Dist	General Revenue	6,538,704	0.3000	0.3000	19,616	
Craig R-III School District	Operating Funds-Schools	24,331,933	4.8788	4.5000	1,094,937	E
Mound City R-2 School District	Operating Funds-Schools	31,768,956	3.7515	3.7515	1,191,812	E
	Operating Funds-Temp	31,768,956	0.4218	0.4218	134,001	2033
South Holt Co R-I School District	Operating Funds-Schools	34,308,237	3.7641	3.7641	1,291,396	E
Holt County	General Revenue	128,507,744	0.4149	0.3582	460,315	
	Johnson Grass	128,507,744	0.0381	0.0381	48,961	
	Road & Bridge	128,507,744	0.4149	0.4149	533,179	
	Senior Services	128,507,744	0.0476	0.0476	61,170	
<u>Howard</u>						
Howard County Ambulance District	General Revenue	121,369,191	0.2987	0.2987	362,530	
Moniteau Creek Watershed Subdist	General Revenue	13,489,570	0.3200	0.3200	43,167	
Armstrong Spec Road Dist Howard Co	Special Road and Bridge	8,803,158	0.3593	0.3593	31,630	2016
Glasgow Spec Rd Dist #60 Howard Co	Special Road and Bridge	23,015,303	0.3542	0.3542	81,520	2016
City of Armstrong	General Revenue	1,674,741	0.8800	0.8800	14,738	
City of Fayette	General Revenue	17,037,274	0.5599	0.5599	95,392	
City of Franklin	General Revenue	541,265	0.9941	0.9941	5,381	
City of New Franklin	General Revenue	7,498,360	0.6211	0.6211	46,572	
City of Glasgow	General Revenue	11,190,271	0.5692	0.5692	63,695	
	Parks & Recreation	11,190,271	0.2677	0.2677	29,956	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Howard</u>						
City of Glasgow	Library	11,190,271	0.2500	0.2500	27,976	
	Debt Service	11,190,271	0.3150	0.3150	35,249	
Howard County Library	General Revenue	110,728,534	0.1000	0.1000	110,729	
Howard Co Fire Protection District	General Revenue	69,450,137	0.3000	0.3000	208,350	
	Debt Service	69,450,137	0.1964	0.1475	102,439	
Armstrong Fire Protection District	General Revenue	16,116,129	0.2884	0.2884	46,479	
Glasgow Fire Protection District	General Revenue	33,430,696	0.2695	0.2695	90,096	
New Franklin R-I School District	Operating Funds-Schools	27,091,876	3.4109	3.4109	924,077	E
	Debt Service	27,091,876	0.7126	0.7002	189,697	
Fayette R-III School District	Operating Funds-Schools	50,997,306	3.5000	3.5000	1,784,906	E
	Debt Service	50,997,306	0.9677	0.7528	383,908	
Howard County R-II School District	Operating Funds-Schools	25,527,813	4.8431	4.7745	1,218,825	BE
Howard County	General Revenue	121,369,191	0.4072	0.2730	331,338	
	Road & Bridge	89,550,730	0.3008	0.3008	269,369	
	Senate Bill 40	121,369,191	0.1000	0.1000	121,369	
<u>Howell</u>						
South Howell Co Ambulance District	General Revenue	331,668,395	0.1997	0.1997	662,342	
Willow Springs Ambulance District	General Revenue	77,432,942	0.2108	0.2108	163,229	
Mountain-View Summersville Amb Dist	General Revenue	79,257,270	0.1896	0.1896	150,272	
City of Mountain View	General Revenue	26,263,797	0.0000	0.0000	0	
	Library	26,263,797	0.0000	0.0000	0	
City of West Plains	General Revenue	154,981,435	0.2988	0.2988	463,085	
	Library	154,981,435	0.2000	0.2000	309,963	
City of Willow Springs	General Revenue	18,926,208	0.4913	0.4913	92,984	
	Library	18,926,208	0.1568	0.1568	29,676	
Howell County Rural Fire Dist #1	General Revenue	103,172,364	0.2676	0.2676	276,089	
Pomona Fire Protection District	General Revenue	22,444,620	0.3000	0.2974	66,750	
Brandsville Fire Protection Dist	General Revenue	9,999,423	0.2968	0.2968	29,678	
Pumpkin Center Fire Protection Dist	General Revenue	3,824,280	0.3032	0.3000	11,473	
Howell County Health Department	General Revenue	451,337,836	0.0996	0.0975	440,054	
Howell Valley R-I School District	Operating Funds-Schools	23,896,710	4.0164	4.0164	959,787	E
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	67,561,628	2.7403	2.7403	1,851,391	E
	Operating Funds-Temp	68,094,952	0.8607	0.8607	586,093	2028
Willow Springs R-IV School District	Operating Funds-Schools	69,545,356	2.7500	2.7500	1,912,497	E
Richards R-V School District	Operating Funds-Schools	39,204,551	2.7500	2.7500	1,078,125	F
West Plains R-VII School District	Operating Funds-Schools	160,535,350	3.6450	3.6450	5,851,514	E
Glenwood R-VIII School District	Operating Funds-Schools	27,415,510	3.0483	3.0483	835,707	E
Junction Hill C-12 School District	Operating Funds-Schools	17,538,670	2.8804	2.8804	505,184	E
	Operating Funds-Temp	17,538,670	0.5610	0.5610	98,392	2017
Fairview R-XI School District	Operating Funds-Schools	45,009,690	3.5574	3.5574	1,601,175	E
Howell County	General Revenue	455,570,426	0.2564	0.0000	0	
	Road & Bridge	455,570,426	0.1288	0.0960	437,348	
	Senate Bill 40	451,337,836	0.0575	0.0575	259,519	
<u>Iron</u>						
Iron County Ambulance District	General Revenue	205,769,763	0.1337	0.0710	146,097	
Road District #1	Road & Bridge	205,769,763	0.2693	0.2693	554,138	
City of Annapolis	General Revenue	11,956,799	0.5427	0.5427	64,890	
City of Arcadia	General Revenue	5,317,734	0.4625	0.4625	24,595	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Iron</u>						
Village of Des Arc	General Revenue	662,770	0.4090	0.4090	2,711	
City of Ironton	General Revenue	14,877,348	0.5192	0.5192	77,243	
	Parks & Recreation	14,877,348	0.1485	0.1485	22,093	
City of Pilot Knob	General Revenue	6,165,395	0.4165	0.4165	25,679	
City of Viburnum	General Revenue	8,908,068	0.9860	0.9860	87,834	
	Parks & Recreation	8,908,068	0.2268	0.2268	20,203	
	Solid Waste Landfill	8,908,068	0.0986	0.0986	8,783	
	Health	8,908,068	0.1972	0.1972	17,567	
Iron County Library District	General Revenue	205,769,763	0.0893	0.0893	183,752	
Quad County Fire Protection Dist	General Revenue	99,057,762	0.3141	0.3141	311,140	
Southern Iron County Fire Prot Dist	General Revenue	33,612,373	0.2500	0.2500	84,031	
Pilot Knob Fire Protection District	General Revenue	56,462,501	0.2760	0.2760	155,837	
Iron County Health Department	General Revenue	205,769,763	0.0893	0.0893	183,752	
South Iron Co R-I School District	Operating Funds-Schools	34,256,543	2.9614	2.9614	1,014,473	E
Arcadia Valley R-II School District	Operating Funds-Schools	47,775,695	2.7500	2.7500	1,313,832	F
	Debt Service	47,775,695	1.0709	0.6200	296,209	
Bellevue R-III School District	Operating Funds-Schools	11,237,180	2.7500	2.7500	309,022	E
Iron County C-4 School District	Operating Funds-Schools	97,256,007	2.7500	2.7500	2,674,540	E
Iron County	General Revenue	205,769,763	0.3788	0.2806	577,390	
	Senate Bill 40	205,769,763	0.0893	0.0893	183,752	
<u>Jackson</u>						
Public Water Sup Dist 17 Jackson Co	General Revenue	87,050,090	0.0582	0.0582	50,663	
City of Blue Springs	General Revenue	778,541,930	0.5781	0.5781	4,500,751	
	Debt Service	778,541,930	0.3886	0.1500	1,167,813	
	Health	778,541,930	0.0489	0.0489	86,949	
City of Buckner	General Revenue	24,251,336	0.6186	0.6186	150,019	
City of Grain Valley	General Revenue	177,809,037	0.5554	0.5554	987,551	
	Parks & Recreation	177,809,037	0.1226	0.1226	217,994	
	Health	177,809,037	0.0489	0.0489	86,949	
	Debt Service	177,809,037	1.4555	1.0025	1,782,536	
City of Grandview	General Revenue	264,041,833	0.9828	0.9828	2,595,003	
	Parks & Recreation	264,041,833	0.1179	0.1179	311,305	
	Debt Service	264,041,833	0.6465	0.3800	1,003,359	
City of Greenwood	General Revenue	71,514,876	0.4381	0.4381	313,307	
	GR-Fire Temp	71,514,876	0.5946	0.5946	425,227	2015
	GR-Hydrant Temp	71,514,876	0.0190	0.0190	13,588	2015
	Debt Service	71,514,876	0.4791	0.4791	342,628	
City of Independence	General Revenue	1,063,785,622	0.4871	0.4871	5,181,700	
	Indep. Sq. Spec. Benefit	4,495,793	0.5638	0.5638	25,347	
	Public Health-Recreation	1,063,785,622	0.2294	0.2294	2,440,324	
City of Kansas City	General Revenue	7,184,698,948	0.7103	0.7103	51,032,917	
	Museum	7,184,698,948	0.0197	0.0197	1,415,386	
	Health	7,184,698,948	0.4935	0.4935	35,456,489	
	Health-Temp	7,184,698,948	0.2171	0.2171	15,597,981	2022
	Debt Service	7,184,698,948	1.0165	0.1400	10,058,579	
City of Lake Lotawana	General Revenue	73,002,034	0.4423	0.4423	322,888	
City of Lake Tapawingo	General Revenue	16,536,142	0.9517	0.9517	157,374	
	General Revenue-Temp	16,536,142	0.2855	0.2855	47,211	2017
	Debt Service	16,536,142	3.3757	1.8000	297,651	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Jackson						
City of Levasy	General Revenue	726,102	0.8320	0.8320	6,041	
City of Lone Jack	General Revenue	18,770,833	0.7402	0.7402	138,942	
	Debt Service	18,770,833	0.8090	0.8090	151,856	
City of Oak Grove	General Revenue	91,883,410	0.6445	0.6445	592,189	
	Debt Service	91,883,410	1.1680	0.1985	182,389	
City of Raytown	General Revenue	301,556,721	0.3586	0.3532	1,065,098	
	Parks & Recreation	301,556,721	0.1791	0.1763	531,644	
Village of Sibley	General Revenue	3,467,933	0.4079	0.4079	14,146	
City of Sugar Creek	General Revenue	44,543,878	0.9896	0.9896	440,806	
	Health	44,543,878	0.1286	0.1286	57,283	
City of Lee's Summit	General Revenue	1,792,337,036	0.9063	0.9063	16,243,951	
	Parks & Recreation	1,792,337,036	0.1603	0.1603	2,873,116	
	Debt Service	1,792,337,036	0.5139	0.4697	8,418,607	
Village of River Bend	General Revenue	2,856,236	0.3497	0.3497	9,988	
Mid Continent Public Library	General Revenue	12,313,096,835	0.3146	0.3146	38,737,003	
Kansas City Public Library	General Revenue	3,183,261,357	0.4933	0.4933	15,703,028	
Central Jackson Co Fire Prot Dist	General Revenue	1,002,064,580	1.0646	0.8808	8,826,185	
	Ambulance	1,002,064,580	0.1528	0.1528	1,531,155	^B
	Dispatch	1,002,064,580	0.0195	0.0195	195,403	
	Debt Service	1,002,064,580	0.1433	0.1200	1,202,477	
Lone Jack Community Fire Prot Dist	General Revenue	82,668,887	0.8448	0.8448	698,387	
	Ambulance	82,668,887	0.2988	0.2988	247,015	
Prairie Township Fire Prot District	General Revenue	125,129,600	0.7100	0.7100	888,420	
	Ambulance	125,129,600	0.2878	0.2878	360,123	
Raytown Fire Protection District	General Revenue	304,373,867	0.7679	0.7679	2,337,287	
	Pension	304,373,867	0.0492	0.0492	149,752	
	Debt Service	304,373,867	0.1893	0.1893	576,180	
Lotawana Fire Protection District	General Revenue	87,227,956	0.4892	0.4892	426,719	
	Ambulance	87,227,956	0.2323	0.2323	202,631	
	Debt Service	87,227,956	0.0820	0.0820	71,527	
Fort Osage Fire Protection District	General Revenue	174,683,972	0.8538	0.8538	1,491,452	
	Ambulance	174,683,972	0.4941	0.4941	863,114	
	Dispatch	174,683,972	0.0297	0.0297	51,881	
	Debt Service	174,683,972	0.3736	0.2800	489,115	
Inter City Fire Protection District	General Revenue	13,471,399	0.6051	0.4173	56,216	
	Ambulance	13,471,399	0.3193	0.3193	43,014	
	Ambulance/EMS	13,471,399	0.4258	0.4258	57,361	
	Debt Service	13,471,399	0.2487	0.2487	33,503	
Jackson County Health Department	General Revenue	9,681,092,352	0.2283	0.1442	13,960,135	
Metropolitan Community College Dist	General Revenue	13,230,142,135	0.2343	0.2343	30,998,223	
Fort Osage R-I School District	Operating Funds-Schools	268,520,968	4.4356	4.4356	11,910,516	^E
	Debt Service	268,520,968	2.0252	1.2644	3,395,179	
Blue Springs R-IV School District	Operating Funds-Schools	1,296,100,387	4.9594	4.5005	58,330,998	
	Debt Service	1,296,100,387	1.8545	1.2281	15,917,409	
Grain Valley R-V School District	Operating Funds-Schools	272,101,149	3.8112	3.8112	10,370,319	^E
	Debt Service	272,101,149	2.5511	1.6500	4,489,669	
Oak Grove R-VI School District	Operating Funds-Schools	125,773,622	3.7814	3.7814	4,756,004	^E
	Debt Service	125,773,622	1.3210	1.3210	1,661,470	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Jackson						
Lee's Summit R-VII School District	Operating Funds-Schools	1,771,219,825	5.1161	4.9113	86,989,919	F
	Debt Service	1,771,219,825	1.4408	1.0700	18,952,052	
Hickman Mills C-1 School District	Operating Funds-Schools	359,748,006	5.3435	5.3435	19,223,135	E
	Debt Service	359,748,006	1.6243	1.2500	4,496,850	
Raytown C-2 School District	Operating Funds-Schools	626,682,968	5.1163	5.1163	32,062,981	E
	Debt Service	626,682,968	1.2728	1.2037	7,543,383	
Grandview C-4 School District	Operating Funds-Schools	427,771,406	4.9856	4.9856	21,326,971	E
	Debt Service	427,771,406	1.1882	0.8000	3,422,171	
Lone Jack C-6 School District	Operating Funds-Schools	51,675,385	4.0626	4.0626	2,099,364	E
	Debt Service	51,675,385	1.3901	1.3875	716,996	
Independence 30 School District	Operating Funds-Schools	939,919,288	4.6700	4.6430	43,640,453	BE
	Debt Service	939,919,288	2.0196	1.2700	11,936,975	
Kansas City 33 School District	Operating Funds-Schools	2,850,325,508	3.3499	3.0547	87,068,893	G
	Article X, Section 11 g	2,850,325,508	1.9052	1.9052	54,304,402	2015
Center 58 School District	Operating Funds-Schools	386,189,718	5.8269	5.8269	22,502,889	E
	Debt Service	386,189,718	1.0740	0.9600	3,707,421	
Jackson County	General Revenue	9,681,092,352	0.2671	0.1356	13,127,561	
	Parks & Recreation	9,681,092,352	0.1427	0.0839	8,122,436	
	Road & Bridge	9,681,092,352	0.2014	0.1319	12,769,361	
	Developmentally Disabled	9,681,092,352	0.0738	0.0738	7,144,646	
	Mental Health	9,681,092,352	0.1198	0.1198	11,597,949	
Jasper						
Carl Junction Sp Rd Dist Jasper Co	Road & Bridge	66,430,491	0.3017	0.3017	200,421	
Carthage Spec Road Dist Jasper Co	Road & Bridge	323,673,533	0.2413	0.2402	777,464	
La Russell Spec Road Dist Jasper Co	Road & Bridge	9,681,804	0.3451	0.3451	33,412	
Joplin Road Dist Newton & Jasper Co	Road & Bridge	1,164,925,168	0.2226	0.2226	2,593,123	
City of Alba	General Revenue	3,689,797	0.6348	0.6348	23,423	
	Parks & Recreation	3,689,797	0.1674	0.1674	6,177	
City of Asbury	General Revenue	1,963,454	0.5167	0.5167	10,145	
Village of Avilla	General Revenue	938,552	0.1840	0.1840	1,727	
City of Carl Junction	General Revenue	82,897,100	0.4823	0.4823	399,813	
	Debt Service	82,897,100	0.4277	0.4277	354,551	
City of Cartersville	General Revenue	9,724,106	0.6362	0.6362	61,865	
	Debt Service	9,724,106	1.4523	1.4523	141,223	
City of Carthage	General Revenue	117,844,868	0.3535	0.3535	416,582	
	Parks & Recreation	117,844,868	0.1525	0.1525	179,713	
	Library	117,844,868	0.1765	0.1765	207,996	
	Health	117,844,868	0.0804	0.0804	94,747	
City of Duenweg	General Revenue	9,524,800	0.7224	0.7224	68,807	
City of Jasper	General Revenue	7,336,893	0.7569	0.7569	55,533	
City of La Russell	General Revenue	861,568	0.0000	0.0000	0	
City of Neck City	General Revenue	1,198,668	0.2556	0.2556	3,064	
City of Oronogo	General Revenue	21,018,237	0.2737	0.2728	57,338	
	Streets	21,018,237	0.1306	0.1302	27,366	
City of Purcell	General Revenue	2,441,125	0.3320	0.3320	8,105	
Village of Reeds	General Revenue	767,297	0.1689	0.1689	1,296	
City of Sarcoxie	General Revenue	10,218,273	0.5667	0.5667	57,907	
	Parks & Recreation	10,218,273	0.1083	0.1083	11,066	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Jasper</u>						
City of Sarcoxie	Health	10,218,273	0.0000	0.0000	0	
City of Waco	General Revenue	634,421	0.2447	0.2447	1,552	
City of Webb City	General Revenue	101,944,256	0.3787	0.3787	386,063	
	Parks & Recreation	101,944,256	0.0859	0.0859	87,570	
	Library	101,944,256	0.2550	0.2550	259,958	
City of Joplin	Parks & Recreation	582,998,598	0.0578	0.0578	336,973	
	Library	512,863,720	0.2545	0.2545	1,305,238	
	Health	582,998,598	0.0578	0.0578	336,973	
	Garbage	582,998,598	0.0578	0.0578	336,973	
Carthage Fire Protection District	General Revenue	153,034,586	0.2731	0.2700	413,193	
Duenweg Fire Protection District	General Revenue	99,481,727	0.2998	0.2998	298,246	
Carl Junction Fire Protection Dist	General Revenue	213,413,947	0.2520	0.2520	537,803	
Oronogo Fire Protection District	General Revenue	48,081,072	0.2651	0.2651	127,463	
Central Jasper Co Fire Prot Dist	General Revenue	28,081,510	0.2859	0.2859	80,285	
Tri-Cities Fire Protection District	Fire	29,483,976	0.3154	0.3154	92,992	
Asbury Fire Protection District	General Revenue	16,894,706	0.3000	0.2769	46,781	
Carl Junction R-I School District	Operating Funds-Schools	232,711,780	3.0006	3.0000	6,981,353	E
	Debt Service	232,711,780	1.5779	0.9900	2,303,847	
Avilla R-XIII School District	Operating Funds-Schools	20,984,445	3.5625	3.5625	747,571	E
Jasper County R-V School District	Operating Funds-Schools	39,780,102	3.4021	3.2100	1,276,941	F
Sarcoxie R-II School District	Operating Funds-Schools	35,907,315	2.7500	2.7500	987,451	F
	Debt Service	35,907,315	0.5500	0.5500	197,490	
Carthage R-IX School District	Operating Funds-Schools	302,486,750	2.8522	2.8474	8,613,008	E
	Operating Funds-Temp	302,486,750	0.3026	0.3026	915,325	A 2024
	Debt Service	302,486,750	1.3852	0.8300	2,510,640	
Webb City R-VII School District	Operating Funds-Schools	235,599,360	2.7500	2.7500	6,478,982	E
	Debt Service	235,599,360	0.8617	0.6800	1,602,076	
Joplin R-VIII School District	Operating Funds-Schools	875,137,646	3.0709	2.7500	24,066,285	E
	Debt Service	875,137,646	1.6563	0.9100	7,963,753	
Jasper County	General Revenue	1,612,599,981	0.3128	0.1050	1,693,230	
	Common Road District	395,969,720	0.2136	0.2136	845,791	
	Mental Health	1,612,599,981	0.0852	0.0852	1,373,935	
	Senate Bill 40	1,612,599,981	0.0852	0.0852	1,373,935	
<u>Jefferson</u>						
Big River Ambulance District	General Revenue	283,546,482	0.4031	0.3041	862,265	
Joachim-Plattin Ambulance District	General Revenue	805,790,591	0.3279	0.1482	1,194,182	
North Jefferson Co Ambulance Dist	General Revenue	348,106,862	0.4878	0.4878	1,698,065	
	Pension	348,106,862	0.0493	0.0493	171,617	
Valle Ambulance District	General Revenue	376,036,130	0.4495	0.4495	1,690,282	
Rock Township Ambulance District	General Revenue	1,139,083,334	0.2087	0.2087	2,377,267	
Festus Spec Road Dist Jefferson Co	Road & Bridge	492,304,361	0.1834	0.1834	902,886	
Hillsboro Spec Rd Dist Jefferson Co	Road & Bridge	25,819,109	0.1984	0.1984	51,225	
City of Arnold	General Revenue	276,415,548	0.4011	0.4011	1,108,703	
City of Crystal City	General Revenue	75,118,870	0.5131	0.5131	385,435	
	Parks & Recreation	75,118,870	0.1355	0.1355	101,786	
	Library	75,118,870	0.1355	0.1355	101,786	
City of De Soto	General Revenue	65,791,575	0.4464	0.4464	293,694	
	Parks & Recreation	65,791,575	0.1139	0.1139	74,937	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Jefferson</u>						
City of De Soto	Library	65,791,575	0.1900	0.1900	125,004	
City of Festus	General Revenue	158,377,712	0.3729	0.3729	590,590	
	Parks & Recreation	158,377,712	0.1135	0.1135	179,759	
	Library	158,377,712	0.1135	0.1135	179,759	
	Health	158,377,712	0.0824	0.0824	130,503	
City of Herculaneum	General Revenue	66,171,194	0.7457	0.7457	493,439	
City of Hillsboro	General Revenue	35,432,591	0.4643	0.4643	164,514	
	Parks & Recreation	35,432,591	0.0832	0.0832	29,480	
City of Kimmswick	General Revenue	2,256,637	0.0000	0.0000	0	
Village of Parkdale	General Revenue	1,459,231	0.1999	0.1999	2,917	^B
City of Pevely	General Revenue	95,201,502	0.8808	0.8808	838,535	
Village of Scotsdale	General Revenue	2,981,959	0.3343	0.3343	9,969	
City of Byrnes Mill	General Revenue	37,562,801	0.4040	0.4040	151,754	
Village of Lake Tekakwitha	General Revenue	1,794,410	0.4918	0.4918	8,825	
Northwest Library Subdistrict	General Revenue	592,450,814	0.1903	0.1903	1,127,434	
Windsor-Fox Library Subdistrict	General Revenue	1,116,743,296	0.1764	0.1764	1,969,935	
Antonia Fire Protection District	General Revenue	196,312,158	1.0650	0.9812	1,926,215	
	Pension	196,312,158	0.0455	0.0455	89,322	
	Dispatch	196,312,158	0.0271	0.0271	53,201	
	Debt Service	196,312,158	0.0747	0.0000	0	
Cedar Hill Fire Protection District	General Revenue	164,473,603	1.3355	1.3355	2,196,545	^B
	Pension	164,473,603	0.0468	0.0468	76,974	
Dunklin Fire Protection District	General Revenue	161,032,716	0.6630	0.6630	1,067,647	
	Pension	161,032,716	0.0497	0.0497	80,033	
Goldman Fire Protection District	General Revenue	59,795,512	0.9903	0.9903	592,155	^B
	Dispatch	59,795,512	0.0473	0.0473	28,283	
Hematite Fire Protection District	General Revenue	69,615,539	0.4833	0.4833	336,452	
High Ridge Fire Protection District	General Revenue	414,157,408	0.7825	0.5896	2,441,872	
	Pension	414,157,408	0.0756	0.0756	313,103	
	Dispatch	414,157,408	0.0472	0.0472	195,482	
	Debt Service	414,157,408	0.0977	0.0977	404,632	
Hillsboro Fire Protection District	General Revenue	126,871,003	0.6395	0.6395	811,340	
Jefferson R7 Fire Protection Dist	General Revenue	185,067,703	0.5989	0.5989	1,108,370	
Rock Community Fire Protection Dist	General Revenue	724,034,295	0.7931	0.5422	3,925,714	
	Pension	724,034,295	0.0945	0.0945	684,212	
	Communications	724,034,295	0.0467	0.0467	338,124	
	Debt Service	724,034,295	0.0926	0.0926	670,456	
De Soto Rural Fire Protection Dist	General Revenue	197,316,512	0.6514	0.6514	1,285,320	
Mapaville Fire Protection District	General Revenue	52,393,036	0.5045	0.5045	264,323	
Saline Valley Fire Protection Dist	General Revenue	233,626,378	1.1954	1.1954	2,792,770	
	Pension	233,626,378	0.0889	0.0889	207,694	
	Dispatch	233,626,378	0.0395	0.0395	92,282	
Jefferson County Health Department	General Revenue	3,044,479,157	0.0751	0.0751	2,286,404	
Jefferson College	General Revenue	2,978,523,144	0.3402	0.3402	10,132,936	
Northwest R-I School District	Operating Funds-Schools	555,404,605	3.9768	3.9768	22,087,330	^E
	Debt Service	555,404,605	0.6258	0.6258	3,475,722	
Grandview R-II School District	Operating Funds-Schools	49,886,214	3.2346	3.2346	1,613,619	^E
	Debt Service	49,886,214	1.8783	1.5120	754,280	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Jefferson</u>						
Hillsboro R-III School District	Operating Funds-Schools	247,122,145	3.7532	3.7532	9,274,988	E
	Debt Service	247,122,145	1.1707	0.9493	2,345,931	
Dunklin R-V School District	Operating Funds-Schools	151,249,317	4.0762	4.0762	6,165,225	E
	Debt Service	151,249,317	1.2841	0.6700	1,013,370	
Festus R-VI School District	Operating Funds-Schools	244,861,462	3.3906	3.3900	8,300,804	BE
	Debt Service	244,861,462	0.6035	0.3500	857,015	
Jefferson Co R-VII School District	Operating Funds-Schools	179,587,479	3.8206	3.8203	6,860,780	E
	Debt Service	179,587,479	1.0356	0.7764	1,394,317	
Sunrise R-IX School District	Operating Funds-Schools	34,120,519	3.4010	3.4010	1,160,439	E
	Debt Service	34,120,519	1.0958	1.0958	373,893	
Windsor C-1 School District	Operating Funds-Schools	209,630,575	3.5511	3.5511	7,444,191	E
	Debt Service	209,630,575	1.4779	1.2918	2,708,008	
Fox C-6 School District	Operating Funds-Schools	860,008,207	4.3074	4.3074	37,043,994	E
	Debt Service	860,008,207	0.3693	0.3693	3,176,010	
Crystal City 47 School District	Operating Funds-Schools	57,807,323	3.9428	3.9416	2,278,533	E
	Debt Service	57,807,323	0.9990	0.8000	462,459	
DeSoto 73 School District	Operating Funds-Schools	180,268,623	3.4551	3.4551	6,228,461	E
	Debt Service	180,268,623	1.2066	0.8707	1,569,599	
Jefferson County	General Revenue	3,044,479,157	0.1878	0.0009	27,400	
	Parks & Recreation	3,044,479,157	0.0280	0.0280	852,454	
	Road & Bridge	2,526,327,845	0.2115	0.2115	5,343,183	
	Developmentally Disabled	3,044,479,157	0.0939	0.0939	2,858,766	
	Mental Health	3,044,479,157	0.0939	0.0939	2,858,766	
<u>Johnson</u>						
Johnson County Ambulance District	General Revenue	616,373,806	0.2934	0.2934	1,808,441	
Western Missouri Medical Center	General Revenue	623,322,165	0.1464	0.1464	912,544	
South Fork of Blackwater Watershed	General Revenue	40,124,073	0.0988	0.0988	39,643	
City of Centerview	General Revenue	1,301,151	0.9000	0.9000	11,710	
City of Chilhowee	General Revenue	1,524,517	0.9983	0.9983	15,219	
City of Holden	General Revenue	18,202,106	0.7408	0.7408	134,841	
	Debt Service	18,202,106	0.1769	0.1186	21,588	
City of Kingsville	General Revenue	6,042,957	0.7500	0.7500	45,322	
City of Knob Noster	General Revenue	22,889,682	0.6796	0.6796	155,558	
	Fire	22,889,682	0.3000	0.3000	68,669	2016
City of Leeton	General Revenue	3,414,007	0.8957	0.8957	30,579	
City of Warrensburg	General Revenue	208,606,125	0.3608	0.3608	752,651	
	Parks & Recreation	208,606,125	0.1960	0.1960	408,868	
Trails Consolidated Library	General Revenue	1,014,197,815	0.2595	0.2595	2,631,843	
Fire District #2 Johnson County	General Revenue	130,160,922	0.3541	0.3541	460,900	
Johnson County Fire Protection Dist	General Revenue	235,371,096	0.3416	0.3416	804,028	
	Debt Service	235,371,096	0.0754	0.0754	177,470	
Johnson County Community Health	General Revenue	623,322,165	0.0978	0.0978	609,609	
Kingsville R-I School District	Operating Funds-Schools	24,859,665	3.7500	3.7500	932,237	E
	Debt Service	24,859,665	1.0678	1.0662	265,054	
Holden R-III School District	Operating Funds-Schools	94,311,457	3.7500	3.7500	3,536,680	E
	Debt Service	94,311,457	1.0072	0.8400	792,216	
Chilhowee R-IV School District	Operating Funds-Schools	9,722,351	5.3701	5.3701	522,100	E
Johnson Co R-VII School District	Operating Funds-Schools	39,180,226	3.7500	3.5500	1,390,898	E

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Johnson</u>						
Johnson Co R-VII School District	Debt Service	39,180,226	1.0363	1.0000	391,802	
Knob Noster R-VIII School District	Operating Funds-Schools	60,357,977	3.3025	3.3025	1,993,322	E
Leeton R-X School District	Operating Funds-Schools	15,918,407	3.8406	3.8406	611,362	E
	Debt Service	15,918,407	0.8630	0.8600	136,898	
Warrensburg R-VI School District	Operating Funds-Schools	279,494,663	4.5293	4.5293	12,659,152	E
	Debt Service	279,494,663	0.7833	0.7200	2,012,362	
Johnson County	General Revenue	623,322,165	0.3242	0.1225	763,570	
	Road & Bridge	623,322,165	0.2381	0.2381	1,484,130	
	Senate Bill 40	623,322,165	0.1174	0.1174	731,780	
<u>Knox</u>						
Knox County Ambulance District	General Revenue	79,567,017	0.3395	0.3395	270,130	
	Dispatch	79,567,017	0.0291	0.0291	23,154	
Knox County Nursing Home District	General Revenue	78,405,705	0.2928	0.2928	229,572	
City of Baring	General Revenue	1,044,530	0.8918	0.8918	9,315	
City of Edina	General Revenue	10,519,012	0.7500	0.7500	78,893	
	Lights	10,519,012	0.1474	0.1474	15,505	
City of Hurdland	General Revenue	846,197	0.8597	0.8597	7,275	
	Fire	846,197	0.3180	0.3180	2,691	
City of Knox City	General Revenue	1,293,868	1.0000	1.0000	12,939	
	Streets	1,293,868	0.2500	0.2500	3,235	2015
Village of Newark	General Revenue	584,112	0.5453	0.5453	3,185	
Village of Novelty	General Revenue	747,709	0.9999	0.9999	7,476	
	Streets	747,709	0.2576	0.2576	1,926	2015
Knox County Library	General Revenue	79,567,017	0.0970	0.0970	77,180	
Knox County Health Department	General Revenue	79,567,017	0.0970	0.0970	77,180	
Knox County R-I School District	Operating Funds-Schools	66,600,782	3.5615	3.5615	2,371,987	E
	Debt Service	66,600,782	0.2010	0.2000	133,202	
Knox County	General Revenue	79,567,017	0.4223	0.2282	181,572	
	Road & Bridge	79,567,017	0.3063	0.3063	243,714	
	Special Road and Bridge	79,567,017	0.3498	0.3498	278,325	2017
<u>Laclede</u>						
Lebanon Spec Rd Dist #1 Laclede Co	Special Road and Bridge	258,353,757	0.2047	0.2047	528,850	2017
	Rd & Bridge (County)	258,353,757	0.3327	0.3327	859,543	
Phillipsburg Spec Rd #3 Laclede Co	Road & Bridge	16,339,453	0.2659	0.2659	43,447	
	Special Road and Bridge	16,339,453	0.2546	0.2546	41,600	2017
Laclede County Road District	Road & Bridge	122,366,454	0.2450	0.0000	0	
Conway Spec Road Dist #2 Laclede Co	Road & Bridge	12,021,706	0.2389	0.2389	28,720	
	Special Road and Bridge	12,021,706	0.3546	0.3546	42,629	2015
City of Conway	General Revenue	4,801,774	0.0000	0.0000	0	
City of Lebanon	General Revenue	196,423,972	0.2602	0.2602	511,095	
	Parks & Recreation	196,423,972	0.2602	0.2602	511,095	
Village of Phillipsburg	General Revenue	2,091,028	0.4738	0.4738	9,907	
Village of Evergreen	Building Maint.	1,194,883	0.2999	0.2999	3,583	2017
	Fire Equipment Maint.	1,194,883	0.2999	0.2999	3,583	2017
	Fire Truck #1 Maint.	1,194,883	0.2999	0.2999	3,583	2017
	Fire Truck #2 Maint.	1,194,883	0.2951	0.2951	3,526	2017
	Police Vehicle #1 Maint.	1,194,883	0.2999	0.2999	3,583	2017
	Police Vehicle #2 Maint.	1,194,883	0.2999	0.2999	3,583	2017

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Laclede						
Lebanon-Laclede County Library	General Revenue	409,914,546	0.1356	0.1356	555,844	
Lebanon Rural Fire Protection Dist	General Revenue	111,647,716	0.1881	0.1881	210,009	
Bennett Spring Fire Protection Dist	General Revenue	10,448,673	0.3000	0.3000	31,346	
Competition Fire Protection Dist	General Revenue	10,495,771	0.3000	0.3000	31,487	
Nebo-Falcon Fire Protection Dist	General Revenue	11,547,591	0.3000	0.3000	34,643	
Lebanon Special Business District	General Revenue	3,799,310	0.6930	0.6930	26,329	
Lebanon Marketplace Com Improv Dist	General Revenue	727,740	1.0000	1.0000	7,277	
Laclede County Health Department	General Revenue	409,914,546	0.1000	0.1000	409,915	
Laclede County R-I School District	Operating Funds-Schools	35,882,128	2.7500	2.7500	986,759	F
Gasconade C-4 School District	Operating Funds-Schools	9,067,679	3.7331	3.7042	335,885	E
Lebanon R-III School District	Operating Funds-Schools	300,248,178	2.7500	2.7500	8,256,825	F
	Debt Service	300,248,178	0.9919	0.8400	2,522,085	
Laclede County C-5 School District	Operating Funds-Schools	29,224,726	3.3000	3.3000	964,416	E
Laclede County	General Revenue	409,914,546	0.3027	0.1118	458,284	
	Senate Bill 40	409,914,546	0.0676	0.0676	277,102	
	Senate Bill 40-LEEP	409,914,546	0.0658	0.0658	269,724	
Lafayette						
Little Sni A Bar Watershed Subdist	General Revenue	6,707,339	0.0879	0.0879	5,896	
Tabo Creek Watershed Subdistrict	General Revenue	15,935,622	0.0776	0.0776	12,366	
Wellington Napoleon Subdistrict	General Revenue	4,303,467	0.0960	0.0960	4,131	
Alma Spec Road Dist Lafayette Co	Special Road and Bridge	15,288,367	0.2763	0.2763	42,242	2016
Corder Spec Road Dist Lafayette Co	Special Road and Bridge	12,308,960	0.3533	0.3533	43,488	2016
Concordia Spec Rd Dist Lafayette Co	Special Road and Bridge	50,562,645	0.3328	0.3300	166,857	2016
Dover Spec Road Dist Lafayette Co	Special Road and Bridge	11,443,852	0.3254	0.3254	37,238	2015
Higginsville Road Dist Lafayette Co	Special Road and Bridge	58,341,640	0.3630	0.3630	211,780	2015
Mayview Spec Road Dist Lafayette Co	Special Road and Bridge	13,449,048	0.3500	0.3500	47,072	2017
Odessa Spec Road Dist Lafayette Co	Special Road and Bridge	101,715,834	0.3263	0.3263	331,899	A 2018
Waverly Spec Road Dist Lafayette Co	Special Road and Bridge	19,508,020	0.2826	0.2826	55,130	A 2018
Wellington Napoleon Rd Lafayette Co	Special Road and Bridge	28,885,281	0.3497	0.3297	95,235	2017
City of Alma	General Revenue	4,171,539	0.5280	0.5280	22,026	
	Streets	4,171,539	0.3563	0.3563	14,863	2016
	General Revenue-Temp	4,171,539	0.3026	0.3026	12,623	2017
Village of Aullville	General Revenue	642,498	0.4912	0.4912	3,156	
City of Bates City	General Revenue	4,580,487	0.3148	0.3148	14,419	
City of Concordia	General Revenue	27,763,253	0.5549	0.5549	154,058	
City of Corder	General Revenue	2,706,175	0.6166	0.6166	16,686	
	Parks & Recreation	2,706,175	0.1518	0.1518	4,108	
Village of Dover	General Revenue	784,730	0.2979	0.2979	2,338	
City of Higginsville	General Revenue	40,837,215	0.4598	0.4598	187,770	
	Parks & Recreation	40,837,215	0.3797	0.3797	155,059	
	Library	31,149,554	0.1900	0.1900	59,184	
City of Lexington	General Revenue	39,844,715	0.5841	0.5841	232,733	
	Parks & Recreation	39,844,715	0.2967	0.2967	118,219	
	Health	39,844,715	0.1583	0.1583	63,074	
City of Mayview	General Revenue	1,416,206	0.7174	0.7174	10,160	
City of Napoleon	General Revenue	2,310,698	0.8131	0.8131	18,788	
City of Odessa	General Revenue	49,337,604	0.5901	0.5901	291,141	
	Parks & Recreation	49,337,604	0.1558	0.1558	76,868	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lafayette</u>						
City of Waverly	General Revenue	7,416,330	0.5551	0.5551	41,168	
	Streets	7,416,330	0.2349	0.2349	17,421	
City of Wellington	General Revenue	6,155,229	0.5243	0.5243	32,272	
City of Lake Lafayette	General Revenue	1,775,606	1.0000	1.0000	17,756	
	Streets	1,775,606	0.3033	0.3000	5,327	
Corder Fire Protection District	General Revenue	20,057,121	0.2875	0.2875	57,664	
Sni Valley Fire Protection District	General Revenue	175,188,687	0.5103	0.5103	893,988	
	Dispatch	175,188,687	0.0294	0.0294	51,505	
	Fire and Ambulance	175,188,687	0.1468	0.1468	257,177	
	Debt Service	175,188,687	0.1832	0.1832	320,946	
Concordia Fire Protection District	General Revenue	63,487,712	0.3000	0.3000	190,463	
Alma Fire Protection District	General Revenue	20,480,288	0.3768	0.3768	77,170	
Wellington-Napoleon Fire Prot Dist	General Revenue	31,120,505	0.2610	0.2610	81,225	
	Ambulance	31,120,505	0.3450	0.3450	107,366	
Odessa Fire Protection District	General Revenue	97,518,089	0.4700	0.4700	458,335	
Mayview Fire Protection District	General Revenue	13,026,130	0.2946	0.2946	38,375	2016
Higginsville Fire Protection Dist	General Revenue	31,188,349	0.3000	0.3000	93,565	A
Wellington-Napoleon R-IX Reg Rec Ds	Parks & Recreation	25,958,500	0.2000	0.2000	51,917	
Lafayette County Health Department	General Revenue	422,025,719	0.0744	0.0744	313,987	
Concordia R-II School District	Operating Funds-Schools	46,786,626	4.5000	4.0500	1,894,858	E
	Debt Service	46,786,626	0.4087	0.4087	191,217	
Lafayette Co C-1 School District	Operating Funds-Schools	69,557,115	3.7314	3.7314	2,595,454	E
	Debt Service	69,557,115	1.6379	1.1280	784,604	
Odessa R-VII School District	Operating Funds-Schools	123,845,095	3.6774	3.6774	4,554,280	E
	Debt Service	123,845,095	1.2791	1.2212	1,512,396	
Santa Fe R-X School District	Operating Funds-Schools	32,335,563	4.2534	4.2534	1,375,361	E
	Debt Service	32,335,563	0.6041	0.6041	195,339	
Wellington-Napoleon R-IX Sch Dist	Operating Funds-Schools	25,963,893	3.6200	3.6200	939,893	E
	Debt Service	25,963,893	0.9275	0.8351	216,824	
Lexington R-V School District	Operating Funds-Schools	52,833,434	4.3385	4.3385	2,292,179	E
	Debt Service	52,833,434	2.0252	0.9700	512,484	
Lafayette County	General Revenue	422,025,719	0.2977	0.1750	738,545	
	Road & Bridge	422,025,719	0.2233	0.2233	942,383	
	Senate Bill 40	422,025,719	0.0653	0.0653	275,583	
	2-W Common Road District	33,470,201	0.3413	0.3413	114,234	2016
	I-E Common Road Dist	17,652,520	0.3279	0.3279	57,883	2015
	Noxious Weed	422,025,719	0.0122	0.0100	42,203	
<u>Lawrence</u>						
Mt. Vernon Ambulance District	General Revenue	157,436,028	0.1459	0.1459	229,699	
Lawrence County Nursing Home Dist	General Revenue	438,688,082	0.1097	0.1097	481,241	
Aurora Spec Road Dist Lawrence Co	Special Road and Bridge	103,630,514	0.1738	0.1738	180,110	2016
Buck Prairie Sp Rd Dist Lawrence Co	Special Road and Bridge	37,927,730	0.3127	0.3127	118,600	2017
Freistatt Spec Rd Dist Lawrence Co	Special Road and Bridge	8,330,920	0.3518	0.3518	29,308	A 2018
Green Benefit SRD Lawrence Co	Special Road and Bridge	7,975,881	0.2086	0.2086	16,638	2016
Midway Benefit SRD Lawrence Co	Special Road and Bridge	2,602,000	0.2469	0.2400	6,245	2017
Miller Benefit SRD Lawrence Co	Special Road and Bridge	22,559,067	0.1872	0.1872	42,231	2017
Mt Pleasant Benefit SRD Lawrence Co	Special Road and Bridge	4,399,653	0.2011	0.2011	8,848	2017
Mt. Vernon Benefit SRD Lawrence Co	Special Road and Bridge	98,699,846	0.1627	0.1600	157,920	2017

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lawrence</u>						
Pierce Benefit SRD Lawrence County	Special Road and Bridge	27,314,328	0.1869	0.1869	51,050	2016
Red Oak Benefit SRD Lawrence Co	Special Road and Bridge	5,412,805	0.1936	0.1900	10,284	2017
Verona Benefit SRD Lawrence County	Special Road and Bridge	30,036,267	0.1923	0.1923	57,760	2017
Vineyard Benefit SRD Lawrence Co	Special Road and Bridge	4,663,898	0.2174	0.2174	10,139	2016
City of Aurora	General Revenue	73,946,572	0.3794	0.3794	280,553	
	Parks & Recreation	73,946,572	0.1476	0.1476	109,145	
Village of Freistatt	General Revenue	1,210,240	0.2599	0.2599	3,145	
City of Marionville	General Revenue	16,237,592	0.6018	0.6018	97,718	
City of Miller	General Revenue	4,855,259	0.9972	0.9972	48,417	
City of Pierce City	General Revenue	9,987,626	0.4670	0.4670	46,642	
	Parks & Recreation	9,987,626	0.1192	0.1192	11,905	
City of Stotts City	General Revenue	1,072,763	0.4948	0.4948	5,308	
City of Verona	General Revenue	8,589,726	0.7820	0.7820	67,172	
Aurora Rural Fire Protection Dist	General Revenue	52,501,850	0.3029	0.3029	159,028	
Pierce City Fire Protection Dist	General Revenue	38,213,990	0.2969	0.2969	113,457	
Miller Rural Fire Protection Dist	General Revenue	26,298,358	0.1676	0.1676	44,076	
Miller R-II School District	Operating Funds-Schools	46,071,026	3.6202	3.5000	1,612,486 ^E	
	Operating Funds-Temp	46,006,136	0.0000	0.0000	0	2026
	Debt Service	46,071,026	0.7070	0.6600	304,069	
Pierce City R-VI School District	Operating Funds-Schools	38,958,366	2.7500	2.7500	1,071,355 ^F	
	Debt Service	38,958,366	1.0018	0.7900	307,771	
Marionville R-IX School District	Operating Funds-Schools	37,261,722	2.9469	2.7500	1,024,697 ^F	
	Debt Service	37,261,722	0.9813	0.9800	365,165	
Mt. Vernon R-V School District	Operating Funds-Schools	106,372,248	2.7500	2.7500	2,925,237 ^E	
	Debt Service	106,372,248	0.8558	0.5700	606,322	
Aurora R-VIII School District	Operating Funds-Schools	109,394,253	2.3411	2.3411	2,561,029 ^F	
	Operating Funds-Temp	109,394,253	0.4089	0.4089	447,313	2024
	Debt Service	109,394,253	1.3646	1.0500	1,148,640	
Verona R-VII School District	Operating Funds-Schools	25,528,848	3.0139	3.0000	765,865 ^E	
	Debt Service	25,528,848	1.2422	0.9500	242,524	
Lawrence County	General Revenue	438,688,082	0.2897	0.1206	529,058	
	Road & Bridge	438,691,031	0.0705	0.0705	309,277	
	Developmentally Disabled	438,688,082	0.0896	0.0896	393,065	
	Senior Services	438,688,082	0.0493	0.0493	216,273	
	Common I Road District	33,985,442	0.1996	0.1996	67,835	2017
	Common II Road District	12,488,140	0.2080	0.2080	25,975	2017
<u>Lewis</u>						
Lewis County Ambulance District	General Revenue	130,542,293	0.2329	0.1144	149,340	
Lewis County Nursing Home	General Revenue	130,542,293	0.1386	0.1386	180,932	
Buck & Doe Run Creeks Subdistrict	General Revenue	4,563,767	0.2223	0.2223	10,145	
Durgens Creek Watershed Subdistrict	General Revenue	2,935,710	0.3836	0.3836	11,261	
Troublesome Watershed Subdistrict	General Revenue	10,421,293	0.3748	0.3748	39,059	
Grassey Creek Watershed Subdistrict	General Revenue	7,291,600	0.2996	0.2996	21,846	
Canton Special Road Dist Lewis Co	Road & Bridge	33,630,284	0.2313	0.2313	77,787	
Dickerson Spec Road Dist Lewis Co	Road & Bridge	911,408	0.3312	0.3312	3,019	
La Grange Spec Road Dist Lewis Co	Road & Bridge	19,652,722	0.3138	0.3138	61,670	
City of Canton	General Revenue	20,837,100	0.6677	0.6677	139,129	
	Parks & Recreation	20,837,100	0.1859	0.1859	38,736	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lewis</u>						
City of Canton	Library	20,837,100	0.2324	0.2324	48,425	
	Levee	20,837,100	0.1859	0.1859	38,736	
	Debt Service	20,837,100	0.8539	0.3400	70,846	
City of Ewing	General Revenue	3,386,174	0.6308	0.6308	21,360	
City of La Belle	General Revenue	4,640,570	0.7629	0.7629	35,403	
	Streets	4,640,570	0.0991	0.0991	4,599	2016
	Streets-Temp	4,640,570	0.3599	0.3599	16,701	2015
City of La Grange	General Revenue	11,536,939	0.4669	0.4669	53,866	
	Streets	11,536,939	0.2573	0.2573	29,685	
	Cemetery	11,536,939	0.1280	0.1280	14,767	
City of Lewistown	General Revenue	4,569,072	0.6592	0.6592	30,119	
	Debt Service	4,569,072	0.2086	0.2086	9,531	
Village of Monticello	General Revenue	987,138	0.6400	0.6400	6,318	
Lewis County Library	General Revenue	109,663,921	0.0922	0.0922	101,110	
Canton R-V Fire Protection District	General Revenue	50,839,938	0.2414	0.2414	122,728	
	Debt Service	50,839,938	0.0904	0.0904	45,959	
Ewing-Maywood R-4 Fire Prot Dist	General Revenue	27,369,502	0.4343	0.4343	118,866	
Western Lewis County Fire Prot Dist	General Revenue	29,142,556	0.4263	0.4263	124,235	
	Debt Service	29,142,556	0.0845	0.0845	24,625	
Lewis County Health Department	General Revenue	130,542,293	0.2438	0.2438	318,262	
Canton R-V School District	Operating Funds-Schools	37,354,302	3.0904	3.0904	1,154,397 ^E	
	Debt Service	37,354,302	0.8448	0.5500	205,449	
Lewis County C-1 School District	Operating Funds-Schools	77,289,442	3.3093	3.3093	2,557,740 ^E	
Lewis County	General Revenue	130,542,293	0.3855	0.2303	300,639	
	Road & Bridge	76,350,346	0.2556	0.2556	195,151	
	Common Road District	76,350,346	0.1967	0.1967	150,181	2016
<u>Lincoln</u>						
Lincoln County Ambulance District	General Revenue	703,075,503	0.2867	0.1299	913,295	
Clarence Cannon Memorial Subdist	General Revenue	9,477,412	0.2047	0.2047	19,400	
City of Elsberry	General Revenue	15,017,169	0.5314	0.5314	79,801	
	Cemetery	15,017,169	0.1594	0.1594	23,937	
City of Foley	General Revenue	930,893	0.7295	0.7295	6,791	
City of Hawk Point	General Revenue	4,663,044	0.3983	0.3983	18,573	
City of Moscow Mills	General Revenue	26,767,916	0.2651	0.2651	70,962	
	GR-Waterworks	26,767,916	0.5189	0.5189	138,899	
City of Old Monroe	General Revenue	3,614,050	0.4044	0.4044	14,615	
Village of Silex	General Revenue	1,919,464	0.2930	0.2929	5,622	
	Debt Service	1,919,464	1.0401	0.6508	12,492	
City of Troy	General Revenue	173,559,674	0.1900	0.1900	329,763	
City of Winfield	General Revenue	12,921,094	0.3740	0.3740	48,325	
Village of Truxton	General Revenue	355,947	0.4655	0.4655	1,657	
Village of Chain of Rocks	General Revenue	1,002,828	0.4660	0.4660	4,673	
Village of Fountain 'N Lakes	General Revenue	439,103	0.5000	0.5000	2,196	
Winfield-Foley Fire Protection Dist	General Revenue	94,007,037	0.2592	0.2592	243,666	
Lincoln County Fire Protection Dist	General Revenue	415,570,107	0.5500	0.5500	2,285,636	
Elsberry Fire Protection District	General Revenue	50,794,996	0.2962	0.2962	150,455	
Hawk Point Fire Protection District	General Revenue	41,556,322	0.2777	0.2777	115,402	
Old Monroe Fire Protection District	General Revenue	33,499,018	0.3000	0.3000	100,497	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lincoln</u>						
Lincoln County Health Department	General Revenue	703,075,503	0.2000	0.2000	1,406,151	
Silex R-I School District	Operating Funds-Schools	31,397,451	3.4614	3.4614	1,086,791	E
	Debt Service	31,397,451	0.8655	0.7100	222,922	
Elsberry R-II School District	Operating Funds-Schools	44,841,321	2.8626	2.8626	1,283,628	E
	Debt Service	44,841,321	1.4629	1.2600	565,001	
Troy R-III School District	Operating Funds-Schools	439,896,878	3.5129	3.5000	15,396,391	E
	Debt Service	439,896,878	1.4981	1.2600	5,542,701	
Winfield R-IV School District	Operating Funds-Schools	95,070,296	3.2970	3.2970	3,134,468	E
	Debt Service	95,070,296	1.2073	1.0500	998,238	
Lincoln County	General Revenue	703,075,503	0.3480	0.2090	1,469,428	
	Road & Bridge	703,075,503	0.2660	0.2657	1,868,072	
	Hospital	703,075,503	0.1739	0.1739	1,222,648	
	Senate Bill 40	703,075,503	0.1000	0.1000	703,076	
	Debt Service	703,075,503	0.1276	0.1276	897,124	
<u>Linn</u>						
Linn County Ambulance District	General Revenue	152,514,098	0.2827	0.0814	124,146	
East Yellow Creek Watershed	General Revenue	10,807,855	0.3609	0.3609	39,006	
Marceline Special Road Dist Linn Co	General Revenue	22,190,512	0.0988	0.0988	21,924	
	Road & Bridge	22,190,512	0.3667	0.3667	81,373	
Purdin Special Road Dist Linn Co	General Revenue	1,920,487	0.0000	0.0000	0	
	Road & Bridge	1,920,487	0.4971	0.4971	9,547	
	Special Road and Bridge	1,920,487	0.3500	0.3500	6,722	A 2018
City of Brookfield	General Revenue	39,441,667	0.8656	0.8656	341,407	
	Parks & Recreation	39,441,667	0.1972	0.1972	77,779	
	Library	39,441,667	0.3659	0.3659	144,317	
	Cemetery	39,441,667	0.0985	0.0985	38,850	
City of Browning	General Revenue	815,757	0.9942	0.9942	8,110	
City of Bucklin	General Revenue	3,097,412	0.9631	0.9631	29,831	
	Streets	3,097,412	0.4815	0.4815	14,914	
	Special Road and Bridge	3,097,412	0.6000	0.6000	18,584	A 2018
City of Laclede	General Revenue	2,264,144	0.9008	0.9008	20,395	
	Cemetery	2,264,144	0.0996	0.0996	2,255	
City of Linneus	General Revenue	1,392,274	0.6000	0.6000	8,354	
	Streets	1,392,274	0.4000	0.4000	5,569	
City of Marceline	General Revenue	21,022,958	0.5005	0.5005	105,220	
	Library	21,022,958	0.2086	0.2086	43,854	
City of Meadville	General Revenue	3,315,883	0.3629	0.3629	12,033	
City of Purdin	General Revenue	552,972	1.0000	1.0000	5,530	
Baker Township Linn County	General Revenue	3,981,929	0.0978	0.0978	3,894	
	Road & Bridge	3,981,929	0.4843	0.4843	19,284	
	Special Road and Bridge	3,981,929	0.3500	0.3500	13,937	A 2018
North Benton Township Linn County	General Revenue	1,981,504	0.1000	0.1000	1,982	
	Road & Bridge	1,981,504	0.5000	0.5000	9,908	
	Special Road and Bridge	1,981,504	0.3520	0.3520	6,975	A 2018
Brookfield Township Linn County	General Revenue	53,227,875	0.0989	0.0989	52,642	
	Road & Bridge	53,227,875	0.3944	0.3944	209,931	
Bucklin Township Linn County	General Revenue	10,223,543	0.0938	0.0938	9,590	
	Road & Bridge	10,223,543	0.4504	0.4504	46,047	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Linn</u>						
Bucklin Township Linn County	Special Road and Bridge	10,223,543	0.3500	0.3500	35,782 ^A	2018
Clay Township Linn County	General Revenue	5,123,494	0.0973	0.0973	4,985	
	Road & Bridge	5,123,494	0.4859	0.4859	24,895	
	Special Road and Bridge	5,123,494	0.3500	0.3500	17,932 ^A	2018
Enterprise Township Linn County	General Revenue	1,851,630	0.0996	0.0996	1,844	
	Road & Bridge	1,851,630	0.4981	0.4981	9,223	
	Special Road and Bridge	1,851,630	0.3500	0.3500	6,481 ^A	2018
Grantsville Township Linn County	General Revenue	3,697,785	0.0998	0.0998	3,690	
	Road & Bridge	3,697,785	0.4989	0.4989	18,448	
	Special Road and Bridge	3,697,785	0.3500	0.3500	12,942 ^A	2018
Jackson Township Linn County	General Revenue	3,469,211	0.0979	0.0979	3,396	
	Road & Bridge	3,469,211	0.4895	0.4895	16,982	
	Special Road and Bridge	3,469,211	0.3500	0.3500	12,142 ^A	2018
Jefferson Township Linn County	General Revenue	11,966,248	0.0935	0.0935	11,188	
	Road & Bridge	11,966,248	0.3646	0.3646	43,629	
	Special Road and Bridge	11,966,248	0.0035	0.0035	419 ^A	2018
	Debt Service	11,966,248	0.7151	0.7151	85,571	
Locust Creek Township Linn County	General Revenue	6,658,352	0.0988	0.0988	6,578	
	Road & Bridge	6,658,352	0.4939	0.4939	32,886	
	Special Road and Bridge	6,658,352	0.3500	0.3500	23,304 ^A	2018
Marceline Township Linn County	General Revenue	5,566,461	0.0986	0.0986	5,489	
	Road & Bridge	5,566,461	0.4930	0.4930	27,443	
	Special Road and Bridge	5,566,461	0.3500	0.3500	19,483 ^A	2018
North Salem Township Linn County	General Revenue	2,661,129	0.0982	0.0982	2,613	
	Road & Bridge	2,661,129	0.4910	0.4910	13,066	
	Special Road and Bridge	2,661,129	0.3800	0.3800	10,112 ^A	2018
Parson Creek Township Linn County	General Revenue	9,625,329	0.0964	0.0964	9,279	
	Road & Bridge	9,625,329	0.4620	0.4620	44,469	
	Special Road and Bridge	9,625,329	0.3500	0.3500	33,689 ^A	2018
Yellow Creek Township Linn County	General Revenue	8,368,609	0.0764	0.0764	6,394	
	Road & Bridge	8,368,609	0.3489	0.3489	29,198	
	Special Road and Bridge	8,368,609	0.3500	0.3500	29,290 ^A	2018
Laclede Community Fire Prot Dist	General Revenue	11,966,248	0.2388	0.2388	28,575	
Linneus Fire Protection District	General Revenue	9,929,458	0.2966	0.2966	29,451	
Linn County Health Department	General Revenue	152,514,098	0.2340	0.2340	356,883	
Linn County R-I School District	Operating Funds-Schools	19,191,612	3.8867	3.8867	745,920 ^E	
Bucklin R-II School District	Operating Funds-Schools	11,550,501	5.3467	5.3467	617,571 ^{BE}	
Meadville R-IV School District	Operating Funds-Schools	17,423,635	4.3129	3.7451	652,533	
	Debt Service	17,423,635	1.0575	1.0500	182,948	
Marceline R-V School District	Operating Funds-Schools	38,464,484	3.8542	3.8542	1,482,498 ^E	
	Debt Service	38,464,484	1.2796	0.8000	307,716	
Brookfield R-III School District	Operating Funds-Schools	61,311,630	3.9973	3.9973	2,450,810 ^E	
	Operating Funds-Temp	61,311,630	0.0129	0.0129	7,909	2018
	Debt Service	61,311,630	0.7253	0.6600	404,657	
Linn County	General Revenue	152,514,098	0.2948	0.0675	102,947	
	Senate Bill 40	152,514,098	0.1950	0.1950	297,402	
	Senior Services	152,514,098	0.0491	0.0491	74,884	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Livingston</u>						
Livingston County Ambulance Dist	General Revenue	173,028,524	0.1204	0.1204	208,326	
Livingston County Nursing Home Dist	General Revenue	173,028,524	0.1500	0.1500	259,543	
City of Chillicothe	General Revenue	91,709,430	0.6868	0.6868	629,860	
	Parks & Recreation	91,709,430	0.1931	0.1931	177,091	
	Temp Gen Indus Imp	91,709,430	0.0000	0.0000	0	
City of Chula	General Revenue	1,334,402	1.0000	1.0000	13,344	
Village of Ludlow	General Revenue	630,233	0.9916	0.9916	6,249	
Village of Mooresville	General Revenue	627,061	0.5074	0.5074	3,182	
City of Wheeling	General Revenue	1,043,159	0.7500	0.7500	7,824	
Livingston County Memorial Library	General Revenue	173,028,524	0.2700	0.2700	467,177	
	Debt Service	173,028,524	0.1907	0.1907	329,965	
Blue Mound Township Livingston Co	General Revenue	6,232,569	0.1000	0.1000	6,233	
	Road & Bridge	6,232,569	0.5000	0.5000	31,163	
	Special Road and Bridge	6,232,569	0.3228	0.3228	20,119 ^A	2018
Chillicothe Township Livingston Co	General Revenue	108,341,475	0.1000	0.1000	108,341	
	Road & Bridge	108,341,475	0.2858	0.2858	309,640	
Cream Ridge Township Livingston Co	General Revenue	7,409,039	0.0931	0.0931	6,898	
	Road & Bridge	7,409,039	0.3958	0.3958	29,325	
	Special Road and Bridge	7,409,039	0.3461	0.3461	25,643	2017
Grand River Township Livingston Co	General Revenue	4,498,652	0.0962	0.0962	4,328	
	Road & Bridge	4,498,652	0.5000	0.5000	22,493	
	Special Road and Bridge	4,498,652	0.3503	0.3503	15,759	2016
Green Township Livingston County	General Revenue	4,401,430	0.0933	0.0933	4,107	
	Road & Bridge	4,401,430	0.4662	0.4662	20,519	
Jackson Township Livingston County	General Revenue	8,814,244	0.0955	0.0955	8,418	
	Road & Bridge	8,814,244	0.2880	0.2880	25,385	
	Special Road and Bridge	8,814,244	0.3423	0.3423	30,171 ^A	2018
Medicine Township Livingston County	General Revenue	2,481,079	0.0995	0.0995	2,469	
	Road & Bridge	2,481,079	0.4280	0.4280	10,619	
	Special Road and Bridge	2,481,079	0.3500	0.3500	8,684 ^A	2018
Monroe Township Livingston County	General Revenue	4,676,408	0.0949	0.0949	4,438	
	Road & Bridge	4,676,408	0.4431	0.4431	20,721	
	Special Road and Bridge	4,676,408	0.3422	0.3422	16,003	2016
Mooresville Township Livingston Co	General Revenue	3,782,770	0.0986	0.0986	3,730	
	Road & Bridge	3,782,770	0.4930	0.4930	18,649	
	Special Road and Bridge	3,782,770	0.3577	0.3577	13,531	2016
Rich Hill Township Livingston Co	General Revenue	8,685,640	0.1000	0.1000	8,686	
	Road & Bridge	8,685,640	0.4564	0.4564	39,641	
	Special Road and Bridge	8,685,640	0.3377	0.3377	29,331 ^A	2018
Sampsel Township Livingston County	General Revenue	4,309,951	0.1000	0.1000	4,310	
	Road & Bridge	4,309,951	0.4857	0.4857	20,933	
	Special Road and Bridge	4,309,951	0.3561	0.3561	15,348	2017
Wheeling Township Livingston County	General Revenue	4,135,636	0.0965	0.0965	3,991	
	Road & Bridge	4,135,636	0.4827	0.4827	19,963	
	Special Road and Bridge	4,135,636	0.3540	0.3540	14,640	2016
Fairview Township Livingston County	General Revenue	5,259,628	0.1000	0.1000	5,260	
	Road & Bridge	5,259,628	0.4666	0.4666	24,541	
	Special Road and Bridge	5,259,628	0.3566	0.3566	18,756	2016

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Livingston</u>						
Green Township Fire Prot District	General Revenue	4,401,430	0.5142	0.5142	22,632	
Mooreville Township Fire Prot Dist	General Revenue	3,782,770	0.2958	0.2958	11,189	
Livingston County Health Center	General Revenue	173,028,524	0.3414	0.3414	590,719	B
Southwest Livingston Co R-I Sch Dis	Operating Funds-Schools	11,660,334	4.4492	4.4492	518,792	E
Livingston County R-III School Dist	Operating Funds-Schools	7,414,704	5.1526	4.6500	344,784	
Chillicothe R-II School District	Operating Funds-Schools	136,739,712	3.6247	3.6247	4,956,404	E
	Capital Projects	136,739,712	0.1200	0.1200	164,088	2023
	Debt Service	136,739,712	0.6478	0.5960	814,969	
Livingston County	General Revenue	173,028,524	0.3354	0.0172	29,761	
	Developmentally Disabled	173,028,524	0.1000	0.1000	173,029	
	Senior Services	173,028,524	0.0510	0.0510	88,245	
<u>McDonald</u>						
City of Anderson	General Revenue	14,365,442	0.2423	0.2423	34,807	
	General Revenue-Temp	14,365,442	0.3658	0.3658	52,549	2017
City of Goodman	General Revenue	8,075,089	0.6525	0.6525	52,690	
City of Lanagan	General Revenue	1,385,331	0.7437	0.7437	10,303	
City of Pineville	General Revenue	6,484,127	0.4913	0.4913	31,857	
City of Southwest City	General Revenue	15,171,974	0.6500	0.6500	98,618	
McDonald County Library	General Revenue	247,425,315	0.1000	0.1000	247,425	
Goodman Area Fire Protection Dist	General Revenue	28,036,143	0.3000	0.3000	84,108	
McDonald County R-I School District	Operating Funds-Schools	214,856,447	2.8379	2.7500	5,908,552	F
	Debt Service	214,856,447	0.8556	0.6700	1,439,538	
McDonald County	Road & Bridge	247,425,315	0.0000	0.0000	0	
<u>Macon</u>						
Macon County Ambulance District	General Revenue	213,819,065	0.1424	0.1424	304,478	
Samaritan Memorial Hospital	General Revenue	213,819,065	0.1900	0.1900	406,256	
La Plata Nursing Home District	General Revenue	48,174,602	0.1377	0.1377	66,336	
Macon County Nursing Home District	Maintenance	170,862,041	0.1430	0.1430	244,333	
Hudson Special Road Dist Macon Co	Road & Bridge	84,197,241	0.2830	0.2830	238,278	
	Special Road and Bridge	84,197,241	0.2032	0.2032	171,089	2016
La Plata Special Road Dist Macon Co	Road & Bridge	15,635,455	0.3049	0.3049	47,673	
	Special Road and Bridge	15,635,455	0.3513	0.3513	54,927	2015
City of Atlanta	General Revenue	1,793,054	1.0000	1.0000	17,931	
City of Bevier	General Revenue	3,704,689	0.7757	0.7757	28,737	
	Lights	3,704,689	0.2752	0.2752	10,195	
City of Callao	General Revenue	1,254,305	0.9959	0.9959	12,492	
City of Elmer	General Revenue	503,984	1.0000	1.0000	5,040	
City of Ethel	General Revenue	469,563	0.7914	0.7914	3,716	
City of La Plata	General Revenue	9,952,613	0.8017	0.8017	79,790	
	Parks & Recreation	9,952,613	0.1836	0.1836	18,273	
	Library	9,952,613	0.1836	0.1836	18,273	
City of Macon	General Revenue	63,623,914	0.5965	0.5965	379,517	
	Library	63,623,914	0.2386	0.2386	151,807	
City of New Cambria	General Revenue	1,174,426	0.8881	0.8881	10,430	
Village of South Gifford	General Revenue	95,882	0.5000	0.5000	479	
La Plata Community Fire Prot Dist	General Revenue	37,070,768	0.3981	0.3981	147,579	
Bevier Fire Protection District	General Revenue	21,441,787	0.2967	0.2967	63,618	
Callao Fire Protection District	General Revenue	11,853,036	0.3602	0.3602	42,695	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Macon</u>						
Macon County Health Department	General Revenue	213,819,065	0.1424	0.1424	304,478	
Atlanta C-3 School District	Operating Funds-Schools	15,263,527	3.7108	3.7108	566,399	E
Bevier C-4 School District	Operating Funds-Schools	12,529,586	3.7779	3.7779	473,355	E
La Plata R-II School District	Operating Funds-Schools	26,096,071	3.0667	3.0667	800,288	E
	Debt Service	26,096,071	0.4092	0.4092	106,785	
Macon County R-I School District	Operating Funds-Schools	105,264,678	3.1014	3.1014	3,264,679	E
Callao C-8 School District	Operating Funds-Schools	6,429,075	4.8900	4.2002	270,034	
Macon County R-IV School District	Operating Funds-Schools	12,271,022	4.4698	4.4698	548,490	E
Macon County	General Revenue	213,819,065	0.4111	0.2375	507,820	
	Common Road District	113,986,368	0.3042	0.3042	346,747	
	Developmentally Disabled	213,819,065	0.0950	0.0950	203,128	
	Special Road and Bridge	113,986,368	0.3500	0.3500	398,952	A 2018
<u>Madison</u>						
Madison County Ambulance District	General Revenue	111,109,578	0.3000	0.3000	333,329	
Village of Cobalt City	General Revenue	899,590	0.2238	0.2230	2,006	
City of Fredericktown	General Revenue	34,678,237	0.7265	0.7265	251,937	
	Parks & Recreation	34,678,237	0.1260	0.1260	43,695	
Village of Junction City	General Revenue	1,988,470	0.2500	0.2500	4,971	
City of Marquand	General Revenue	865,060	1.0000	1.0000	8,651	
Madison County Health Department	General Revenue	111,109,578	0.1000	0.1000	111,110	
Marquand-Zion R-VI School District	Operating Funds-Schools	10,395,481	4.0067	4.0067	416,516	E
	Debt Service	10,395,481	0.5715	0.5000	51,977	
Fredericktown R-I School District	Operating Funds-Schools	96,133,549	3.2000	3.2000	3,076,274	E
	Operating Funds-Temp	96,133,549	0.7000	0.7000	672,935	2023
Madison County	General Revenue	111,109,578	0.3946	0.1233	136,998	
	Library	111,120,288	0.1000	0.1000	111,120	
	Road & Bridge	111,120,288	0.2869	0.2869	318,804	
	Senate Bill 40	111,120,288	0.1947	0.1947	216,351	
<u>Maries</u>						
Maries-Osage Ambulance District	General Revenue	83,794,741	0.1942	0.1942	162,729	
Ozark Central Ambulance District	General Revenue	81,511,158	0.2694	0.2694	219,591	
Belle Special Road District #6	Road & Bridge	12,000,687	0.2368	0.2368	28,418	
Spec Road Dist #8 Maries County	Road & Bridge	8,751,182	0.2228	0.2228	19,498	
City of Vienna	General Revenue	8,332,029	0.6110	0.6110	50,909	
City of Belle	General Revenue	11,994,227	0.7138	0.7138	85,615	
	Parks & Recreation	11,994,227	0.1552	0.1552	18,615	
Maries County Library	General Revenue	127,319,412	0.1594	0.1594	202,947	
Vienna Volunteer Fire Prot District	General Revenue	28,655,381	0.3000	0.3000	85,966	A
Maries County R-I School District	Operating Funds-Schools	50,061,160	3.3376	3.3376	1,670,841	E
	Debt Service	50,061,160	0.4726	0.4000	200,245	
Maries County R-II School District	Operating Funds-Schools	64,514,629	3.2439	3.2439	2,092,790	E
Maries County	General Revenue	127,319,412	0.4681	0.3572	454,785	
	Road #1	54,631,897	0.2748	0.2748	150,128	
	Road #2	53,865,169	0.2388	0.2388	128,630	
<u>Marion</u>						
Marion County Ambulance District	General Revenue	420,252,927	0.2332	0.0000	0	
	Pension	420,252,927	0.0485	0.0485	203,823	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Marion</u>						
Marion County Nursing Home District	General Revenue	405,254,728	0.1443	0.1443	584,783	
City of Hannibal	General Revenue	220,382,194	0.7502	0.7502	1,653,307	
	Library	220,382,194	0.2859	0.2859	630,073	
	Police & Fire	220,382,194	0.1317	0.1317	290,243	
City of Palmyra	General Revenue	38,748,139	0.6489	0.6489	251,437	
Marion County Library Subdist #1	General Revenue	134,979,951	0.1534	0.1534	207,059	
Marion County Health Department	General Revenue	405,254,728	0.1309	0.1309	530,478	
Marion County R-II School District	Operating Funds-Schools	15,206,199	3.7169	3.7169	565,199	E
	Debt Service	15,206,199	0.3300	0.3300	50,180	
Palmyra R-I School District	Operating Funds-Schools	123,030,065	3.5035	3.3480	4,119,047	E
	Debt Service	123,030,065	0.9800	0.6800	836,604	
Hannibal 60 School District	Operating Funds-Schools	311,553,545	3.1079	2.7500	8,567,722	
	Debt Service	311,553,545	1.1944	0.8500	2,648,205	
Marion County	General Revenue	405,254,728	0.4358	0.1350	547,094	
	Road & Bridge	405,254,728	0.3268	0.3268	1,324,372	
	Senate Bill 40	405,254,728	0.1347	0.1347	545,878	
<u>Mercer</u>						
Mercer County Ambulance District	General Revenue	72,197,520	0.3086	0.3086	222,802	
City of Mercer	General Revenue	2,210,068	0.7429	0.7429	16,419	
	Streets	2,210,068	0.4140	0.4140	9,150	
	Debt Service	2,210,068	1.5443	1.1270	24,907	
City of Princeton	General Revenue	10,925,094	0.8436	0.8436	92,164	
	Band	10,925,094	0.0919	0.0919	10,040	
Village of South Lineville	General Revenue	472,510	0.4467	0.4467	2,111	
Mercer County Library	General Revenue	72,197,520	0.1871	0.1871	135,082	
Harrison Township Mercer County	General Revenue	3,630,473	0.0894	0.0894	3,246	
	Road & Bridge	3,630,473	0.4470	0.4470	16,228	
	Special Road and Bridge	3,630,473	0.3500	0.3500	12,707	A 2018
Lindley Township Mercer County	General Revenue	2,956,588	0.0884	0.0884	2,614	
	Road & Bridge	2,956,588	0.4419	0.4419	13,065	
	Special Road and Bridge	2,956,588	0.3500	0.3500	10,348	A 2018
Madison Township Mercer County	General Revenue	3,343,169	0.0894	0.0894	2,989	
	Road & Bridge	3,343,169	0.4471	0.4471	14,947	
	Special Road and Bridge	3,343,169	0.3500	0.3500	11,701	A 2018
Marion Township Mercer County	General Revenue	11,896,864	0.0903	0.0903	10,743	
	Road & Bridge	11,896,864	0.3888	0.3888	46,255	
	Special Road and Bridge	11,896,864	0.3500	0.3500	41,639	A 2018
Medicine Township Mercer County	General Revenue	3,451,666	0.0912	0.0912	3,148	
	Road & Bridge	3,451,666	0.4558	0.4558	15,733	
	Special Road and Bridge	3,451,666	0.3500	0.3500	12,081	A 2018
Morgan Township Mercer County	General Revenue	25,444,133	0.0942	0.0942	23,968	
	Road & Bridge	25,444,133	0.3299	0.3299	83,940	
Ravanna Township Mercer County	General Revenue	8,204,177	0.0982	0.0982	8,057	
	Road & Bridge	8,204,177	0.4910	0.4910	40,283	
	Special Road and Bridge	8,204,177	0.3500	0.3500	28,715	A 2018
Somerset Township Mercer County	General Revenue	4,818,130	0.0960	0.0960	4,625	
	Road & Bridge	4,818,130	0.4798	0.4798	23,117	
	Special Road and Bridge	4,818,130	0.3500	0.3500	16,863	A 2018

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Mercer</u>						
Washington Township Mercer County	General Revenue	8,452,319	0.0847	0.0847	7,159	2018
	Road & Bridge	8,452,319	0.4233	0.4233	35,779	
	Special Road and Bridge	8,452,319	0.3500	0.3500	29,583 ^A	
Mercer County Fire Protection Dist	General Revenue	43,903,035	0.2795	0.2795	122,709	
Mercer Fire Protection District	General Revenue	18,660,317	0.2803	0.2803	52,305	
Mercer County Health Department	General Revenue	72,197,520	0.2806	0.2806	202,586	
Mercer County Extension District	General Revenue	72,197,520	0.0500	0.0500	36,099 ^A	
North Mercer Co R-III School Dist	Operating Funds-Schools	15,042,985	4.7000	4.1266	620,764	
Princeton R-V School District	Operating Funds-Schools	42,781,898	4.3491	4.3491	1,860,628 ^E	
	Debt Service	42,781,898	1.1005	0.9532	407,797	
Mercer County	General Revenue	72,197,520	0.3741	0.2480	179,050	
	Road & Bridge	72,197,520	0.1403	0.1403	101,293	
	Senior Services	72,197,520	0.0468	0.0468	33,788	
<u>Miller</u>						
Miller County Ambulance District	General Revenue	260,750,889	0.0000	0.0000	0	
Miller County Nursing Home District	General Revenue	402,461,649	0.1160	0.1160	466,856	
	Debt Service	402,461,649	0.0518	0.0513	206,463	
Bagnell Special Road Dist Miller Co	Road & Bridge	120,219,510	0.1774	0.1774	213,269	
Kaiser Special Road Dist Miller Co	Road & Bridge	71,236,142	0.1868	0.1868	133,069	
City of Bagnell	General Revenue	646,085	0.5000	0.5000	3,230	
Village of Brumley	General Revenue	447,469	0.5000	0.5000	2,237	
City of Iberia	General Revenue	5,008,703	0.5471	0.5471	27,403	
Village of Olean	General Revenue	636,728	0.3146	0.3146	2,003	
Village of St. Elizabeth	General Revenue	4,487,528	0.2253	0.2253	10,110	
Village of Tuscumbia	General Revenue	1,268,876	0.3737	0.3737	4,742	
City of Lake Ozark	General Revenue	99,756,867	0.2326	0.2326	232,034	
Miller County Library	General Revenue	402,461,649	0.1278	0.1278	514,346	
Lake Ozark Fire Protection District	General Revenue	442,098,002	0.5767	0.5767	2,549,579	
	Ambulance	442,098,002	0.2788	0.2788	1,232,569	
	Debt Service	442,098,002	0.0854	0.0800	353,678	
Brumley Fire Protection District	General Revenue	21,100,312	0.3000	0.3000	63,301	
Tuscumbia Fire Protection District	General Revenue	10,900,822	0.2981	0.2981	32,495	
Moreau Fire Protection District #2	General Revenue	112,610,470	0.5500	0.5500	619,358	
St. Elizabeth Fire Protection Dist	General Revenue	13,872,984	0.2857	0.2857	39,635	
Iberia Fire Protection District	General Revenue	31,497,036	0.3000	0.3000	94,491	
Miller County Health Center	General Revenue	402,461,649	0.1396	0.1292	519,980	
Eldon R-I School District	Operating Funds-Schools	179,096,283	3.0714	3.0303	5,427,155 ^E	
	Debt Service	179,096,283	0.5760	0.5100	913,391	
Miller County R-III School District	Operating Funds-Schools	11,215,348	3.9761	3.9000	437,399 ^E	
St. Elizabeth R-IV School District	Operating Funds-Schools	16,202,060	4.1244	4.1244	668,238 ^E	
School of the Osage R-II Sch Dist	Operating Funds-Schools	542,595,114	2.4900	2.4900	13,510,618	
	Debt Service	542,595,114	0.7247	0.4490	2,436,252	
Iberia R-V School District	Operating Funds-Schools	34,659,947	3.6407	3.6407	1,261,865 ^E	
Miller County	General Revenue	402,461,649	0.2642	0.0510	205,255	
	Road & Bridge	210,865,218	0.2570	0.2570	541,924	
	Developmentally Disabled	402,461,649	0.0846	0.0846	340,483	
	Senior Services	402,461,649	0.0491	0.0491	197,609	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Mississippi</u>						
Mississippi County Ambulance Dist	General Revenue	163,111,799	0.3000	0.3000	489,335	
City of Anniston	General Revenue	1,424,560	0.5592	0.5592	7,966	
City of Bertrand	General Revenue	5,047,541	0.5293	0.5293	26,717	
City of Charleston	General Revenue	31,424,069	0.7100	0.7100	223,111	
	Parks & Recreation	31,424,069	0.1800	0.1800	56,563	
City of East Prairie	General Revenue	19,966,663	0.7610	0.7610	151,946	
Village of Wilson City	General Revenue	272,704	0.4593	0.4593	1,253	
City of Wyatt	General Revenue	1,535,520	0.8491	0.8491	13,038	
Mississippi County Library	General Revenue	163,111,799	0.2079	0.2079	339,109	
Mississippi (Scott) Fire Prot Dist	General Revenue	81,454,352	0.1597	0.1597	130,083	
Mississippi County Senate Bill 40	General Revenue	163,111,799	0.1248	0.1248	203,564	
Mississippi County Health Dept	General Revenue	163,111,799	0.1000	0.1000	163,112	
East Prairie R-II School District	Operating Funds-Schools	67,455,249	2.9572	2.7500	1,855,019	F
	Debt Service	67,455,249	0.5972	0.3500	236,093	
Charleston R-I School District	Operating Funds-Schools	84,682,427	2.8498	2.8498	2,413,280	E
Mississippi County	General Revenue	163,111,799	0.4781	0.3302	538,595	
	Johnson Grass	163,111,799	0.0500	0.0500	81,556	
	Road & Bridge	163,111,799	0.3500	0.3500	570,891	
<u>Moniteau</u>						
Mid Mo Ambulance District	General Revenue	524,301,570	0.0000	0.0000	0	
City of California	General Revenue	49,133,586	0.4156	0.4156	204,199	
	Parks & Recreation	49,133,586	0.1641	0.1641	80,628	
City of Clarksburg	General Revenue	1,763,412	0.9652	0.9652	17,020	
City of Jamestown	General Revenue	3,423,310	0.8311	0.8311	28,451	
City of Lupus	General Revenue	371,391	0.6744	0.6744	2,505	
City of Tipton	General Revenue	25,490,403	0.7151	0.7151	182,282	
Moniteau Co Library Subdistrict Two	General Revenue	52,215,661	0.1174	0.1174	61,301	
Moniteau Co Lib Subdist-California	General Revenue	49,133,559	0.1000	0.1000	49,134	
California Rural Fire Prot District	General Revenue	50,823,209	0.1960	0.1960	99,613	
Fortuna Fire Protection District	General Revenue	37,584,330	0.2885	0.2885	108,431	
Tipton Rural Fire Protection Dist	Fire	15,269,455	0.2406	0.2406	36,738	
Jamestown Rural Fire Prot District	General Revenue	21,612,089	0.2702	0.2702	58,396	
	Debt Service	21,612,089	0.1585	0.1585	34,255	
Moniteau County Health Center	General Revenue	194,961,650	0.1482	0.1482	288,933	
Moniteau County R-I School District	Operating Funds-Schools	86,077,265	2.9310	2.9310	2,522,925	E
	Debt Service	86,077,265	1.2716	0.9756	839,770	
High Point R-III School District	Operating Funds-Schools	10,039,636	4.2402	4.2402	425,701	E
	Operating Funds-Temp	10,039,636	0.3000	0.3000	30,119	2021
Moniteau County R-V School District	Operating Funds-Schools	9,378,479	3.4836	3.4836	326,709	E
Tipton R-VI School District	Operating Funds-Schools	46,743,707	2.8804	2.8804	1,346,406	E
	Debt Service	46,743,707	1.2472	1.1191	523,109	
Moniteau County C-1 School District	Operating Funds-Schools	16,566,412	4.2492	4.2492	703,940	BE
	Operating Funds-Temp	16,566,412	0.4018	0.4018	66,564	A
Clarksburg C-2 School District	Operating Funds-Schools	6,955,814	3.7863	3.7765	262,686	E
	Debt Service	6,955,814	0.7848	0.7200	50,082	
Moniteau County	General Revenue	194,164,890	0.3358	0.1700	330,080	
	Common Road District	194,164,890	0.2470	0.2470	479,587	
	Developmentally Disabled	194,164,890	0.1183	0.1178	228,726	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Monroe</u>						
Monroe County Ambulance District	General Revenue	86,592,982	0.3951	0.3951	342,129	
Monroe City Ambulance District	General Revenue	102,616,849	0.2521	0.1660	170,344	
Monroe County Nursing Home District	General Revenue	103,910,598	0.1406	0.1406	146,098	
Madison Special Road Dist Monroe Co	Special Road and Bridge	10,168,969	0.3500	0.3500	35,591	^B 2018
Monroe City Spec Rd Dist Monroe Co	Special Road and Bridge	26,739,513	0.3500	0.3500	93,588	^A 2018
Village of Holliday	General Revenue	1,039,210	0.3465	0.3465	3,601	
City of Madison	General Revenue	3,646,766	0.6674	0.6674	24,339	
City of Paris	General Revenue	9,521,482	0.3312	0.3312	31,535	
	Streets	9,521,482	0.1147	0.1147	10,921	
	Cemetery	9,521,482	0.2589	0.2589	24,651	
Village of Stoutsville	General Revenue	567,627	0.1768	0.1768	1,004	
City of Monroe City	General Revenue	28,132,660	0.7258	0.7258	204,187	
	Library	26,640,870	0.1924	0.1924	51,257	
Monroe County Library	General Revenue	111,175,598	0.1562	0.1562	173,656	
Paris Rural Fire Protection Dist	General Revenue	40,850,274	0.2335	0.2335	95,385	
Madison-West Monroe Fire Prot Dist	General Revenue	29,455,558	0.2805	0.2805	82,623	
Monroe County Health Department	General Revenue	128,640,124	0.0938	0.0938	120,664	
Middle Grove C-1 School District	Operating Funds-Schools	4,528,686	5.1240	5.1240	232,050	^E
Monroe City R-I School District	Operating Funds-Schools	80,327,057	3.5997	3.5997	2,891,533	^E
	Debt Service	80,327,057	0.7152	0.6467	519,475	
Holliday C-2 School District	Operating Funds-Schools	8,175,368	3.4131	3.4131	279,033	^E
Madison C-3 School District	Operating Funds-Schools	13,860,642	3.5773	3.5773	495,837	^E
Paris R-II School District	Operating Funds-Schools	45,902,326	3.3086	3.3086	1,518,724	^E
	Debt Service	45,902,326	0.5028	0.4900	224,921	
Monroe County	General Revenue	128,640,124	0.3836	0.2750	353,760	
	Road & Bridge	128,640,124	0.2798	0.2798	359,935	
	Senate Bill 40	128,640,124	0.0938	0.0938	120,664	
<u>Montgomery</u>						
Montgomery County Ambulance Dist	General Revenue	191,355,388	0.2448	0.2448	468,438	
Rhineland Bottom SRD Montgomery C	Special Road and Bridge	8,512,437	0.2500	0.2500	21,281	2017
Wellsville Road Dist Montgomery Co	Special Road and Bridge	24,577,742	0.2000	0.2000	49,155	2017
City of Bellflower	General Revenue	2,143,518	0.8973	0.8973	19,234	
City of High Hill	General Revenue	3,170,775	0.3685	0.3685	11,684	
City of Jonesburg	General Revenue	13,041,223	0.4718	0.4718	61,528	
City of McKittrick	General Revenue	490,532	0.6793	0.6793	3,332	
City of Middletown	General Revenue	1,539,667	0.7806	0.7806	12,019	
City of Montgomery	General Revenue	40,840,869	0.5219	0.5219	213,148	
	Library	40,840,869	0.3966	0.3966	161,975	
City of New Florence	General Revenue	7,225,445	0.8050	0.8050	58,165	
Village of Rhineland	General Revenue	2,587,399	0.8077	0.8077	20,898	
City of Wellsville	General Revenue	8,553,801	0.7681	0.7681	65,702	
	Library	8,553,801	0.2105	0.2105	18,006	
Bellflower Volunteer Fire Prot Dist	General Revenue	20,354,354	0.2318	0.2318	47,181	
Big Spring Fire Protection District	General Revenue	14,617,277	0.2943	0.2943	43,019	
Jonesburg-High Hill Fire Prot Dist	General Revenue	51,175,219	0.2441	0.2441	124,919	
New Florence Fire Protection Dist	General Revenue	23,207,637	0.2925	0.2925	67,882	
Montgomery Volunteer Fire Prot Dist	General Revenue	73,787,056	0.2602	0.2602	191,994	
Wellsville Fire Protection District	General Revenue	26,376,969	0.2452	0.2452	64,676	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Montgomery</u>						
Middletown Community Fire Prot Dist	General Revenue	19,955,256	0.3000	0.3000	59,866	
Montgomery County Health Department	General Revenue	218,172,350	0.1434	0.1434	312,859	
Wellsville-Middletown R-I Sch Dist	Operating Funds-Schools	29,517,019	4.0128	4.0128	1,184,459	BE
	Debt Service	29,517,019	0.8455	0.4800	141,682	
Montgomery Co R-II School District	Operating Funds-Schools	125,482,927	3.2667	3.2667	4,099,151	E
	Debt Service	125,482,927	0.7852	0.6500	815,639	
Montgomery County	General Revenue	218,172,350	0.3780	0.2634	574,666	
	Johnson Grass	218,172,350	0.0000	0.0000	0	
	Road & Bridge	218,172,350	0.2787	0.2787	608,046	
	Special Road and Bridge	185,082,172	0.2997	0.2997	554,691	2017
	Senate Bill 40	218,172,350	0.0954	0.0954	208,136	
<u>Morgan</u>						
Golden Age Nursing Home District #1	General Revenue	99,687,452	0.1874	0.1874	186,814	
Good Shepherd Nursing Home District	General Revenue	734,168,537	0.1417	0.1417	1,040,317	
Barnett Spec Road Dist #3 Morgan Co	Road & Bridge	11,295,323	0.3059	0.3059	34,552	
Gravois Spec Road Dist #8 Morgan Co	Road & Bridge	188,783,989	0.1293	0.1293	244,098	
	Special Road and Bridge	188,783,989	0.1000	0.1000	188,784	A 2018
City of Barnett	General Revenue	1,163,899	0.6639	0.6562	7,638	
	Water	1,163,899	0.3478	0.3438	4,001	
City of Stover	General Revenue	7,771,830	0.5517	0.5517	42,877	
City of Syracuse	General Revenue	2,292,845	0.6985	0.6985	16,016	
City of Versailles	General Revenue	29,316,127	0.6841	0.6841	200,552	
Morgan County Library District	General Revenue	492,662,416	0.0747	0.0747	368,019	
Rocky Mount Fire Protection Dist	General Revenue	111,751,823	0.3856	0.3856	430,915	
Versailles Fire Protection Dist #4	General Revenue	43,223,974	0.4669	0.4669	201,813	
Gravois Fire Protection District	General Revenue	232,866,557	0.3902	0.3902	908,645	
	Debt Service	232,866,557	0.2070	0.2070	482,034	
Stover Rural Fire Protection Dist 6	General Revenue	38,987,602	0.2565	0.2565	100,003	
Morgan County Health Center	General Revenue	492,662,416	0.0764	0.0764	376,394	
Morgan County R-I School District	Operating Funds-Schools	83,787,237	3.4352	3.4300	2,873,902	E
Morgan County R-II School District	Operating Funds-Schools	261,358,674	2.8784	2.8784	7,522,948	E
Morgan County	General Revenue	492,662,416	0.2076	0.1191	586,761	
	Johnson Grass	492,662,416	0.0000	0.0000	0	
	Road & Bridge	292,352,187	0.1641	0.1641	479,750	
	Senate Bill 40	492,662,416	0.0415	0.0415	204,455	
	Senior Services	492,662,416	0.0415	0.0415	204,455	
<u>New Madrid</u>						
New Madrid County Ambulance Dist	General Revenue	455,527,697	0.0114	0.0000	0	
City of Canalou	General Revenue	1,126,425	0.7521	0.7521	8,472	
Village of Catron	General Revenue	1,112,944	0.4633	0.4633	5,156	
	Additional Gen. Rev.	1,112,944	0.2315	0.2315	2,576	
City of Gideon	General Revenue	5,972,690	0.6154	0.6154	36,756	
	Parks & Recreation	5,972,690	0.1565	0.1565	9,347	
City of Howardville	General Revenue	1,272,990	1.0000	1.0000	12,730	
City of Lilbourn	General Revenue	8,411,791	0.6124	0.6124	51,514	
	Parks & Recreation	8,411,791	0.1700	0.1700	14,300	
	Library	8,411,791	0.1700	0.1700	14,300	
	Health	8,411,791	0.1700	0.1700	14,300	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>New Madrid</u>						
City of Lilbourn	Debt Service	8,411,791	0.6334	0.4267	35,893	
City of Marston	General Revenue	4,904,232	0.5732	0.5732	28,111	
City of Matthews	General Revenue	10,102,082	0.5321	0.4000	40,408	
City of Morehouse	General Revenue	5,351,913	0.7144	0.7144	38,234	
City of New Madrid	General Revenue	27,580,361	0.6077	0.6077	167,606	
	Additional Gen. Rev.	27,580,361	0.0000	0.0000	0	
Village of North Lilbourn	General Revenue	118,753	0.4882	0.4882	580	
City of Parma	General Revenue	4,861,884	0.6438	0.6438	31,301	
City of Portageville	General Revenue	33,216,933	0.6013	0.6013	199,733	
	Parks & Recreation	33,216,933	0.1362	0.1362	45,241	
	Health	33,216,933	0.1589	0.1589	52,782	
City of Risco	General Revenue	2,279,033	0.7438	0.7438	16,951	
Village of Tallapoosa	General Revenue	442,857	1.0000	1.0000	4,429	
New Madrid County Library	General Revenue	428,218,038	0.1127	0.1127	482,602	
Lilbourn Hwy D Comm Improv District	General Revenue	139,490	0.0000	0.0000	0	2039
New Madrid County Health Department	General Revenue	455,527,697	0.0895	0.0895	407,697	
Risco R-II School District	Operating Funds-Schools	10,820,596	4.5315	4.5315	490,335	E
Portageville School District	Operating Funds-Schools	49,111,251	2.8313	2.8313	1,390,487	E
	Debt Service	49,111,251	0.6687	0.6687	328,407	
Gideon 37 School District	Operating Funds-Schools	14,018,752	3.6222	3.6222	507,787	E
New Madrid Co R-I School District	Operating Funds-Schools	304,211,610	3.4451	3.4451	10,480,394	E
	Debt Service	304,211,610	0.3708	0.2400	730,108	
New Madrid County	General Revenue	455,527,697	0.3195	0.1530	696,957	
	Johnson Grass	455,527,697	0.0099	0.0099	45,097	
	Road & Bridge	455,527,697	0.2497	0.1248	568,499	
	Senate Bill 40	455,527,697	0.0199	0.0199	90,650	
<u>Newton</u>						
Newton County Ambulance District	General Revenue	682,115,841	0.1928	0.1928	1,315,119	
Lost Creek Watershed Subdistrict	General Revenue	32,902,730	0.1484	0.1484	48,828	
Diamond Special Road Dist Newton Co	Road & Bridge	35,742,925	0.3218	0.3218	115,021	
	Special Road and Bridge	35,742,925	0.1758	0.1758	62,836	2015
Fairview Special Rd Dist Newton Co	Road & Bridge	11,013,284	0.2146	0.2146	23,635	
	Special Road and Bridge	11,013,284	0.1581	0.1581	17,412	2015
Midway Special Road Dist Newton Co	Road & Bridge	12,339,831	0.2215	0.2215	27,333	
	Special Road and Bridge	12,339,831	0.1742	0.1742	21,496	2015
Neosho Special Road Dist Newton Co	Road & Bridge	190,460,881	0.1951	0.1951	371,589	
	Special Road and Bridge	190,460,881	0.1554	0.1554	295,976	2015
Seneca Special Road Dist Newton Co	Road & Bridge	66,210,347	0.2007	0.2007	132,884	
	Special Road and Bridge	66,210,347	0.1553	0.1553	102,825	2015
Stella Special Road Dist Newton Co	Road & Bridge	7,112,812	0.2757	0.2757	19,610	
	Special Road and Bridge	7,112,812	0.1408	0.1408	10,015	2015
City of Diamond	General Revenue	5,442,215	0.3187	0.3187	17,344	
City of Fairview	General Revenue	2,193,690	0.3741	0.3741	8,207	
	Streets	2,193,690	0.3273	0.3273	7,180	
City of Granby	General Revenue	9,840,935	0.3606	0.3606	35,486	
	Cemetery	9,840,935	0.0834	0.0834	8,207	2015
Village of Leawood	General Revenue	8,227,809	0.2186	0.2186	17,986	
City of Neosho	General Revenue	105,637,349	0.4013	0.3639	384,414	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Newton</u>						
City of Neosho	Parks & Recreation	105,637,349	0.0000	0.0000	0	
Village of Newtonia	General Revenue	1,238,991	0.2147	0.2147	2,660	
Village of Ritchey	General Revenue	493,958	0.4707	0.4707	2,325	
Village of Saginaw	General Revenue	4,244,425	0.2553	0.2553	10,836	
City of Seneca	General Revenue	18,461,809	0.4519	0.4519	83,429	
	Parks & Recreation	18,461,809	0.0500	0.0500	9,231	
Village of Shoal Creek Drive	General Revenue	2,937,367	0.2031	0.2031	5,966	
Village of Stella	General Revenue	1,151,667	0.7830	0.7830	9,018	
Village of Wentworth	General Revenue	1,036,618	0.2728	0.2728	2,828	
Village of Shoal Creek Estates	General Revenue	1,164,215	0.4805	0.4805	5,594	
Town of Loma Linda	General Revenue	13,640,883	0.4761	0.4761	64,944	
	Sewer	13,640,883	0.0000	0.0000	0	
	General Revenue-Temp	13,640,883	0.3109	0.3109	42,410	2015
	Public Health and Sewer	13,640,883	0.1905	0.1905	25,986	
Neosho Newton County Library	General Revenue	707,128,541	0.0996	0.0996	704,300	
Neosho Area Fire Protection Dist	General Revenue	107,036,791	0.3858	0.3858	412,948	
Redings Mill Area Fire Prot Dist	General Revenue	168,805,444	0.7081	0.7081	1,195,311	
Diamond Area Fire Protection Dist	General Revenue	50,121,417	0.2548	0.2548	127,709	
Seneca Area Fire Protection Dist	General Revenue	42,573,580	0.2811	0.2811	119,674	
East Newton Fire Protection Dist	General Revenue	25,224,040	0.2670	0.2670	67,348	
Midway Fire Protection District	General Revenue	14,558,300	0.2861	0.2861	41,651	
Neosho Developers Comm Improv Dist	General Revenue	42,200	1.0000	1.0000	422	2057
Newton County Health Department	General Revenue	802,984,101	0.0498	0.0498	399,886	
Crowder College	General Revenue	816,483,537	0.4297	0.4297	3,508,430	
East Newton Co R-VI School District	Operating Funds-Schools	69,693,123	2.7500	2.7500	1,916,561	E
	Debt Service	69,693,123	0.5809	0.4691	326,930	
Diamond R-IV School District	Operating Funds-Schools	69,001,580	2.7500	2.7500	1,897,543	E
	Debt Service	69,001,580	1.1903	0.9900	683,116	
Westview C-6 School District	Operating Funds-Schools	8,558,380	2.7500	2.7500	235,355	F
Seneca R-VII School District	Operating Funds-Schools	90,034,196	2.7500	2.7500	2,475,940	F
	Debt Service	90,034,196	1.4145	0.8500	765,291	
Neosho R-V School District	Operating Funds-Schools	290,273,546	2.8494	2.7500	7,982,523	F
	Debt Service	290,273,546	0.6414	0.6000	1,741,641	
Newton County	Common Road District	132,132,066	0.2317	0.2317	306,150	
	Mental Health	802,984,101	0.0822	0.0822	660,053	
	Senate Bill 40	802,984,101	0.0598	0.0598	480,184	
	County Fair	802,984,101	0.0100	0.0100	80,298	
<u>Nodaway</u>						
Hoover Frankum Watershed Subdist	General Revenue	1,186,682	0.3800	0.3800	4,509	
Mozingo Creek Watershed Subdistrict	General Revenue	12,003,061	0.0000	0.0000	0	
102 River Tributaries Subdistrict	General Revenue	8,521,103	0.1000	0.1000	8,521	
City of Arkoe	General Revenue	341,517	0.9142	0.9142	3,122	
City of Barnard	General Revenue	971,026	0.8829	0.8829	8,573	
	Streets	971,026	1.2694	1.2694	12,326	A 2016
City of Burlington Junction	General Revenue	3,447,373	0.9918	0.9918	34,191	
	General Revenue-Temp	3,447,373	0.3000	0.3000	10,342	A 2018
City of Clearmont	General Revenue	1,083,462	0.7301	0.7301	7,910	
Village of Clyde	General Revenue	651,028	0.4796	0.4796	3,122	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
City of Conception Junction	General Revenue	1,430,125	0.8982	0.8982	12,845	
City of Elmo	General Revenue	702,597	0.9304	0.9304	6,537	
	General Revenue-Temp	702,597	0.0000	0.0000	0	2017
	Streets-Temp	702,597	0.4500	0.4500	3,162	2017
City of Graham	General Revenue	933,109	0.9911	0.9911	9,248	
	Streets	933,109	0.0000	0.0000	0	
	Street Improvements	933,109	1.1298	1.1298	10,542	2016
Village of Guilford	General Revenue	728,230	0.8768	0.8768	6,385	
	Streets	728,230	0.5000	0.5000	3,641 ^A	2017
City of Hopkins	General Revenue	3,597,992	0.3402	0.3402	12,240	
	Lights	3,597,992	0.1916	0.1916	6,894	
	Streets	3,597,992	0.1916	0.1916	6,894	
	General Revenue-Temp	3,597,992	0.2079	0.2079	7,480	2015
	Street Improvements	3,597,992	0.7500	0.7500	26,985	2017
City of Maryville	General Revenue	136,117,672	0.3415	0.3415	464,842	
	Parks & Recreation	136,117,672	0.4036	0.4036	549,371 ^B	
	Library	136,117,672	0.1544	0.1544	210,166	
	Debt Service	136,117,672	0.1352	0.1352	184,031	
City of Parnell	General Revenue	575,194	0.9917	0.9917	5,704	
	Parks & Recreation	575,194	0.2974	0.2974	1,711	2016
	General Revenue-Temp	575,194	0.3967	0.3967	2,282	2016
Village of Pickering	General Revenue	790,874	0.8398	0.8398	6,642	
	Streets	790,874	0.9999	0.9999	7,908	2015
City of Ravenwood	General Revenue	2,918,571	0.7384	0.7384	21,551	
	Streets	2,918,571	1.5125	1.5000	43,779 ^A	2017
City of Skidmore	General Revenue	1,535,142	0.9741	0.9741	14,954	
	Streets	1,535,142	0.9741	0.9741	14,954	
Atchison Township Nodaway County	General Revenue	6,658,112	0.0479	0.0479	3,189	
	Road & Bridge	6,658,112	0.4786	0.4786	31,866	
	Special Road and Bridge	6,658,112	0.3500	0.3500	23,303	2016
	Debt Service	6,658,112	1.3067	1.3067	87,002	
Grant Township Nodaway County	General Revenue	8,006,400	0.0455	0.0455	3,643	
	Road & Bridge	8,006,400	0.4542	0.4542	36,365	
	Special Road and Bridge	8,006,400	0.3372	0.3372	26,998	2016
	Debt Service	8,006,400	0.6332	0.6332	50,697	
Green Township Nodaway County	General Revenue	6,262,305	0.0478	0.0478	2,993	
	Road & Bridge	6,262,305	0.4784	0.4784	29,959	
	Special Road and Bridge	6,262,305	0.3439	0.3439	21,536	2016
	Debt Service	6,262,305	1.5789	1.5789	98,876	
Hopkins Township Nodaway County	General Revenue	8,066,703	0.0477	0.0477	3,848	
	Road & Bridge	8,066,703	0.4775	0.4775	38,519	
	Special Road and Bridge	8,066,703	0.3497	0.3497	28,209	2016
Hughes Township Nodaway County	General Revenue	10,780,558	0.0495	0.0495	5,336	
	Road & Bridge	10,780,558	0.4948	0.4948	53,342	
	Special Road and Bridge	10,780,558	0.3493	0.3493	37,656	2016
	Debt Service	10,780,558	0.7551	0.7551	81,404	
Independence Township Nodaway Co	General Revenue	4,929,120	0.0461	0.0461	2,272	
	Road & Bridge	4,929,120	0.4619	0.4619	22,768	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
Independence Township Nodaway Co	Special Road and Bridge	4,929,120	0.3473	0.3473	17,119	2016
	Debt Service	4,929,120	0.9108	0.9108	44,894	
Jackson Township Nodaway County	General Revenue	13,781,930	0.0490	0.0490	6,753	2018
	Road & Bridge	13,781,930	0.4906	0.4906	67,614	
	Special Road and Bridge	13,781,930	0.3500	0.3500	48,237 ^A	
	Debt Service	13,781,930	0.4731	0.4731	65,202	
	General Revenue	11,048,378	0.0482	0.0482	5,325	
Jefferson Township Nodaway County	Road & Bridge	11,048,378	0.4814	0.4814	53,187	2016
	Special Road and Bridge	11,048,378	0.3500	0.3500	38,669	
	General Revenue	7,011,628	0.0476	0.0476	3,338	
Lincoln Township Nodaway County	Road & Bridge	7,011,628	0.4760	0.4760	33,375	2018
	Special Road and Bridge	7,011,628	0.3505	0.3505	24,576 ^A	
	General Revenue	5,573,672	0.0485	0.0485	2,703	
Monroe Township Nodaway County	Road & Bridge	5,573,672	0.4740	0.4740	26,419	2016
	Special Road and Bridge	5,573,672	0.3477	0.3477	19,380	
	Debt Service	5,573,672	0.6925	0.6925	38,598	
	General Revenue	10,726,880	0.0466	0.0466	4,999	
	Road & Bridge	10,726,880	0.4664	0.4664	50,030	
Nodaway Township Nodaway County	Special Road and Bridge	10,726,880	0.3500	0.3500	37,544 ^A	2018
	Debt Service	10,726,880	0.7532	0.7532	80,795	
	General Revenue	196,214,819	0.0500	0.0500	98,107	
	Road & Bridge	196,214,819	0.2962	0.2962	581,188	
Polk Township Nodaway County	Special Road and Bridge	196,214,819	0.1516	0.1516	297,462	2016
	General Revenue	6,918,472	0.0481	0.0481	3,328	
	Road & Bridge	6,918,472	0.4811	0.4811	33,285	
Union Township Nodaway County	Special Road and Bridge	6,918,472	0.3500	0.3500	24,215 ^A	2018
	Debt Service	6,918,472	0.4682	0.4682	32,392	
	General Revenue	10,137,546	0.0473	0.0473	4,795	
	Road & Bridge	10,137,546	0.4734	0.4734	47,991	
Washington Township Nodaway County	Special Road and Bridge	10,137,546	0.3515	0.3515	35,633	2016
	General Revenue	10,487,301	0.0427	0.0427	4,478	
	Road & Bridge	10,487,301	0.4196	0.4196	44,005	
White Cloud Township Nodaway Count	Special Road and Bridge	10,487,301	0.3500	0.3500	36,706 ^A	2018
	Debt Service	10,487,301	0.5721	0.5721	59,998	
	General Revenue	16,925,927	0.1869	0.1869	31,635	
	General Revenue	11,189,387	0.1982	0.1982	22,177	
Hopkins Fire Protection District	General Revenue	11,238,654	0.2188	0.2188	24,590	
Polk Fire Protection District	General Revenue	66,194,436	0.1547	0.1547	102,403	
Clearmont Fire Protection District	General Revenue	6,207,696	0.2843	0.2843	17,648	
Skidmore Fire Protection District	General Revenue	9,747,613	0.2956	0.2956	28,814	
West Nodaway Fire Protection Dist	General Revenue	16,486,119	0.2574	0.2574	42,435	
Jackson Township Fire Prot District	General Revenue	13,780,899	0.0000	0.0000	0	
	Fire	13,780,899	0.2944	0.2944	40,571	
Union Township Fire Protection Dist	General Revenue	5,274,905	0.2925	0.2925	15,429	
Elmo Fire Protection District	General Revenue	4,822,466	0.2804	0.2804	13,522	
Parnell Fire Protection District	General Revenue	6,100,081	0.2754	0.2754	16,800	
Nodaway County Health Center	General Revenue	316,602,828	0.0500	0.0500	158,301	
Nodaway-Holt R-VII School District	Operating Funds-Schools	27,079,925	3.4179	3.4179	925,565 ^E	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
Nodaway-Holt R-VII School District	Operating Funds-Temp	27,079,925	0.8889	0.8889	240,713	2019
West Nodaway Co R-I School District	Operating Funds-Schools	24,346,656	3.5693	3.5693	869,005	E
	Debt Service	24,346,656	1.1306	0.5000	121,733	
Northeast Nodaway Co R-V Sch Dist	Operating Funds-Schools	15,642,401	5.0707	5.0707	793,179	E
	Debt Service	15,642,401	0.8817	0.7707	120,556	
Jefferson C-123 School District	Operating Funds-Schools	14,375,374	5.8259	5.4621	785,197	
North Nodaway Co R-VI School Dist	Operating Funds-Schools	16,373,419	4.1194	4.1194	674,487	E
	Debt Service	16,373,419	0.6915	0.5900	96,603	
Maryville R-II School District	Operating Funds-Schools	189,118,020	4.6112	4.3403	8,208,289	
	Debt Service	189,118,020	0.8491	0.7900	1,494,032	
South Nodaway Co R-IV School Dist	Operating Funds-Schools	14,570,067	5.2758	5.2758	768,688	E
	Debt Service	14,570,067	0.7401	0.5900	85,963	
Nodaway County	General Revenue	316,602,828	0.3697	0.1200	379,923	
	Ambulance	316,602,828	0.1901	0.0000	0	
	Senate Bill 40	316,602,828	0.0500	0.0500	158,301	
	Senior Services	316,602,828	0.0500	0.0500	158,301	
<u>Oregon</u>						
Oregon County Ambulance District	General Revenue	100,303,338	0.0695	0.0000	0	
Thayer Special Road Dist Oregon Co	Road & Bridge	38,271,518	0.2063	0.2063	78,954	
City of Alton	General Revenue	4,992,422	0.5552	0.5552	27,718	
City of Koshkonong	General Revenue	834,189	0.8862	0.8862	7,393	
City of Thayer	General Revenue	16,447,943	0.4530	0.4530	74,509	
Oregon County Library District	General Revenue	100,303,338	0.1855	0.1855	186,063	
Oregon County Health Department	General Revenue	100,303,338	0.0927	0.0927	92,981	
Couch R-I School District	Operating Funds-Schools	11,901,278	3.5581	3.5581	423,459	E
Thayer R-II School District	Operating Funds-Schools	31,950,024	2.7500	2.7500	878,626	E
	Debt Service	31,950,024	0.9202	0.9202	294,004	
Oregon-Howell R-III School District	Operating Funds-Schools	14,068,810	2.5687	2.5687	361,386	E
	Operating Funds-Temp	14,068,810	0.6532	0.6532	91,897	
	Debt Service	14,068,810	0.8756	0.8700	122,399	
Alton R-IV School District	Operating Funds-Schools	38,429,668	2.7500	2.7500	1,056,816	E
Oregon County	General Revenue	100,303,338	0.3380	0.1100	110,334	
	Common Road District	62,161,607	0.2482	0.2482	154,285	
	Senate Bill 40	100,303,338	0.0927	0.0927	92,981	
	Senior Services	100,303,338	0.0464	0.0464	46,541	
<u>Osage</u>						
Osage Ambulance District	General Revenue	134,057,507	0.3000	0.1800	241,304	
Chamois Special Road Dist Osage Co	Road & Bridge	5,494,402	0.3500	0.3500	19,230	
Linn City Spec Road Dist Osage Co	Road & Bridge	16,322,185	0.2679	0.2679	43,727	
Westphalia Spec Road Dist Osage Co	Road & Bridge	4,512,931	0.2270	0.2270	10,244	
	Special Road and Bridge	4,512,931	0.1757	0.1757	7,929	2015
Village of Argyle	General Revenue	1,257,443	0.2909	0.2909	3,658	
City of Chamois	General Revenue	3,164,529	0.6066	0.6066	19,196	
City of Linn	General Revenue	16,113,798	0.5464	0.5464	88,046	
	Parks & Recreation	16,113,798	0.0500	0.0500	8,057	
City of Meta	General Revenue	4,835,870	0.4346	0.4346	21,017	
Osage County Library	General Revenue	198,755,214	0.1741	0.1741	346,033	
Chamois Fire Protection District	General Revenue	14,972,640	0.2613	0.2613	39,124	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Osage</u>						
Meta Fire & Rescue Fire Prot Dist	General Revenue	14,324,376	0.2951	0.2951	42,271	
Linn Fire Protection District	General Revenue	87,117,701	0.2649	0.2625	228,684	
Osage County R-I School District	Operating Funds-Schools	13,965,234	5.1155	5.0800	709,434	E
Osage County R-II School District	Operating Funds-Schools	58,921,165	2.7500	2.7500	1,620,332	E
	Debt Service	58,921,165	1.3128	1.0500	618,672	
Osage County R-III School District	Operating Funds-Schools	84,373,595	3.5209	3.5209	2,970,710	E
Osage County	General Revenue	198,755,214	0.3176	0.0600	119,253	
	Common Road District	149,175,738	0.2464	0.2464	367,569	
	Developmentally Disabled	198,755,214	0.1000	0.1000	198,755	
<u>Ozark</u>						
Village of Bakersfield	General Revenue	1,414,718	0.2917	0.2917	4,127	
	Health	1,387,500	0.1466	0.1466	2,034	
City of Gainesville	General Revenue	8,830,777	0.4335	0.4290	37,884	
City of Theodosia	General Revenue	4,440,348	0.3052	0.3052	13,552	
Ozark County Health Center	General Revenue	107,207,382	0.0928	0.0928	99,488	
Thornfield R-I School District	Operating Funds-Schools	6,420,645	3.3057	3.2897	211,220	E
Bakersfield R-IV School District	Operating Funds-Schools	13,204,710	3.6041	3.6041	475,911	E
	Debt Service	13,204,710	1.0687	1.0500	138,649	
Gainesville R-V School District	Operating Funds-Schools	48,054,334	2.7500	2.7500	1,321,494	E
Dora R-III School District	Operating Funds-Schools	15,815,754	3.2110	3.2110	507,844	E
	Operating Funds-Temp	15,815,754	0.2161	0.2161	34,178	2017
	Debt Service	15,815,754	0.3711	0.1804	28,532	
Lutie R-VI School District	Operating Funds-Schools	22,949,326	3.7200	3.7200	853,715	E
Ozark County	General Revenue	107,207,382	0.3154	0.1800	192,973	
	Road & Bridge	107,207,382	0.2387	0.2387	255,904	
	Ambulance	107,207,382	0.0000	0.0000	0	
<u>Pemiscot</u>						
City of Bragg City	General Revenue	340,000	0.5000	0.5000	1,700	
City of Caruthersville	General Revenue	43,220,270	0.5973	0.5973	258,155	
	Sewer	43,220,270	0.2026	0.2026	87,564	
	Library	43,220,270	0.0960	0.0960	41,491	
	Health	43,220,270	0.1706	0.1706	73,734	
	Cemetery	43,220,270	0.0427	0.0427	18,455	
Town of Cooter	General Revenue	2,924,140	1.0000	1.0000	29,241	
City of Hayti	General Revenue	21,698,927	0.5932	0.5932	128,718	
	Parks & Recreation	21,698,927	0.2676	0.2676	58,066	
	Library	21,698,927	0.1978	0.1978	42,920	
	Health	21,698,927	0.1629	0.1629	35,348	
	Cemetery	21,698,927	0.0500	0.0500	10,849	
City of Hayti Heights	General Revenue	872,850	0.9398	0.9398	8,203	
	Health	872,850	0.2000	0.2000	1,746	
Village of Holland	General Revenue	981,040	0.6429	0.6429	6,307	
City of Homestown	General Revenue	196,180	0.6000	0.6000	1,177	
City of Steele	General Revenue	12,585,483	0.5825	0.5825	73,310	
	Parks & Recreation	12,585,483	0.1681	0.1681	21,156	
	Library	12,585,483	0.1681	0.1681	21,156	
	Health	12,585,483	0.1681	0.1681	21,156	
Village of Wardell	General Revenue	1,772,020	0.6819	0.6819	12,083	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pemiscot</u>						
Village of Wardell	Health	1,772,020	0.0997	0.0997	1,767	
Pemiscot County Health Center	General Revenue	197,474,450	0.0991	0.0991	195,697	
North Pemiscot Co R-I School Dist	Operating Funds-Schools	19,692,040	2.9449	2.9449	579,911	E
Hayti R-II School District	Operating Funds-Schools	30,045,067	3.4409	3.4409	1,033,821	E
Pemiscot Co R-III School District	Operating Funds-Schools	11,728,245	3.8168	3.8168	447,644	E
	Debt Service	11,728,245	0.3504	0.3500	41,049	
Cooter R-IV School District	Operating Funds-Schools	8,133,800	3.6285	3.6285	295,135	E
South Pemiscot Co R-V School Dist	Operating Funds-Schools	30,336,428	3.5179	3.5179	1,067,205	E
Pemiscot County C-7 School District	Operating Funds-Schools	11,807,860	4.0138	4.0138	473,944	E
Caruthersville 18 School District	Operating Funds-Schools	50,475,330	3.8744	3.8744	1,955,616	E
	Debt Service	50,475,330	0.4133	0.2108	106,402	
Pemiscot Co Special School District	Operating Funds-Schools	196,664,440	0.4823	0.4823	948,513	
	Debt Service	196,664,440	0.0439	0.0439	86,336	
Pemiscot County	General Revenue	197,474,450	0.3846	0.1985	391,987	
	Johnson Grass	197,474,450	0.0496	0.0496	97,947	
	Road & Bridge	197,474,450	0.2951	0.2951	582,747	
	Hospital	197,474,450	0.4163	0.4163	822,086	
	Senate Bill 40	197,474,450	0.0991	0.0991	195,697	
<u>Perry</u>						
City of Altenburg	General Revenue	4,088,273	0.6224	0.6224	25,445	
City of Frohna	General Revenue	4,522,186	0.6775	0.6775	30,638	
Village of Longtown	General Revenue	853,917	0.3191	0.3191	2,725	
City of Perryville	General Revenue	135,955,835	0.4019	0.4000	543,823	
	Parks & Recreation	135,955,835	0.1708	0.1700	231,125	
	Debt Service	135,955,835	0.2037	0.1900	258,316	
Perry County Library District	General Revenue	329,702,236	0.0912	0.0912	300,688	
Perry County Health Department	General Revenue	329,702,236	0.1824	0.1824	601,377	
Perry County 32 School District	Operating Funds-Schools	294,821,594	3.2176	3.2176	9,486,180	E
Altenburg 48 School District	Operating Funds-Schools	16,363,094	3.6038	3.6038	589,693	E
Perry County	General Revenue	329,702,236	0.4194	0.2147	707,871	
	Road & Bridge	329,702,236	0.3037	0.3037	1,001,306	
	Hospital	329,702,236	0.0912	0.0912	300,688	
	Mental Health	329,702,236	0.0912	0.0912	300,688	
	Senate Bill 40	329,702,236	0.0912	0.0912	300,688	
<u>Pettis</u>						
City of Green Ridge	General Revenue	3,314,932	0.9331	0.9331	30,932	
City of Houstonia	General Revenue	1,017,568	1.0000	1.0000	10,176	
Village of Hughesville	General Revenue	1,124,796	0.4232	0.4232	4,760	
	General Revenue-Temp	1,124,796	0.3104	0.3104	3,491	2015
City of La Monte	General Revenue	6,606,708	0.9300	0.9300	61,442	
	Parks & Recreation	6,606,708	0.0340	0.0340	2,246	
City of Sedalia	General Revenue	245,540,968	0.4677	0.4677	1,148,395	
	Parks & Recreation	245,540,968	0.1627	0.1627	399,495	
	Library	190,544,232	0.2350	0.2350	447,779	
	Police	245,540,968	0.0916	0.0916	224,916	
	Fire	245,540,968	0.0500	0.0500	122,770	
	Library-Temp	190,544,232	0.0716	0.0700	133,381	2037
City of Smithton	General Revenue	4,328,521	0.8679	0.8679	37,567	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Pettis						
Boonslick Regional Library	General Revenue	858,517,169	0.1399	0.1399	1,201,066	
Pettis County Fire Prot District #1	General Revenue	222,810,798	0.2790	0.2790	621,642	
Sedalia Special Business District	General Revenue	4,920,176	0.8322	0.8322	40,946	
Pettis County Health Center	General Revenue	562,107,239	0.0909	0.0909	510,955	
State Fair Community College	General Revenue	823,949,548	0.4084	0.4084	3,365,010	
Pettis County R-V School District	Operating Funds-Schools	26,867,279	3.5032	3.5032	941,215	E
	Debt Service	26,867,279	0.4955	0.4955	133,127	
La Monte R-IV School District	Operating Funds-Schools	19,181,595	3.0174	2.9500	565,857	E
	Debt Service	19,181,595	0.7846	0.7623	146,221	
Smithton R-VI School District	Operating Funds-Schools	39,706,744	3.5278	3.5278	1,400,775	E
	Debt Service	39,706,744	0.2671	0.2671	106,057	
Green Ridge R-VIII School District	Operating Funds-Schools	25,624,833	3.3522	3.3522	858,996	E
	Debt Service	25,624,833	0.5146	0.4639	118,874	
Pettis County R-XII School District	Operating Funds-Schools	51,074,120	3.0112	2.7900	1,424,968	E
Sedalia 200 School District	Operating Funds-Schools	337,068,620	3.0973	3.0973	10,440,026	E
	Operating Funds-Temp	337,068,620	0.8628	0.8628	2,908,228	2026
Pettis County	General Revenue	562,107,239	0.3387	0.0700	393,475	
	Johnson Grass	562,107,239	0.0052	0.0052	29,230	
	Road & Bridge	562,107,239	0.2880	0.2844	1,598,633	
	Developmentally Disabled	562,107,239	0.0909	0.0909	510,955	
Phelps						
St. James Ambulance District	General Revenue	123,421,005	0.1331	0.0000	0	
City of Doolittle	General Revenue	4,743,314	0.2724	0.2724	12,921	
City of Newburg	General Revenue	1,793,740	0.7607	0.7607	13,645	
	Library	1,793,740	0.2000	0.2000	3,587	
City of Rolla	General Revenue	210,667,129	0.4539	0.4539	956,218	
	Parks & Recreation	210,667,129	0.1118	0.1118	235,526	
	Library	210,667,129	0.1894	0.1894	399,004	
City of St. James	General Revenue	35,845,814	0.3943	0.3943	141,340	
	Parks & Recreation	35,845,814	0.0615	0.0615	22,045	
	Library	35,845,814	0.3000	0.3000	107,537	
City of Edgar Springs	General Revenue	1,634,278	0.4729	0.4729	7,729	
Doolittle Rural Fire Prot District	General Revenue	30,482,967	0.2188	0.2188	66,697	
Rolla Rural Fire Protection Dist	General Revenue	156,222,896	0.2300	0.2300	359,313	
Duke Fire Protection District	General Revenue	5,678,912	0.2295	0.2295	13,033	
St. James Fire Protection District	General Revenue	115,475,131	0.2370	0.2370	273,676	
Edgar Springs Rural Fire Prot Dist	General Revenue	15,814,362	0.3045	0.3045	48,155	
St. James R-I School District	Operating Funds-Schools	117,636,581	2.7500	2.7500	3,235,006	E
	Debt Service	117,636,581	0.8725	0.7500	882,274	
Newburg R-II School District	Operating Funds-Schools	27,079,913	2.7500	2.7500	744,698	E
	Debt Service	27,079,913	0.5167	0.5000	135,400	
Rolla 31 School District	Operating Funds-Schools	395,715,309	3.4803	3.0557	12,091,873	B
	Debt Service	395,715,309	0.3458	0.2500	989,288	
Phelps County R-III School District	Operating Funds-Schools	18,607,805	2.7500	2.7500	511,715	E
	Debt Service	18,607,805	0.3154	0.1407	26,181	
Phelps County	General Revenue	570,572,112	0.2787	0.1490	850,152	
	Road & Bridge	570,572,112	0.1991	0.0914	521,503	
	Developmentally Disabled	570,572,112	0.0717	0.0717	409,100	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pike</u>						
Village of Annada	General Revenue	381,463	0.6500	0.6240	2,380	
City of Bowling Green	General Revenue	41,941,133	0.6165	0.6165	258,567	
	Parks & Recreation	41,941,133	0.0000	0.0000	0	
	Library	41,941,133	0.1902	0.1902	79,772	
	Cemetery	41,941,133	0.0951	0.0951	39,886	
City of Clarksville	General Revenue	4,741,503	0.6624	0.6624	31,408	
City of Curryville	General Revenue	1,626,721	0.8994	0.8994	14,631	
Village of Eolia	General Revenue	4,346,205	0.3924	0.3924	17,055	
City of Frankford	General Revenue	1,938,669	1.0000	1.0000	19,387	
City of Louisiana	General Revenue	36,730,211	0.7300	0.7300	268,131	
	Library	36,730,211	0.1000	0.1000	36,730	
Buffalo Township Fire Prot District	General Revenue	48,769,161	0.3012	0.3012	146,893	
Curryville Fire Protection District	General Revenue	11,991,460	0.3007	0.3007	36,058	
Pike Co Agency for Dev Disabilities	General Revenue	280,965,184	0.1927	0.1927	541,420	
Pike County Health Department	General Revenue	280,965,184	0.2421	0.2421	680,217	
Bowling Green R-I School District	Operating Funds-Schools	107,499,480	3.3920	3.3920	3,646,382	E
Pike County R-III School District	Operating Funds-Schools	39,820,778	4.0141	4.0141	1,598,446	E
	Debt Service	39,820,778	1.5148	1.0802	430,144	
Boncl R-X School District	Operating Funds-Schools	13,012,969	4.9931	4.2000	546,545	
Louisiana R-II School District	Operating Funds-Schools	52,977,627	3.5412	3.5412	1,876,044	E
	Debt Service	52,977,627	0.3726	0.3587	190,031	
Pike County	General Revenue	280,965,184	0.4282	0.2822	792,884	
	Road & Bridge	280,965,184	0.3104	0.3104	872,116	
	Hospital	280,965,184	0.2131	0.2131	598,737	
<u>Platte</u>						
Northland Regional Ambulance Dist	General Revenue	528,436,463	0.4339	0.4339	2,292,886	
Southern Platte County Ambulance	General Revenue	537,475,382	0.1090	0.1090	585,848	
Platte Co Drainage Ditch District 1	General Revenue	1,268,267	0.0767	0.0767	973	
Farley Special Road Dist Platte Co	Road & Bridge	17,697,090	0.3135	0.3135	55,480	
	Special Road and Bridge	17,697,090	0.3459	0.3459	61,214	2016
Parkville Spec Road Dist Platte Co	Road & Bridge	728,906,946	0.2674	0.2674	1,949,097	
Platte City Spec Rd Dist Platte Co	Road & Bridge	1,067,062,152	0.2161	0.2150	2,294,184	
Weston Special Road Dist Platte Co	Road & Bridge	68,082,394	0.2519	0.2447	166,598	
	Special Road and Bridge	68,082,394	0.3583	0.3527	240,127	2015
City of Camden Point	General Revenue	5,997,755	0.6632	0.6632	39,777	
City of Dearborn	General Revenue	5,606,686	0.4806	0.4806	26,946	
City of Edgerton	General Revenue	5,733,655	0.6857	0.6857	39,316	
Village of Farley	General Revenue	2,986,216	0.4672	0.4672	13,952	
Village of Ferrelview	General Revenue	2,454,885	0.4964	0.4964	12,186	
Village of Iatan	General Revenue	260,870	0.5000	0.5000	1,304	
City of Platte City	General Revenue	73,959,256	0.5373	0.5317	393,241	
	Debt Service	73,959,256	1.3701	0.5569	411,879	
City of Platte Woods	General Revenue	11,406,716	0.7088	0.7088	80,851	
City of Tracy	General Revenue	2,629,165	0.7109	0.7109	18,691	
	Debt Service	2,629,165	0.0312	0.0312	820	
City of Weatherby Lake	General Revenue	50,591,013	0.8502	0.8502	430,125	
	Parks & Recreation	50,591,013	0.1814	0.1814	91,772	
	Debt Service	50,591,013	0.6596	0.6596	333,698	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Platte</u>						
City of Weston	General Revenue	23,097,958	0.4626	0.4626	106,851	
	Parks & Recreation	23,097,958	0.1685	0.1685	38,920	
	Lights	23,097,958	0.1309	0.1309	30,235	
City of Lake Waukomis	General Revenue	18,228,626	0.6495	0.6491	118,322	
	General Revenue-Temp	18,228,626	0.7060	0.7000	127,600	A 2017
City of Parkville	General Revenue	200,859,693	0.4763	0.4763	956,695	
	General Revenue-Temp	200,859,693	0.1751	0.1751	351,705	2024
City of Northmoor	General Revenue	6,667,442	0.0000	0.0000	0	
Town of Ridgely	General Revenue	1,221,136	0.3218	0.3218	3,930	
City of Houston Lake	General Revenue	2,850,678	0.7085	0.7085	20,197	
	Fire	2,850,678	0.7812	0.7812	22,269	2016
Central Platte Fire Protection Dist	General Revenue	219,787,914	0.3146	0.3131	688,156	
Southern Platte Fire Prot District	General Revenue	445,224,773	0.9240	0.9240	4,113,877	
	Debt Service	445,224,773	0.1139	0.1139	507,111	
Weatherby Lake Fire Protection Dist	General Revenue	50,591,013	1.0367	1.0367	524,477	
West Platte Fire Protection Dist	General Revenue	189,230,716	0.3900	0.3900	738,000	
	Ambulance	189,230,716	0.3900	0.3900	738,000	
Camden Point Fire Protection Dist	General Revenue	22,008,518	0.5034	0.4838	106,477	
Smithville Area Fire Prot Dist	General Revenue	243,222,942	0.2906	0.2906	706,806	
	Debt Service	243,222,942	0.2726	0.2000	486,446	
Edgerton-Trimble Fire Prot District	General Revenue	39,487,391	0.4979	0.4979	196,608	
Dearborn Area Fire Protection Dist	General Revenue	32,389,503	0.5500	0.5500	178,142	
Platte County Health Department	General Revenue	2,324,881,448	0.0800	0.0800	1,859,905	
North Platte Co R-I School District	Operating Funds-Schools	64,789,996	3.8714	3.7500	2,429,625	E
	Debt Service	64,789,996	0.9948	0.9900	641,421	
West Platte Co R-II School District	Operating Funds-Schools	195,873,847	4.1000	4.1000	8,030,828	E
Platte County R-III School District	Operating Funds-Schools	457,929,679	3.8789	3.5517	16,264,288	
	Operating Funds-Temp	457,929,679	0.4322	0.4322	1,979,172	A 2034
	Debt Service	457,929,679	1.9654	1.0600	4,854,055	
Park Hill School District	Operating Funds-Schools	1,511,453,822	4.9543	4.9543	74,881,957	E
	Debt Service	1,511,453,822	0.6574	0.6107	9,230,448	
Platte County	General Revenue	2,324,881,448	0.3500	0.0600	1,394,929	
	Road & Bridge	442,939,984	0.3255	0.3239	1,434,683	
	Mental Health	2,324,881,448	0.1000	0.1000	2,324,881	
	Senate Bill 40	2,324,881,448	0.1300	0.1300	3,022,346	
	Senior Services	2,324,881,448	0.0500	0.0500	1,162,441	
<u>Polk</u>						
Blue Mound Spec Road Dist Polk Co	Road & Bridge	2,569,203	0.3500	0.3500	8,992	
Bolivar Special Road Dist Polk Co	Road & Bridge	98,532,030	0.2000	0.2000	197,064	
Flemington Spec Road Dist Polk Co	Road & Bridge	1,795,390	0.3455	0.3455	6,203	
Humansville Spec Road Dist Polk Co	Road & Bridge	11,498,018	0.2817	0.2817	32,390	
	Special Road and Bridge	11,498,018	0.3505	0.3505	40,301	2016
Southwest Special Road Dist Polk Co	Road & Bridge	953,726	0.3500	0.3500	3,338	
Polk County Road District	Road & Bridge	179,864,764	0.2790	0.2790	501,823	
Village of Aldrich	General Revenue	600,039	0.3569	0.3569	2,142	
City of Bolivar	General Revenue	95,512,664	0.0000	0.0000	0	
	Parks & Recreation	95,512,664	0.0000	0.0000	0	
City of Fair Play	General Revenue	2,208,316	0.9930	0.9930	21,929	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Polk</u>						
City of Humansville	General Revenue	5,296,625	0.6299	0.6299	33,363	
City of Morrisville	General Revenue	2,265,004	0.4999	0.4999	11,323	
Polk County Library District	General Revenue	295,213,131	0.2413	0.2413	712,349	B
Pleasant Hope Fire Protection Dist	General Revenue	23,337,938	0.2996	0.2996	69,920	
Central Polk County Fire Prot Dist	General Revenue	51,193,273	0.2894	0.2894	148,153	
Morrisville Fire Protection Dist	General Revenue	33,555,435	0.3000	0.3000	100,666	A
Polk County Health Center	General Revenue	295,213,131	0.1763	0.1763	520,461	
Bolivar R-I School District	Operating Funds-Schools	156,872,590	3.2425	3.2425	5,086,594	E
	Debt Service	156,872,590	0.8729	0.5675	890,252	
Fair Play R-II School District	Operating Funds-Schools	17,276,820	3.1848	3.1000	535,581	E
	Debt Service	17,276,820	1.7608	1.0000	172,768	
Halfway R-III School District	Operating Funds-Schools	18,546,530	3.5408	3.5408	656,696	E
	Debt Service	18,546,530	0.8032	0.6200	114,988	
Humansville R-IV School District	Operating Funds-Schools	20,448,234	3.0391	3.0391	621,442	E
	Debt Service	20,448,234	0.4878	0.4878	99,746	
Marion C. Early R-V School District	Operating Funds-Schools	34,559,890	3.5819	2.8100	971,133	F
	Debt Service	34,559,890	0.5437	0.4900	169,343	
Pleasant Hope R-VI School District	Operating Funds-Schools	39,825,350	2.7108	2.7108	1,079,586	E
	Capital Improvements	39,951,900	0.6700	0.6700	267,678	2016
	Debt Service	39,825,350	0.5557	0.5557	221,309	
Polk County	General Revenue	295,213,131	0.3235	0.3235	955,014	
	Senate Bill 40	295,213,131	0.0209	0.0209	61,700	
	Senior Services	295,213,131	0.0500	0.0500	147,607	
<u>Pulaski</u>						
Dixon Ambulance District	General Revenue	69,948,085	0.2873	0.2873	200,961	
Pulaski County Ambulance District	General Revenue	426,512,714	0.0000	0.0000	0	
City of Crocker	General Revenue	8,803,104	0.6875	0.6875	60,521	
	Parks & Recreation	8,803,104	0.1727	0.1727	15,203	
City of Dixon	General Revenue	13,618,598	0.4778	0.4778	65,070	
	Library	13,618,598	0.1500	0.1500	20,428	
	Debt Service	13,618,598	0.7716	0.7716	105,081	
City of St. Robert	General Revenue	88,082,920	0.3510	0.3510	309,171	
City of Waynesville	General Revenue	59,712,469	0.5596	0.5596	334,151	
City of Richland	General Revenue	14,485,628	0.6430	0.6430	93,143	
Pulaski County Library	General Revenue	455,916,229	0.1339	0.1339	610,472	
Hazelgreen Fire Protection District	General Revenue	24,105,287	0.2753	0.2753	66,362	
Crocker Fire Protection District	General Revenue	32,543,205	0.2575	0.2575	83,799	
Waynesville Rural Fire Prot Dist	General Revenue	179,270,821	0.4588	0.4588	822,495	
Dixon Rural Fire Protection Dist	General Revenue	75,257,084	0.2580	0.2580	194,163	
Pulaski County Health Department	General Revenue	469,534,827	0.0712	0.0712	334,309	
Swedeberg R-III School District	Operating Funds-Schools	5,572,992	3.4302	3.4300	191,154	E
Pulaski County R-IV School District	Operating Funds-Schools	33,825,982	2.7168	2.6832	907,619	E
	Operating Funds-Temp	33,825,982	0.3714	0.3668	124,074	2018
Laquey R-V School District	Operating Funds-Schools	34,841,947	2.7500	2.7500	958,154	E
	Debt Service	34,841,947	0.1517	0.1242	43,274	
Waynesville R-VI School District	Operating Funds-Schools	301,652,083	2.7500	2.7500	8,295,432	E
Dixon R-I School District	Operating Funds-Schools	62,610,350	2.7500	2.7500	1,721,785	E
	Debt Service	62,610,350	0.2701	0.2700	169,048	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pulaski</u>						
Crocker R-II School District	Operating Funds-Schools	30,033,013	2.7500	2.7500	825,908 ^E	
	Debt Service	30,033,013	0.6778	0.5764	173,110	
Pulaski County	General Revenue	469,534,827	0.0000	0.0000	0	
	Road & Bridge	469,534,827	0.1949	0.1949	915,123	
	Senate Bill 40	469,534,827	0.0708	0.0708	332,431	
	Senior Services	469,534,827	0.0442	0.0442	207,534	
<u>Putnam</u>						
Putnam County Ambulance District	General Revenue	81,983,334	0.3816	0.3816	312,848	
Putnam County Care Center	General Revenue	81,983,334	0.2956	0.2956	242,343	
Unionville Spec Road Dist Putnam Co	Road & Bridge	13,349,702	0.2923	0.2923	39,021	
	Special Road and Bridge	13,349,702	0.3568	0.3568	47,632	2017
Lake Thunderhead Special Road Dist	Road & Bridge	17,012,952	0.3352	0.3352	57,027	
	Special Road and Bridge	17,012,952	0.3544	0.3544	60,294	2016
Village of Livonia	General Revenue	294,581	0.5000	0.5000	1,473	
Village of Lucerne	General Revenue	1,374,337	0.5000	0.5000	6,872	
Village of Powersville	General Revenue	418,481	0.5000	0.5000	2,092	
City of Unionville	General Revenue	12,959,682	0.9074	0.9074	117,596	
	Parks & Recreation	12,959,682	0.1835	0.1835	23,781	
	Fire	12,959,682	0.1835	0.1835	23,781	
Village of Worthington	General Revenue	276,732	0.5000	0.5000	1,384	
Elm Township Putnam County	Road & Bridge	7,108,760	0.4674	0.4674	33,226	
	Special Road and Bridge	7,108,760	0.3639	0.3639	25,869 ^A	2018
Grant Township Putnam County	Road & Bridge	2,333,000	0.4831	0.4831	11,271	
	Special Road and Bridge	2,333,000	0.3407	0.3407	7,949	2016
Jackson Township Putnam County	Road & Bridge	3,253,708	0.5000	0.5000	16,269	
	Special Road and Bridge	3,253,708	0.3566	0.3566	11,603 ^A	2018
Liberty Township Putnam County	Road & Bridge	3,882,479	0.4788	0.4788	18,589	
	Special Road and Bridge	3,882,479	0.3430	0.3430	13,317	2016
Lincoln Township Putnam County	Road & Bridge	5,917,920	0.5000	0.5000	29,590	
	Special Road and Bridge	5,917,920	0.3597	0.3597	21,287	2016
Medicine Township Putnam County	Road & Bridge	7,735,525	0.5000	0.5000	38,678	
	Special Road and Bridge	7,735,525	0.3621	0.3621	28,010	2016
Richland Township Putnam County	Road & Bridge	4,257,005	0.5000	0.5000	21,285	
	Special Road and Bridge	4,257,005	0.3527	0.3527	15,014	2016
Sherman Township Putnam County	Road & Bridge	2,540,321	0.5000	0.5000	12,702	
	Special Road and Bridge	2,540,321	0.3525	0.3525	8,955	2016
Union Township Putnam County	Road & Bridge	5,671,739	0.5000	0.5000	28,359	
	Special Road and Bridge	5,671,739	0.3596	0.3596	20,396 ^A	2018
Wilson Township Putnam County	Road & Bridge	4,331,816	0.4913	0.4913	21,282	
	Special Road and Bridge	4,331,816	0.3500	0.3500	15,161	2016
York Township Putnam County	Road & Bridge	4,651,266	0.4690	0.4690	21,814	
	Special Road and Bridge	4,651,266	0.3653	0.3653	16,991	2016
Elm Township Fire Protection Dist	General Revenue	7,108,760	0.3000	0.3000	21,326	
Liberty Fire Protection District	General Revenue	3,882,479	0.2873	0.2873	11,154	
Grant Township Fire Protection Dist	General Revenue	2,333,000	0.2899	0.2899	6,763	
York Township Fire Protection Dist	General Revenue	4,654,972	0.2995	0.2995	13,942	
Putnam County Health Department	General Revenue	81,983,334	0.2862	0.2862	234,636	
Putnam County R-I School District	Operating Funds-Schools	78,365,321	3.2992	3.2992	2,585,429 ^E	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Putnam</u>						
Putnam County R-I School District	Debt Service	78,365,321	0.4300	0.3900	305,625	
Putnam County	General Revenue	81,983,334	0.4771	0.4771	391,142	
	Library	81,983,334	0.1430	0.1430	117,236	
	Hospital	81,983,334	0.4771	0.4771	391,142	
	Senior Services	81,983,334	0.0477	0.0477	39,106	
	Debt Service	81,983,334	0.7916	0.0000	0	
<u>Ralls</u>						
Ralls County Ambulance District #3	General Revenue	170,633,307	0.3958	0.3958	675,367	
City of Center	General Revenue	5,224,382	0.7402	0.7402	38,671	
	Fire	5,224,382	0.1922	0.1922	10,041	
City of New London	General Revenue	7,524,819	0.4508	0.4508	33,922	
City of Perry	General Revenue	8,545,714	0.5078	0.5078	43,395	
	Fire	8,545,714	0.2725	0.2725	23,287	
Ralls County Public Library	General Revenue	194,983,677	0.0958	0.0958	186,794	
Hannibal Rural Fire Protection Dist	General Revenue	103,527,103	0.1418	0.1418	146,801	
Ralls County Health Department	General Revenue	236,910,424	0.0960	0.0960	227,434	
Ralls County R-II School District	Operating Funds-Schools	78,635,368	2.7500	2.7500	2,162,473	F
	Debt Service	78,635,368	1.6728	0.7100	558,311	
Ralls County	General Revenue	236,910,424	0.3774	0.2627	622,364	
	Road & Bridge	236,910,424	0.2703	0.2703	640,369	
<u>Randolph</u>						
Randolph County Ambulance District	General Revenue	478,658,775	0.0000	0.0000	0	
Moberly Spec Road Dist Randolph Co	Special Road and Bridge	196,012,634	0.0901	0.0901	176,607	2015
Village of Cairo	General Revenue	2,173,007	0.4874	0.4874	10,591	
City of Clark	General Revenue	2,172,611	0.9663	0.9663	20,994	
City of Clifton Hill	General Revenue	861,174	0.7351	0.7351	6,330	
City of Higbee	General Revenue	2,866,235	0.8793	0.8793	25,203	
	Parks & Recreation	2,866,235	0.1499	0.1499	4,296	
City of Huntsville	General Revenue	12,106,438	0.7356	0.7356	89,055	
	Parks & Recreation	12,106,438	0.0976	0.0976	11,816	
	Fire	12,106,438	0.1367	0.0000	0	
	Cemetery	12,106,438	0.1813	0.1813	21,949	
Village of Jacksonville	General Revenue	523,513	0.5000	0.5000	2,618	
	Parks & Recreation	523,513	0.4000	0.4000	2,094	
City of Moberly	General Revenue	152,753,114	0.7032	0.7032	1,074,160	
	Parks & Recreation	152,753,114	0.3263	0.3263	498,433	
Village of Renick	General Revenue	1,226,801	0.4777	0.4777	5,860	
Randolph County Library	General Revenue	478,658,775	0.2400	0.2400	1,148,781	
Higbee Fire Protection District	General Revenue	25,346,664	0.2510	0.2510	63,620	
Southeastern Fire Protection Dist	General Revenue	25,758,338	0.2848	0.2848	73,360	
Eastern Randolph Co Fire Prot Dist	General Revenue	19,413,888	0.3021	0.3000	58,242	A
Northeast R-IV Rural Fire Prot Dist	General Revenue	30,108,216	0.3015	0.3000	90,325	A
Westran Rural Fire Protection Dist	General Revenue	162,823,135	0.3000	0.3000	488,469	A
Randolph County Health Department	General Revenue	478,658,775	0.1439	0.1439	688,790	
Moberly Area Community College	General Revenue	193,745,296	0.3226	0.3226	625,022	
Northeast Randolph Co R-IV Sch Dist	Operating Funds-Schools	25,420,216	3.6298	3.2803	833,859	E
	Debt Service	25,420,216	0.9431	0.8700	221,156	
Renick R-V School District	Operating Funds-Schools	14,610,833	3.4666	3.4666	506,499	E

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Randolph</u>						
Renick R-V School District	Operating Funds-Temp	14,610,833	0.4581	0.4581	66,932	2025
Higbee R-VIII School District	Operating Funds-Schools	11,544,424	3.5704	3.5704	412,182 ^E	
	Debt Service	11,544,424	1.0844	1.0000	115,444	
Westran R-I School District	Operating Funds-Schools	157,537,076	3.7500	3.7500	5,907,640	
Moberly School District	Operating Funds-Schools	173,874,924	3.1776	3.1776	5,525,050 ^E	
	Debt Service	173,874,924	1.7310	1.4423	2,507,798	
Randolph County	General Revenue	478,658,775	0.3601	0.2125	1,017,150	
	Road & Bridge	478,658,775	0.1924	0.1924	920,939	
	Sheltered Workshop	478,658,775	0.1428	0.1428	683,525	
<u>Ray</u>						
Ray County Ambulance District	General Revenue	250,709,897	0.2953	0.1547	387,848	
Senior Citizen's Nursing Home Dist	General Revenue	301,618,444	0.1452	0.1452	437,950	
Willow Creek Watershed Subdistrict	General Revenue	16,635,100	0.1790	0.1790	29,777	
Camden Special Road District Ray Co	Road & Bridge	11,260,588	0.3391	0.3391	38,185	
	Special Road and Bridge	11,260,588	0.2276	0.2276	25,629	2015
Hardin Special Road District Ray Co	Road & Bridge	14,091,628	0.2433	0.2433	34,285	
Henrietta Special Road Dist Ray Co	Road & Bridge	8,453,450	0.2925	0.2925	24,726	
Lawson Special Road District Ray Co	Road & Bridge	35,047,033	0.2578	0.2578	90,351	
	Special Road and Bridge	35,047,033	0.3125	0.3125	109,522	2015
Orrick Special Road District Ray Co	Road & Bridge	20,261,931	0.3272	0.3272	66,297	
Richmond Special Road Dist Ray Co	Road & Bridge	92,612,592	0.2570	0.2570	238,014	
Ray County Special Road District	Road & Bridge	115,215,480	0.2710	0.2710	312,234	
	Special Road and Bridge	115,215,480	0.2419	0.2419	278,706	2017
City of Camden	General Revenue	1,518,257	0.6352	0.6352	9,644	
	Streets	1,518,257	0.0098	0.0098	149	
	Fire	1,518,257	0.1475	0.0000	0	
	Fire-Temp	1,518,257	0.0883	0.0000	0	2016
	Streets-Temp	1,518,257	1.2849	1.2849	19,508	2016
Village of Elmira	General Revenue	598,505	0.4481	0.4481	2,682	
City of Hardin	General Revenue	5,530,863	1.0000	1.0000	55,309	
City of Henrietta	General Revenue	3,536,119	0.9985	0.9985	35,308	
	Parks & Recreation	3,536,119	0.1054	0.1054	3,727	
	Streets	3,536,119	0.3027	0.3027	10,704	2017
	Fire	3,536,119	0.3159	0.3159	11,171	2016
	General Revenue	7,374,661	0.8103	0.8103	59,757	
City of Orrick	General Revenue	60,554,445	0.6494	0.6494	393,241	
	Parks & Recreation	60,554,445	0.1621	0.1621	98,159	
	Debt Service	60,554,445	0.4048	0.4048	245,124	
City of Wood Heights	General Revenue	7,670,143	0.3844	0.3844	29,484	
City of Homestead Village	General Revenue	873,453	0.4805	0.4805	4,197	
	General Revenue-Temp	873,453	0.3198	0.3198	2,793	2015
City of Excelsior Estates	General Revenue	549,488	0.9311	0.9311	5,116	
City of Crystal Lakes	General Revenue	3,646,924	1.0000	1.0000	36,469	
	Parks & Recreation	3,646,924	0.0207	0.0207	755	
	Streets	3,646,924	0.3116	0.3116	11,364	2017
City of Lawson	General Revenue	24,953,592	0.6942	0.6942	173,228	
	Debt Service	24,953,592	1.2257	1.2257	305,856	
Ray County Library District	General Revenue	302,956,675	0.1067	0.1067	323,255	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Ray</u>						
Orrick Fire Protection District	General Revenue	33,197,640	0.2904	0.2099	69,682	
Wood Heights Fire Protection Dist	General Revenue	43,646,421	0.2921	0.2921	127,491	
Lawson Community Fire & Rescue Dist	General Revenue	85,675,463	0.2933	0.2933	251,286	
	Ambulance	85,675,463	0.6699	0.6699	573,940	
Hardin Fire Protection District	General Revenue	21,122,927	0.2761	0.2761	58,320	
Stet Fire Protection District	Fire	19,102,700	0.3070	0.3000	57,308	^B
Richmond Fire Protection District	General Revenue	56,130,411	0.3046	0.3046	170,973	^A
Ray County Health Department	General Revenue	302,944,145	0.0975	0.0975	295,371	
Lawson R-XIV School District	Operating Funds-Schools	68,081,549	3.1976	3.1976	2,176,976	^E
	Debt Service	68,081,549	1.1950	0.9500	646,775	
Orrick R-XI School District	Operating Funds-Schools	22,437,655	3.9247	3.9247	880,611	^E
	Debt Service	22,437,655	1.3458	0.9000	201,939	
Hardin-Central C-2 School District	Operating Funds-Schools	17,131,077	4.5925	4.5925	786,745	^E
Richmond R-XVI School District	Operating Funds-Schools	107,809,153	4.5602	4.5602	4,916,313	^{BE}
Ray County	General Revenue	302,956,675	0.4209	0.0000	0	
	Hospital	302,956,675	0.1850	0.1850	560,470	
	Mental Health	302,944,145	0.0974	0.0974	295,068	
	Senate Bill 40	302,956,675	0.1850	0.1850	560,470	
	Senior Services	302,956,675	0.0498	0.0498	150,872	
	Noxious Weed	302,956,675	0.0487	0.0000	0	
<u>Reynolds</u>						
Reynolds County Ambulance District	General Revenue	187,224,000	0.1500	0.1500	280,836	
City of Bunker	General Revenue	1,617,919	0.6139	0.6139	9,932	
City of Centerville	General Revenue	848,781	0.3997	0.3997	3,393	
Reynolds County Library District	General Revenue	185,254,587	0.1105	0.1100	203,780	
Garwood Fire Protection District	General Revenue	2,730,408	0.2976	0.2976	8,126	
Northern Reynolds Co Fire Prot Dist	General Revenue	63,221,602	0.2083	0.2000	126,443	
Reynolds County Health Center	General Revenue	185,254,587	0.1000	0.1000	185,255	
Centerville R-I School District	Operating Funds-Schools	6,208,329	4.1773	4.1773	259,341	^E
Southern Reynolds Co R-II Sch Dist	Operating Funds-Schools	37,619,288	3.2552	2.7500	1,034,530	
	Debt Service	37,619,288	1.2496	0.8700	327,288	
Bunker R-III School District	Operating Funds-Schools	76,304,686	2.7500	2.7500	2,098,379	
Lesterville R-IV School District	Operating Funds-Schools	57,748,147	3.5880	3.4300	1,980,761	^E
Reynolds County	General Revenue	185,254,587	0.4450	0.3600	666,917	
	Road & Bridge	185,254,587	0.3274	0.3274	606,524	
	Senate Bill 40	185,254,587	0.1000	0.1000	185,255	
	Senior Services	185,254,587	0.0300	0.0300	55,576	
<u>Ripley</u>						
Ripley County Ambulance District	General Revenue	82,100,426	0.2805	0.2805	230,292	
Fourche Creek Watershed Subdistrict	General Revenue	4,659,830	0.1403	0.1403	6,538	
Bennett Special Road Dist Ripley Co	Road & Bridge	346,479	0.2336	0.2336	809	
Current River Sp Rd Dist Ripley Co	Road & Bridge	881,207	0.2212	0.2212	1,949	
Doniphan Spec Road Dist Ripley Co	Road & Bridge	47,475,226	0.2134	0.2134	101,312	
	Special Road and Bridge	47,475,226	0.1509	0.1509	71,640	^A 2017
Fairdealing Spec Rd Dist Ripley Co	Road & Bridge	5,314,683	0.1869	0.1869	9,933	
Flatwoods Spec Road Dist Ripley Co	Road & Bridge	2,371,167	0.3322	0.3322	7,877	
Jordan Special Road Dist Ripley Co	Road & Bridge	8,855,891	0.1918	0.1918	16,986	
Little Black Spec Rd Dist Ripley Co	Road & Bridge	1,657,877	0.3359	0.3359	5,569	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Ripley</u>						
Logan Creek Spec Rd Dist Ripley Co	Road & Bridge	4,740,464	0.1951	0.1951	9,249	
Mabrey Bay Spec Road Dist Ripley Co	Road & Bridge	224,886	0.2113	0.2113	475	
Naylor Special Road Dist Ripley Co	Road & Bridge	5,484,382	0.3371	0.3371	18,488	
	Special Road and Bridge	5,484,382	0.5030	0.5030	27,586	2015
Oxly Special Road Dist Ripley Co	Road & Bridge	2,982,388	0.3239	0.3239	9,660	
Pine Bardley Spec Rd Dist Ripley Co	Road & Bridge	2,874,497	0.1774	0.1774	5,099	
Ponder Gatewood Road Dist Ripley Co	Road & Bridge	6,534,691	0.1503	0.1503	9,822	
	Special Road and Bridge	6,534,691	0.3428	0.3428	22,401	2015
Poynor Special Road Dist Ripley Co	Road & Bridge	2,138,377	0.1872	0.1872	4,003	
Pratt Special Road Dist Ripley Co	Road & Bridge	507,357	0.2434	0.2434	1,235	
Purman Special Road Dist Ripley Co	Road & Bridge	3,023,175	0.1581	0.1581	4,780	
	Special Road and Bridge	3,023,175	0.2988	0.2988	9,033	2015
Running Water Sp Rd Dist Ripley Co	Road & Bridge	339,437	0.2439	0.2439	828	
Tucker Bay Spec Road Dist Ripley Co	Road & Bridge	391,438	0.1627	0.1627	637	
Wolfe Creek Spec Rd Dist Ripley Co	Road & Bridge	894,182	0.2680	0.2680	2,396	
	Special Road and Bridge	894,182	0.1000	0.1000	894	2015
City of Doniphan	General Revenue	18,244,930	0.3794	0.3794	69,221	
City of Naylor	General Revenue	1,786,152	0.9501	0.9501	16,970	
Doniphan-Ripley County Library	General Revenue	97,037,803	0.1714	0.1714	166,323	
	Debt Service	97,037,803	0.0186	0.0186	18,049	
Ripley County Public Health Center	General Revenue	97,037,803	0.1413	0.1413	137,114	
Naylor R-II School District	Operating Funds-Schools	10,506,040	3.3492	3.3492	351,868	E
Doniphan R-I School District	Operating Funds-Schools	72,310,730	2.7500	2.7500	1,988,545	E
Ripley County R-IV School District	Operating Funds-Schools	6,240,946	2.7500	2.7500	171,626	F
Ripley County R-III School District	Operating Funds-Schools	5,936,541	3.4488	3.4488	204,739	BE
Ripley County	General Revenue	97,037,803	0.2955	0.0000	0	
	Senate Bill 40	97,037,803	0.0942	0.0942	91,410	
	Senior Services	97,037,803	0.0471	0.0471	45,705	
<u>St. Charles</u>						
St. Charles County Ambulance Dist	General Revenue	7,502,447,871	0.2419	0.2419	18,148,421	
	Debt Service	7,502,447,871	0.0350	0.0200	1,500,490	
Town of Augusta	General Revenue	6,931,479	0.2056	0.2056	14,251	
	Lights	6,931,479	0.1026	0.1026	7,112	
City of Lake St. Louis	General Revenue	317,518,831	0.5764	0.5764	1,830,179	
	Debt Service	317,518,831	0.6732	0.4700	1,492,339	
City of O'Fallon	General Revenue	1,625,036,993	0.3438	0.3438	5,586,877	
	Parks & Recreation	1,625,036,993	0.0000	0.0000	0	
	Debt Service	1,625,036,993	0.5589	0.2408	3,913,089	
City of Portage Des Sioux	General Revenue	4,562,049	0.6900	0.6900	31,478	
	Debt Service	4,562,049	0.2987	0.2987	13,627	
City of St. Charles	General Revenue	1,294,776,327	0.5280	0.5280	6,836,419	
	Parks & Recreation	1,294,776,327	0.2276	0.2276	2,946,911	
	Debt Service	1,294,776,327	0.2644	0.1613	2,088,474	
City of St. Peters	General Revenue	1,080,409,127	0.6095	0.6095	6,585,094	
	Debt Service	1,080,409,127	0.5728	0.1605	1,734,057	
City of Wentzville	General Revenue	680,252,177	0.6873	0.6873	4,675,373	
	Parks & Recreation	680,252,177	0.0672	0.0672	457,129	
City of St. Paul	General Revenue	41,615,429	0.2361	0.2361	98,254	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Charles</u>						
Town of Weldon Springs Heights	General Revenue	2,089,063	0.4321	0.4321	9,027	
City of Flint Hill	General Revenue	10,214,921	0.2500	0.2500	25,537	^A
City of New Melle	General Revenue	14,735,109	0.4920	0.4920	72,497	
City of Cottleville	General Revenue	100,113,069	0.3278	0.3278	328,171	
City of Dardenne Prairie	General Revenue	259,356,147	0.1125	0.1125	291,776	
St. Charles City-County Library	General Revenue	7,502,447,871	0.2200	0.2200	16,505,385	
Cottleville Com Fire Prot District	General Revenue	1,202,894,013	0.7928	0.7928	9,536,544	
	Pension	1,202,894,013	0.0891	0.0891	1,071,779	
	Debt Service	1,202,894,013	0.0949	0.0500	601,447	
Lake St. Louis Fire Protection Dist	General Revenue	253,433,296	0.5249	0.5249	1,330,271	
	Pension	253,433,296	0.0276	0.0276	69,948	
O'Fallon Fire Protection District	General Revenue	1,402,036,742	0.5779	0.5779	8,102,370	
	Pension	1,402,036,742	0.0417	0.0417	584,649	
	Debt Service	1,402,036,742	0.0469	0.0469	657,555	
Wentzville Fire Protection Dist 13	General Revenue	1,422,791,144	0.7580	0.7580	10,784,757	^B
	Debt Service	1,422,791,144	0.0479	0.0380	540,661	
Augusta Fire Protection District	General Revenue	52,789,436	0.2326	0.2326	122,788	
New Melle Fire Protection District	General Revenue	221,255,116	0.6906	0.6906	1,527,988	
Orchard Farm Fire Protection Dist	General Revenue	35,739,869	0.4298	0.4298	153,610	
Central County Fire and Rescue	General Revenue	1,560,644,845	0.7437	0.7437	11,606,516	
	Pension	1,560,644,845	0.0455	0.0455	710,093	
	Debt Service	1,560,644,845	0.1440	0.0860	1,342,155	
Rivers Pointe Fire Protection Dist	Fire	53,579,777	0.2721	0.2721	145,791	
St. Charles Co Community College	General Revenue	7,458,277,082	0.1740	0.1740	12,977,402	
	Debt Service	7,458,277,082	0.0947	0.0400	2,983,311	
Fort Zumwalt R-II School District	Operating Funds-Schools	2,122,276,205	4.0546	4.0546	86,049,811	^E
	Debt Service	2,122,276,205	0.6900	0.6900	14,643,706	
Francis Howell R-III School Dist	Operating Funds-Schools	2,326,681,255	4.3490	4.3490	101,187,368	^E
	Debt Service	2,326,681,255	0.6713	0.6713	15,619,011	
Wentzville R-IV School District	Operating Funds-Schools	1,607,507,666	3.7536	3.7536	60,339,408	^E
	Operating Funds-Temp	1,607,507,666	0.2881	0.2881	4,631,230	2030
	Operating Funds-Temp2	1,607,507,666	0.2500	0.2500	4,018,769	^A 2034
	Debt Service	1,607,507,666	1.2319	0.9200	14,789,071	
St. Charles R-VI School District	Operating Funds-Schools	905,755,528	4.7727	4.7727	43,228,994	^E
	Debt Service	905,755,528	1.3246	0.7500	6,793,166	
St. Charles Co R-V School District	Operating Funds-Schools	281,833,901	4.1981	3.9856	11,232,772	
	Debt Service	281,833,901	0.8886	0.7300	2,057,387	
St. Charles County	General Revenue	7,502,447,871	0.1580	0.0000	0	
	Johnson Grass	7,502,447,871	0.0000	0.0000	0	
	Road & Bridge	7,502,447,871	0.1962	0.1962	14,719,803	
	Senate Bill 40	7,502,447,871	0.1410	0.1410	10,578,451	
	Dispatch	7,502,447,871	0.0378	0.0378	2,835,925	
<u>St. Clair</u>						
Ellett Memorial Hospital District	General Revenue	42,273,387	0.4868	0.4868	205,787	
St. Clair County Hospital Dist #1	General Revenue	78,706,784	0.4786	0.4786	376,691	2019
Chloe Spec Road Dist St. Clair Co	Special Road and Bridge	2,905,510	0.2758	0.2758	8,013	2015
Collins Spec Road Dist St. Clair Co	Special Road and Bridge	7,608,910	0.2800	0.2800	21,305	2017
Hillsdale Spec Rd Dist St. Clair Co	Special Road and Bridge	1,705,174	0.3507	0.3500	5,968	2016

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Clair</u>						
Lowry City Sp Rd Dist St. Clair Co	Special Road and Bridge	4,659,388	0.3450	0.3450	16,075 ^A	2018
Osceola Spec Road Dist St. Clair Co	Special Road and Bridge	16,597,226	0.3217	0.3164	52,514 ^A	2018
Vista Spec Road Dist St. Clair Co	Special Road and Bridge	4,125,766	0.4887	0.4887	20,163	2015
City of Appleton City	General Revenue	8,420,843	0.6912	0.6912	58,205	
	Parks & Recreation	8,420,843	0.3500	0.3500	29,473	
	Library	8,420,843	0.2000	0.2000	16,842	
	Police & Fire	8,420,843	0.2100	0.2100	17,684	
City of Lowry City	General Revenue	4,648,736	0.6346	0.6346	29,501	
	Lights	4,648,736	0.1969	0.1969	9,153	
	Health	4,648,736	0.0000	0.0000	0	
City of Osceola	General Revenue	6,154,352	0.7263	0.7176	44,164	
	Parks & Recreation	6,154,352	0.1000	0.1000	6,154	
Village of Roscoe	General Revenue	762,102	0.4281	0.4281	3,263	
St. Clair County Library	General Revenue	103,899,761	0.1896	0.1896	196,994	
Iconium Fire Protection District	General Revenue	11,144,699	0.3000	0.3000	33,434	
Sac Osage Fire Protection District	General Revenue	31,035,002	0.2439	0.2439	75,694	
St. Clair County Health Center	General Revenue	112,361,134	0.2048	0.2048	230,116	
Appleton City R-II School District	Operating Funds-Schools	26,586,602	3.8132	3.8132	1,013,800 ^E	
Roscoe C-I School District	Operating Funds-Schools	6,706,720	3.4651	3.4651	232,395 ^E	
	Debt Service	6,706,720	0.4679	0.4679	31,381	
Lakeland R-III School District	Operating Funds-Schools	31,298,033	3.0672	3.0672	959,973 ^E	
	Debt Service	31,298,033	1.0584	0.8155	255,235	
Osceola School District	Operating Funds-Schools	30,668,498	2.1624	2.1624	663,176 ^E	
	Building-Temporary	30,668,498	1.6014	1.6014	491,125	2026
St. Clair County	General Revenue	112,361,134	0.4720	0.3258	366,073	
	Road & Bridge	112,361,134	0.2794	0.2794	313,937	
	Common Road District	60,577,396	0.3200	0.3200	193,848 ^A	2018
<u>St. Francois</u>						
Flat River Sp Rd #2 St. Francois Co	Road & Bridge	32,118,062	0.2330	0.2330	74,835	
City of Bismarck	General Revenue	9,539,914	0.5001	0.5001	47,709	
	Health	9,539,914	0.1534	0.1534	14,634	
City of Desloge	General Revenue	37,373,432	0.4212	0.4212	157,417	
City of Farmington	General Revenue	200,318,562	0.4440	0.4440	889,414	
City of Leadington	General Revenue	9,451,660	0.3551	0.3551	33,563	
City of Leadwood	General Revenue	5,059,395	0.8673	0.8673	43,880	
	Debt Service	5,059,395	1.6050	0.3144	15,907	
City of Iron Mountain Lake	General Revenue	3,008,871	0.7352	0.7352	22,121	
	Debt Service	3,008,871	1.3067	1.3067	39,317	
City of Park Hills	General Revenue	52,977,650	0.6197	0.6197	328,302	
Leadwood Fire Protection District	General Revenue	15,490,486	0.5275	0.5275	81,712	
Doe Run Fire Protection District	General Revenue	53,995,921	0.3134	0.3134	169,223	
St. Francois County Health Center	General Revenue	725,821,797	0.0903	0.0903	655,417	
Mineral Area College	General Revenue	879,026,459	0.3463	0.3463	3,044,069	
	Debt Service	879,026,459	0.2038	0.1300	1,142,734	
Bismarck R-V School District	Operating Funds-Schools	28,686,848	3.2460	3.2460	931,175 ^E	
	Debt Service	28,686,848	0.8646	0.6886	197,538	
Farmington R-VII School District	Operating Funds-Schools	343,292,797	2.8408	2.8408	9,752,262 ^E	
	Debt Service	343,292,797	0.9238	0.9000	3,089,635	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Francois</u>						
North St. Francois Co R-I Sch Dist	Operating Funds-Schools	164,799,232	3.1846	3.1846	5,248,196	E
	Debt Service	164,799,232	1.6811	1.2390	2,041,862	
Central R-III School District	Operating Funds-Schools	97,414,990	3.1469	3.1328	3,051,817	E
	Debt Service	97,414,990	1.2405	1.0955	1,067,181	
West St. Francois Co R-IV Sch Dist	Operating Funds-Schools	45,144,986	2.9958	2.9958	1,352,453	E
	Debt Service	45,144,986	1.8123	1.0542	475,918	
St. Francois County	General Revenue	725,821,797	0.3249	0.0639	463,800	
	Road & Bridge	693,193,691	0.2446	0.2446	1,695,552	
	Ambulance	725,821,797	0.0000	0.0000	0	
	Developmentally Disabled	725,821,797	0.0903	0.0903	655,417	
	Senior Services	725,821,797	0.0489	0.0489	354,927	
<u>Ste. Genevieve</u>						
City of Bloomsdale	General Revenue	10,344,999	0.3058	0.3058	31,635	
City of St. Mary	General Revenue	4,187,733	1.0000	1.0000	41,877	
City of Ste. Genevieve	General Revenue	59,365,132	0.4792	0.4792	284,478	
	Parks & Recreation	59,365,132	0.1246	0.1246	73,969	
	Band	59,365,132	0.0769	0.0769	45,652	
	Cemetery	59,365,132	0.0478	0.0478	28,377	
	General Revenue	426,683,234	0.0964	0.0964	411,323	
Ste. Genevieve County Library	General Revenue	426,683,234	0.0964	0.0964	411,323	
Ste. Genevieve Co R-II School Dist	Operating Funds-Schools	352,366,766	3.0343	3.0343	10,691,865	E
	Debt Service	352,366,766	0.4333	0.2600	916,154	
Ste. Genevieve County	General Revenue	426,683,234	0.3588	0.2519	1,074,815	
	Road & Bridge	426,683,234	0.2519	0.2519	1,074,815	
	Hospital	426,683,234	0.1618	0.1618	690,373	
	Ambulance	426,880,894	0.1207	0.0249	106,293	
	Mental Health	426,683,234	0.0964	0.0964	411,323	
	Senate Bill 40	426,683,234	0.0600	0.0600	256,010	
	Senior Services	426,683,234	0.0301	0.0301	128,432	
<u>St. Louis</u>						
Eureka Fire Protection District	General Revenue	381,031,344	0.6732	0.6732	2,565,103	
	Ambulance	381,031,344	0.2702	0.2702	1,029,547	
	Pension	381,031,344	0.0905	0.0905	344,833	
	Dispatch	381,031,344	0.0269	0.0269	102,497	
	Debt Service	381,031,344	0.1500	0.1500	571,547	
Metropolitan Sewer Dist St Louis Co	Gen Revenue-Gen Adm	26,482,804,022	0.0195	0.0195	5,164,147	
	General Revenue-Storm	15,454,212,311	0.0681	0.0681	10,524,319	
Metro Zoological Park & Museum Dist	Art Museum	26,550,386,654	0.0792	0.0793	21,054,457	C
	Botanical Garden	26,550,386,654	0.0396	0.0397	10,540,504	C
	Museum of Mo. History	26,550,386,624	0.0396	0.0397	10,540,503	C
	Museum of Nat. History	26,550,386,654	0.0396	0.0397	10,540,504	C
	Zoological Park	26,550,386,654	0.0792	0.0793	21,054,457	C
Rockwood R-VI School District	Operating Funds-Schools	3,392,942,833	3.8013	3.9215	133,054,253	EC
	Debt Service	3,392,942,833	0.9748	0.6800	23,072,011	
Special School Dist of St. Louis Co	Operating Funds-Schools	22,516,726,105	1.2348	1.2348	278,036,534	
<u>Saline</u>						
Saline County Ambulance District #3	General Revenue	239,680,118	0.1958	0.1958	469,294	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Saline</u>						
Slater Ambulance District #1	General Revenue	59,129,411	0.3007	0.3007	177,802	
Sweet Springs Ambulance District	General Revenue	67,014,492	0.2916	0.2916	195,414	
Blackburn Elmwood SRD Saline Co	Road & Bridge	11,695,645	0.2423	0.2423	28,339	
	Special Road and Bridge	11,695,645	0.3065	0.3065	35,847	2017
Gilliam Special Road Dist Saline Co	Road & Bridge	10,846,016	0.2825	0.2825	30,640	
	Special Road and Bridge	10,846,016	0.2815	0.2815	30,532	2016
Grand Pass Spec Road Dist Saline Co	Road & Bridge	6,103,783	0.2679	0.2679	16,352	
	Special Road and Bridge	6,103,783	0.3500	0.3500	21,363 ^A	2018
Marshall Spec Road Dist Saline Co	Road & Bridge	159,126,502	0.2549	0.2549	405,613	
	Special Road and Bridge	159,126,502	0.2710	0.2710	431,233 ^A	2018
Slater Special Road Dist Saline Co	Road & Bridge	34,078,908	0.2890	0.2890	98,488	
	Special Road and Bridge	34,078,908	0.3305	0.3305	112,631	2017
Sweet Springs Sp Rd Dist Saline Co	Road & Bridge	25,209,730	0.3138	0.3138	79,108	
	Special Road and Bridge	25,209,730	0.3033	0.3033	76,461	2016
Malta Bend Spec Road Dist Saline Co	Road & Bridge	20,722,418	0.2512	0.2512	52,055	
	Special Road and Bridge	20,722,418	0.3141	0.3141	65,089	2016
Village of Arrow Rock	General Revenue	1,320,845	0.2562	0.2562	3,384	
	General Revenue-Temp	1,320,845	0.3093	0.3093	4,085	2015
City of Blackburn	General Revenue	2,032,578	0.5953	0.5953	12,100	
	Lights	2,032,578	0.1210	0.1210	2,459	
	General Revenue-Temp	2,032,578	0.2905	0.2905	5,905	2017
City of Gilliam	General Revenue	1,028,050	0.7383	0.7383	7,590	
	Lights	1,028,050	0.3937	0.3937	4,047	
Village of Grand Pass	General Revenue	475,061	0.4621	0.4621	2,195	
	General Revenue-Temp	475,061	0.0380	0.0380	181 ^A	2018
City of Malta Bend	General Revenue	2,519,640	0.6830	0.6830	17,209	
City of Marshall	General Revenue	133,824,015	0.6560	0.6560	877,886	
	Parks & Recreation	133,824,015	0.2836	0.2836	379,525	
	Library	133,824,015	0.1684	0.1684	225,360	
	Band	133,824,015	0.0439	0.0439	58,749	
City of Miami	General Revenue	1,126,307	0.4974	0.4974	5,602	
	Streets	1,126,307	0.6467	0.6467	7,284	
Village of Mount Leonard	General Revenue	290,242	1.0000	1.0000	2,902	
City of Nelson	General Revenue	1,171,592	0.7244	0.7244	8,487	
City of Slater	General Revenue	14,186,502	0.7704	0.7704	109,293	
	Parks & Recreation	14,186,502	0.2000	0.2000	28,373	
	Library	14,186,502	0.2408	0.2408	34,161	
City of Sweet Springs	General Revenue	12,225,119	0.7412	0.7412	90,613	
	Parks & Recreation	12,225,119	0.3522	0.3522	43,057	
	Library	12,225,119	0.1800	0.1800	22,005	
	Debt Service	12,225,119	0.2372	0.2372	28,998	
City of Emma	General Revenue	2,051,344	0.5000	0.5000	10,257	
Malta Bend Fire Protection District	General Revenue	23,876,297	0.1806	0.1806	43,121	
West Central Fire Protection Dist	General Revenue	51,456,101	0.2579	0.2579	132,705	
Slater Rural Fire Protection Dist	General Revenue	26,038,334	0.2177	0.2177	56,685	
Saline County Rural Fire Prot Dist	General Revenue	49,506,868	0.3001	0.3001	148,570	
Saline County Health Department	General Revenue	354,033,927	0.1255	0.1255	444,313	
Miami R-I School District	Operating Funds-Schools	10,876,200	3.9291	3.9291	427,337 ^E	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year	
<u>Saline</u>							
Orearville R-IV School District	Operating Funds-Schools	6,967,160	4.9428	4.9428	344,373	2016	
	Operating Funds-Temp	6,967,160	0.2988	0.2988	20,818		
Malta Bend R-V School District	Operating Funds-Schools	12,179,760	4.5743	4.5743	557,139	E	
	Debt Service	12,179,760	0.8353	0.5715	69,607		
Hardeman R-X School District	Operating Funds-Schools	8,568,823	4.5297	4.5297	388,142	E	
Gilliam C-4 School District	Operating Funds-Schools	3,256,091	4.2884	4.2884	139,634	E	
Marshall School District	Operating Funds-Schools	164,913,198	2.7500	2.7500	4,535,113	E	
Slater School District	Operating Funds-Schools	19,528,508	4.0432	3.9535	772,060	E	
	Debt Service	19,528,508	0.6577	0.5612	109,594		
Sweet Springs R-VII School District	Operating Funds-Schools	30,365,988	3.3885	3.3500	1,017,261	E	
	Debt Service	30,365,988	1.8197	0.6400	194,342		
Saline County	General Revenue	354,033,927	0.1793	0.1577	558,312	2017	
	Common Road District	86,158,569	0.2389	0.2389	205,833		
	Senate Bill 40	354,033,927	0.0561	0.0561	198,613		
	Common Road-Temp	86,158,569	0.3216	0.3216	277,086		
	Special Road and Bridge	86,158,569	0.3500	0.3500	301,555		2018
<u>Schuyler</u>							
Schuyler County Ambulance District	General Revenue	46,936,292	0.3924	0.3924	184,178	2015	
Schuyler County Nursing Home Dist	General Revenue	46,936,292	0.1472	0.1472	69,090		
City of Downing	General Revenue	1,789,490	1.0000	1.0000	17,895		
Village of Glenwood	General Revenue	1,097,616	0.5000	0.5000	5,488		
City of Greentop	General Revenue	2,775,062	0.9865	0.9865	27,376		
City of Lancaster	General Revenue	4,783,435	0.9606	0.9606	45,950		
	Parks & Recreation	4,783,435	0.2000	0.2000	9,567		
City of Queen City	General Revenue	3,359,672	0.9788	0.9788	32,884		
Schuyler County Library	General Revenue	46,936,292	0.1472	0.1472	69,090		
Schuyler County Health Department	General Revenue	46,936,292	0.2943	0.2943	138,134		
Schuyler County R-I School District	Operating Funds-Schools	42,287,183	3.3648	3.3648	1,422,879		
	Debt Service	42,287,183	0.9464	0.8352	353,183		
Schuyler County	General Revenue	46,936,292	0.4905	0.2894	135,834		
	Common Road District	46,936,292	0.4702	0.4702	220,694		
	Special Road and Bridge	46,936,292	0.2551	0.2551	119,734		
	Senior Services	46,936,292	0.0491	0.0491	23,046		
<u>Scotland</u>							
Scotland County Ambulance District	General Revenue	72,382,138	0.2430	0.2430	175,889		2015
Scotland County Memorial Hosp Dist	General Revenue	72,382,138	0.4859	0.4859	351,705		
Scotland County Nursing Home Dist	General Revenue	72,382,138	0.2916	0.2916	211,066		
Bear Creek Watershed Subdistrict	General Revenue	1,354,111	0.3463	0.3463	4,689		
Village of Arbela	General Revenue	199,268	0.5000	0.5000	996		
Village of Granger	General Revenue	238,731	0.6792	0.6791	1,621		
City of Memphis	General Revenue	14,782,160	0.3098	0.3098	45,795		
	Streets	14,782,160	0.3544	0.3544	52,388		
	Fire	14,782,160	0.1356	0.1356	20,045		
	Cemetery	14,782,160	0.0536	0.0536	7,923		
	Swimming Pool	14,782,160	0.1891	0.1891	27,953		
Village of Rutledge	General Revenue	674,940	0.3925	0.3925	2,649		
City of South Gorin	General Revenue	778,894	0.7684	0.7666	5,971		
	Fire	778,894	0.1919	0.1915	1,492		

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Scotland</u>						
Scotland County Library District	General Revenue	72,382,138	0.1847	0.1847	133,690	
Scotland County Health Department	General Revenue	72,382,138	0.1458	0.1458	105,533	
Scotland County R-I School District	Operating Funds-Schools	64,380,245	3.3829	3.3829	2,177,919 ^E	
Scotland County	General Revenue	72,382,138	0.4859	0.4859	351,705	
	Road & Bridge	72,382,138	0.3403	0.3403	246,316	
	Special Road and Bridge	72,382,138	0.3138	0.3138	227,135	2015
<u>Scott</u>						
Southern Scott Co Ambulance Dist	General Revenue	264,461,947	0.3000	0.3000	793,386	
North Scott Co Ambulance District	General Revenue	200,806,167	0.2966	0.2966	595,591	
Illmo Special Road Dist Scott Co	Road & Bridge	65,076,988	0.3401	0.3401	221,327	
Sikeston Special Road Dist Scott Co	Road & Bridge	223,260,983	0.1800	0.1800	401,870	
City of Benton	General Revenue	8,683,521	0.6134	0.6134	53,265	
	Parks & Recreation	8,683,521	0.1905	0.1905	16,542	
	General Revenue	1,322,744	0.2806	0.2806	3,712	
Village of Blodgett	General Revenue	1,322,744	0.2806	0.2806	3,712	
City of Chaffee	General Revenue	18,893,182	0.8386	0.8386	158,438	
	Parks & Recreation	18,893,182	0.1788	0.1788	33,781	
	Library	18,893,182	0.1788	0.1788	33,781	
Village of Commerce	General Revenue	683,783	0.4900	0.4900	3,351	
Village of Diehlstadt	General Revenue	487,002	0.3817	0.3817	1,859	
Village of Haywood City	General Revenue	541,356	0.5000	0.5000	2,707	
Village of Kelso	General Revenue	6,312,645	0.4970	0.4970	31,374	
	Fire	6,312,645	0.1292	0.1292	8,156	2017
	General Revenue	22,089,828	0.3040	0.3000	66,269	
City of Miner	General Revenue	22,089,828	0.3040	0.3000	66,269	
City of Morley	General Revenue	4,347,834	0.6528	0.6528	28,383	
City of Oran	General Revenue	8,762,894	0.6752	0.6752	59,167	
	Parks & Recreation	8,762,894	0.2000	0.2000	17,526	
City of Scott City	General Revenue	48,681,466	0.5127	0.5127	249,590	
	Parks & Recreation	48,681,466	0.1831	0.1831	89,136	
	Cemetery	48,681,466	0.0500	0.0500	24,341	
	Debt Service	48,681,466	0.3098	0.3098	150,815	
Village of Vanduser	General Revenue	1,500,805	0.4247	0.4247	6,374	
	Fire	1,500,805	0.0000	0.0000	0	
City of Sikeston	General Revenue	220,436,112	0.4024	0.4024	887,035	
	Parks & Recreation	220,436,112	0.1754	0.1754	386,645	
	Library	220,436,112	0.1754	0.1754	386,645	
Scott County Library	General Revenue	329,244,476	0.0959	0.0959	315,745	
Sikeston Fire Protection District	General Revenue	48,583,098	0.1252	0.1252	60,826	
NBC Fire Protection District	General Revenue	47,923,909	0.2976	0.2976	142,622	
Scott County Rural Fire Prot Dist	General Revenue	44,222,621	0.6149	0.6149	271,925	
Oran Fire Protection District	General Revenue	18,012,221	0.3918	0.3918	70,572	
Scott County Health Department	General Revenue	465,268,114	0.1000	0.1000	465,268	
Scott City R-I School District	Operating Funds-Schools	58,936,120	3.2685	3.2685	1,926,327 ^E	
	Debt Service	58,936,120	0.4933	0.4900	288,787	
Chaffee R-II School District	Operating Funds-Schools	24,545,650	2.8645	2.8645	703,110 ^E	
	Debt Service	24,545,650	1.2944	1.2500	306,821	
Scott County R-IV School District	Operating Funds-Schools	61,333,120	2.7500	2.7500	1,686,661 ^E	
	Debt Service	61,333,120	0.6125	0.4200	257,599	
Scott County R-V School District	Operating Funds-Schools	17,139,990	3.6593	3.6593	627,204 ^E	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Scott</u>						
Scott County R-V School District	Debt Service	17,139,990	0.7004	0.7000	119,980	
Sikeston R-VI School District	Operating Funds-Schools	250,400,234	3.5942	3.5942	8,999,885	E
	Debt Service	250,400,234	0.2169	0.2100	525,840	
Kelso C-7 School District	Operating Funds-Schools	26,179,100	2.9391	2.9391	769,430	E
Oran R-III School District	Operating Funds-Schools	21,702,910	3.1119	3.1000	672,790	E
	Debt Service	21,702,910	1.1278	0.7500	162,772	
Scott County	General Revenue	465,268,114	0.3445	0.0000	0	
	Johnson Grass	465,268,114	0.0100	0.0100	46,527	
	Common Road District	176,930,145	0.3008	0.3008	532,206	
	Senate Bill 40	465,268,114	0.0400	0.0400	186,107	
<u>Shannon</u>						
Shannon County Ambulance District	General Revenue	57,825,965	0.1348	0.1348	77,949	
City of Birch Tree	General Revenue	3,225,957	0.4744	0.4744	15,304	
Timber Community Fire Prot District	General Revenue	4,439,123	0.2995	0.2995	13,295	
Shannon County Health Department	General Revenue	74,459,832	0.0998	0.0998	74,311	
Winona R-III School District	Operating Funds-Schools	17,826,591	2.7500	2.7500	490,231	F
Eminence R-I School District	Operating Funds-Schools	21,355,090	2.3243	2.3242	496,335	E
	Operating Funds-Temp	21,355,090	1.1058	1.1058	236,145	2017
	Debt Service	21,355,090	0.3469	0.0100	2,136	
Shannon County	General Revenue	74,459,832	0.3229	0.1550	115,413	
	Road & Bridge	74,459,832	0.2421	0.2421	180,267	
	Senate Bill 40	74,459,832	0.0971	0.0971	72,300	
	Senior Services	74,459,832	0.0499	0.0499	37,155	
<u>Shelby</u>						
Salt River Ambulance District	General Revenue	115,950,347	0.2500	0.1626	188,535	
Clarence Nursing Home District	General Revenue	30,456,153	0.2032	0.2032	61,887	
Salt River Nursing Home District	General Revenue	103,346,418	0.3000	0.3000	310,039	
Shelbina Special Rd Dist Shelby Co	Road & Bridge	27,314,630	0.4700	0.4700	128,379	
Village of Bethel	General Revenue	734,924	0.7500	0.7500	5,512	
	Lights	734,924	0.2500	0.2500	1,837	
City of Clarence	General Revenue	5,250,162	1.0000	1.0000	52,502	
	Library	5,250,162	0.1000	0.1000	5,250	
	Streets	5,250,162	0.2000	0.2000	10,500	
City of Hunnewell	General Revenue	1,119,818	0.8890	0.8890	9,955	
Village of Leonard	General Revenue	746,961	0.5000	0.5000	3,735	
City of Shelbina	General Revenue	19,566,116	1.0000	0.9897	193,646	
	Library	19,566,116	0.2500	0.2500	48,915	
City of Shelbyville	General Revenue	3,851,525	0.8932	0.8932	34,402	
	General Revenue-Temp	3,851,525	0.3060	0.3060	11,786	2017
Shelbina Fire Protection District	General Revenue	65,287,631	0.2500	0.2500	163,219	
Shelby County Health Department	General Revenue	125,249,399	0.2500	0.2500	313,123	
North Shelby School District	Operating Funds-Schools	34,827,316	3.5281	3.5281	1,228,743	E
	Debt Service	34,827,316	0.2660	0.2550	88,810	
Shelby County R-IV School District	Operating Funds-Schools	61,150,017	3.8748	3.7500	2,293,126	E
Shelby County	General Revenue	125,249,399	0.5000	0.3500	438,373	
	Road & Bridge	97,934,768	0.3500	0.3500	342,772	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Stoddard</u>						
Stoddard County Ambulance District	General Revenue	440,105,498	0.2044	0.2044	899,576	
Bluff Special Road Dist Stoddard Co	Johnson Grass	10,205,082	0.0500	0.0500	5,103	
	Road & Bridge	10,205,082	0.1757	0.1757	17,930	
	Special Road and Bridge	10,205,082	0.3777	0.3777	38,545	2017
Crowder Zeta Sp Rd Dist Stoddard Co	Johnson Grass	3,010,934	0.0484	0.0484	1,457	
	Road & Bridge	3,010,934	0.2981	0.2981	8,976	
Dudley Spec Road Dist Stoddard Co	Johnson Grass	18,710,080	0.0500	0.0500	9,355	
	Road & Bridge	18,710,080	0.2711	0.2711	50,723	
	Special Road and Bridge	18,710,080	0.3515	0.3515	65,766 ^A	2018
Essex Special Road Dist Stoddard Co	Johnson Grass	18,177,906	0.0478	0.0478	8,689	
	Road & Bridge	18,177,906	0.2326	0.2326	42,282	
	Special Road and Bridge	18,177,906	0.3444	0.3444	62,605	2016
Gray Ridge Spec Rd Dist Stoddard Co	Road & Bridge	12,763,923	0.3125	0.3125	39,887	
Lavalle Spec Road Dist Stoddard Co	Road & Bridge	2,983,573	0.3389	0.3389	10,111	
City of Bell City	General Revenue	2,431,320	0.7217	0.7217	17,547	
City of Bernie	General Revenue	13,909,187	0.5493	0.5493	76,403	
	Parks & Recreation	13,909,187	0.0900	0.0900	12,518	
	General Revenue	12,462,719	0.5279	0.5226	65,130	
City of Bloomfield	Library	12,462,719	0.1540	0.1524	18,993	
	Debt Service	12,462,719	0.8490	0.5226	65,130	
	General Revenue	97,679,243	0.5593	0.5593	546,320	
City of Dexter	Library	97,679,243	0.1566	0.1566	152,966	
City of Dudley	General Revenue	9,476,376	0.6011	0.6011	56,962	
City of Essex	General Revenue	3,576,318	0.4135	0.4135	14,788	
City of Puxico	General Revenue	7,686,910	0.5362	0.5362	41,217	
	Parks & Recreation	7,686,910	0.2298	0.2298	17,665	
	Library	7,686,910	0.0767	0.0767	5,896	
	Health	7,686,910	0.1093	0.1093	8,402	
	Cemetery	7,686,910	0.1093	0.1093	8,402	
	General Revenue	153,366	0.4845	0.4845	743	
Castor Township Stoddard County	General Revenue	64,055,107	0.0727	0.0727	46,568	
	Road & Bridge	53,850,026	0.2310	0.2310	124,394	
	Special Road and Bridge	53,850,026	0.3524	0.3524	189,767	2016
Duck Creek Township Stoddard County	General Revenue	48,245,206	0.1000	0.1000	48,245	
	Johnson Grass	48,245,206	0.0381	0.0381	18,381	
	Road & Bridge	29,535,126	0.2674	0.2674	78,977	
	Special Road and Bridge	29,535,126	0.3492	0.3492	103,137	2015
Elk Township Stoddard County	General Revenue	15,047,909	0.1000	0.1000	15,048	
	Road & Bridge	12,064,336	0.5056	0.5056	60,997	
	Special Road and Bridge	15,047,909	0.3609	0.3609	54,308 ^A	2018
Liberty Township Stoddard County	General Revenue	203,663,568	0.0811	0.0811	165,171	
	Johnson Grass	203,663,568	0.0500	0.0500	101,832	
	Road & Bridge	203,663,568	0.1520	0.1520	309,569	
	Special Road and Bridge	203,663,568	0.3543	0.3543	721,580 ^A	2018
New Lisbon Township Stoddard County	General Revenue	11,260,957	0.0866	0.0866	9,752	
	Johnson Grass	11,260,957	0.0498	0.0498	5,608	
	Road & Bridge	11,260,957	0.2489	0.2489	28,029	
	Special Road and Bridge	11,260,957	0.3532	0.3532	39,774	2016

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Stoddard</u>						
Pike Township Stoddard County	General Revenue	64,506,613	0.1000	0.1000	64,507	
	Johnson Grass	64,506,613	0.0500	0.0500	32,253	
	Road & Bridge	61,495,680	0.2440	0.2440	150,049	
Richland Township Stoddard County	General Revenue	33,326,138	0.0799	0.0799	26,628	
	Road & Bridge	2,384,308	0.3500	0.3500	8,345	
Stoddard County Public Health	General Revenue	440,105,498	0.0997	0.0997	438,785	
Richland R-I School District	Operating Funds-Schools	27,832,813	3.9442	3.9442	1,097,782	E
	Debt Service	27,832,813	0.3893	0.3891	108,297	
Bell City R-II School District	Operating Funds-Schools	33,972,548	3.1511	3.1500	1,070,135	E
Advance R-IV School District	Operating Funds-Schools	32,471,295	3.0076	3.0000	974,139	E
	Debt Service	32,471,295	0.9183	0.5474	177,748	
Puxico R-VIII School District	Operating Funds-Schools	44,755,301	2.7500	2.7500	1,230,771	E
	Debt Service	44,755,301	0.9548	0.7900	353,567	
Bloomfield R-XIV School District	Operating Funds-Schools	48,207,607	2.9294	2.7500	1,325,709	F
	Debt Service	48,207,607	0.3537	0.2600	125,340	
Dexter R-XI School District	Operating Funds-Schools	177,533,843	2.8147	2.8100	4,988,701	E
	Debt Service	177,533,843	0.8630	0.5700	1,011,943	
Bernie R-XIII School District	Operating Funds-Schools	35,409,368	2.9961	2.9961	1,060,900	E
	Debt Service	35,409,368	0.3839	0.3000	106,228	
Stoddard County	General Revenue	440,105,498	0.0000	0.0000	0	
	Johnson Grass	440,105,498	0.0000	0.0000	0	
	Senate Bill 40	440,105,498	0.0803	0.0803	353,405	
<u>Stone</u>						
City of Crane	General Revenue	9,515,944	0.8335	0.8335	79,315	
	Parks & Recreation	9,515,944	0.1332	0.1332	12,675	
	Library	9,515,944	0.0000	0.0000	0	
City of Galena	General Revenue	2,950,512	0.5259	0.5259	15,517	
City of Hurley	General Revenue	874,342	0.7069	0.7069	6,181	
City of Kimberling City	General Revenue	42,673,310	0.4400	0.4400	187,763	
City of Reeds Spring	General Revenue	7,856,659	0.6100	0.6100	47,926	
Village of McCord Bend	General Revenue	835,947	0.5000	0.5000	4,180	
Stone County Library	General Revenue	584,491,353	0.0998	0.0998	583,322	
Southern Stone Co Fire Prot Dist	General Revenue	465,393,609	0.2664	0.0800	372,315	
Hurley Fire Protection District	General Revenue	16,682,418	0.3297	0.3297	55,002	
North Stone-Northeast Barry FPD	General Revenue	35,607,691	0.2719	0.2719	96,817	
Stone County Health Department	General Revenue	584,491,353	0.0783	0.0783	457,657	
Hurley R-I School District	Operating Funds-Schools	11,533,644	3.8856	3.8856	448,151	E
	Debt Service	11,533,644	0.6674	0.6674	76,976	
Galena R-II School District	Operating Funds-Schools	31,278,696	3.3889	3.3889	1,060,004	E
	Debt Service	31,278,696	0.9768	0.6154	192,489	
Crane R-III School District	Operating Funds-Schools	26,675,538	3.2743	3.2743	873,437	E
	Debt Service	26,675,538	1.6725	0.9800	261,420	
Reeds Spring R-IV School District	Operating Funds-Schools	361,118,839	2.9916	2.9916	10,803,231	E
	Debt Service	361,118,839	1.6049	0.7634	2,756,781	
Blue Eye R-V School District	Operating Funds-Schools	111,808,462	4.0259	4.0259	4,501,297	E
Stone County	General Revenue	584,491,353	0.2841	0.1105	645,863	
	Road & Bridge	584,491,353	0.1452	0.0000	0	
	Senior Services	584,491,353	0.0481	0.0481	281,140	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Sullivan</u>						
Sullivan County Ambulance District	General Revenue	88,879,682	0.4500	0.4500	399,959	
Locust Creek Watershed Subdistrict	General Revenue	29,285,344	0.3977	0.3977	116,468	
Harris Spec Road Dist Sullivan Co	Road & Bridge	588,563	0.3315	0.3315	1,951	
Milan Special Road Dist Sullivan Co	Road & Bridge	11,687,747	0.3295	0.3267	38,184	
West Buchanan Road Dist Sullivan Co	Road & Bridge	2,848,039	0.3500	0.3500	9,968	
City of Green Castle	General Revenue	1,202,206	0.5529	0.5529	6,647	
City of Green City	General Revenue	4,751,797	0.4898	0.4898	23,274	
	Lights	4,751,797	0.1730	0.1730	8,221	
	Fire	4,751,797	0.2978	0.2978	14,151	
City of Harris	General Revenue	169,652	0.9000	0.9000	1,527	
Village of Humphreys	General Revenue	234,922	0.7500	0.7500	1,762	
	Parks & Recreation	234,922	0.5000	0.5000	1,175	
	Lights	234,922	1.5000	1.5000	3,524	
	Streets	234,922	1.0000	1.0000	2,349	
City of Milan	General Revenue	11,687,305	0.7993	0.7993	93,417	
	Park	11,687,305	0.0941	0.0941	10,998	
	Recreation	11,687,305	0.0470	0.0470	5,493	
Village of Newtown	General Revenue	825,638	1.0000	1.0000	8,256	
	Parks & Recreation	825,638	0.2000	0.2000	1,651	
	General Revenue-Temp	825,638	0.3174	0.3174	2,621	2017
Village of Osgood	General Revenue	126,953	1.0000	1.0000	1,270	
Village of Pollock	General Revenue-Temp	155,655	0.5358	0.5358	834	2016
Sullivan County Library	General Revenue	88,879,682	0.0977	0.0977	86,835	
Medicine Creek Fire Protection Dist	General Revenue	23,845,628	0.2994	0.2994	71,394	
Galt Fire Protection District	General Revenue	13,303,366	0.3000	0.3000	39,910	
Sullivan County Health Department	General Revenue	88,879,682	0.2446	0.2446	217,400	
Green City R-I School District	Operating Funds-Schools	24,442,493	4.2936	3.8530	941,769	
	Debt Service	24,442,493	1.3186	0.6389	156,163	
Milan C-2 School District	Operating Funds-Schools	43,596,481	3.5097	3.5097	1,530,106	E
Newtown-Harris R-III School Dist	Operating Funds-Schools	10,630,307	6.9449	6.5218	693,287	
Sullivan County	General Revenue	88,879,682	0.4885	0.3121	277,393	
	Hospital	88,879,682	0.4201	0.4201	373,384	
	Senior Services	88,879,682	0.0503	0.0503	44,706	A
<u>Taney</u>						
Taney County Ambulance District	General Revenue	1,000,034,843	0.0000	0.0000	0	
City of Branson	General Revenue	445,320,964	0.5942	0.5942	2,646,097	
City of Forsyth	General Revenue	29,358,360	0.5357	0.5357	157,273	
City of Hollister	General Revenue	47,915,503	0.6056	0.6056	290,176	
City of Rockaway Beach	General Revenue	6,757,045	0.7417	0.7417	50,117	
Village of Merriam Woods	General Revenue	10,012,616	0.4843	0.4843	48,491	
Village of Bull Creek	General Revenue	1,347,619	0.4863	0.4863	6,553	
Western Taney County Fire Prot Dist	General Revenue	383,418,944	0.3639	0.3639	1,395,262	
Central Taney County Fire Prot Dist	General Revenue	77,775,621	0.3994	0.3994	310,636	
Cedarcreek Fire Protection District	General Revenue	5,133,650	0.3000	0.3000	15,401	
Protem Fire Protection District	General Revenue	6,901,634	0.3000	0.3000	20,705	
Taney County Health Department	General Revenue	1,000,034,843	0.1404	0.1404	1,404,049	
Bradleyville R-I School District	Operating Funds-Schools	8,159,572	4.5985	4.4124	360,033	BE
Taneyville R-II School District	Operating Funds-Schools	11,500,345	3.4634	3.4634	398,303	E

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Taney</u>						
Taneyville R-II School District	Debt Service	11,500,345	0.9492	0.9492	109,161	
Forsyth R-III School District	Operating Funds-Schools	76,969,040	3.3152	3.3152	2,551,678	E
	Debt Service	76,969,040	1.2069	0.7500	577,268	
Branson R-IV School District	Operating Funds-Schools	630,116,850	3.5222	3.5222	22,193,976	E
	Debt Service	630,116,850	1.6675	0.7000	4,410,818	
Hollister R-V School District	Operating Funds-Schools	195,424,941	3.4697	3.4617	6,765,025	E
	Debt Service	195,424,941	0.8293	0.8207	1,603,852	
Kirbyville R-VI School District	Operating Funds-Schools	37,361,064	3.4126	3.4126	1,274,984	E
	Debt Service	37,361,064	0.9929	0.9000	336,250	
Mark Twain R-VIII School District	Operating Funds-Schools	6,884,877	4.0497	4.0497	278,817	E
Taney County	General Revenue	1,000,034,843	0.1490	0.0000	0	
	Road & Bridge	1,000,034,843	0.2015	0.0000	0	
	Developmentally Disabled	1,000,034,843	0.0931	0.0931	931,032	
	Senior Services	1,000,034,843	0.0500	0.0500	500,017	
<u>Texas</u>						
City of Cabool	General Revenue	19,111,468	0.8003	0.8003	152,949	
City of Houston	General Revenue	25,129,965	0.3215	0.3215	80,793	
City of Licking	General Revenue	12,126,817	0.4370	0.4370	52,994	
Village of Raymondville	General Revenue	2,071,611	0.4442	0.4442	9,202	
City of Summersville	General Revenue	3,412,144	0.6495	0.6495	22,162	
Texas County Library District	General Revenue	215,493,673	0.0972	0.0972	209,460	
Boone Township Texas County	General Revenue	2,511,021	0.0750	0.0750	1,883	
	Road & Bridge	2,511,021	0.2467	0.2467	6,195	
Burdine Township Texas County	General Revenue	32,219,797	0.0928	0.0928	29,900	
	Road & Bridge	32,219,797	0.3091	0.3091	99,591	
Carroll Township Texas County	General Revenue	8,341,092	0.1000	0.1000	8,341	
	Road & Bridge	8,341,092	0.3729	0.3729	31,104	
Cass Township Texas County	General Revenue	10,627,112	0.0995	0.0995	10,574	
	Road & Bridge	10,627,112	0.3410	0.3410	36,238	
Clinton Township Texas County	General Revenue	16,319,060	0.0984	0.0984	16,058	
	Road & Bridge	16,319,060	0.4923	0.4923	80,339	
Current Township Texas County	General Revenue	1,958,924	0.0996	0.0996	1,951	
	Road & Bridge	1,958,924	0.3026	0.3026	5,928	
Date Township Texas County	General Revenue	3,891,041	0.0970	0.0970	3,774	
	Road & Bridge	3,891,041	0.3018	0.3018	11,743	
Jackson Township Texas County	General Revenue	9,807,443	0.0984	0.0984	9,651	
	Road & Bridge	9,807,443	0.3562	0.3562	34,934	
Lynch Township Texas County	General Revenue	11,829,207	0.0955	0.0955	11,297	
	Road & Bridge	11,829,207	0.3003	0.3003	35,523	
Morris Township Texas County	General Revenue	7,195,587	0.0999	0.0999	7,188	
	Road & Bridge	7,195,587	0.4996	0.4996	35,949	
Ozark Township Texas County	General Revenue	4,191,431	0.0999	0.0999	4,187	
	Road & Bridge	4,191,431	0.3711	0.3711	15,554	
Pierce Township Texas County	General Revenue	3,764,520	0.1000	0.1000	3,765	
	Road & Bridge	3,764,520	0.3381	0.3381	12,728	
Piney Township Texas County	General Revenue	46,786,168	0.0947	0.0947	44,307	
	Road & Bridge	46,786,168	0.2958	0.2958	138,393	
Roubidoux Township Texas County	General Revenue	16,798,761	0.0896	0.0896	15,052	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Texas</u>						
Roubidoux Township Texas County	Road & Bridge	16,798,761	0.2678	0.2678	44,987	
Sargent Township Texas County	General Revenue	3,653,081	0.0670	0.0670	2,448	
	Road & Bridge	3,653,081	0.2681	0.2681	9,794	
Sherrill Township Texas County	General Revenue	29,388,540	0.0980	0.0980	28,801	
	Road & Bridge	29,388,540	0.3463	0.3463	101,773	
Upton Township Texas County	General Revenue	6,210,890	0.0999	0.0999	6,205	
	Road & Bridge	6,210,890	0.3183	0.3183	19,769	
Texas County Health Department	General Revenue	215,493,673	0.0972	0.0972	209,460	
Success R-VI School District	Operating Funds-Schools	8,130,769	2.7500	2.7500	223,596	E
Houston R-I School District	Operating Funds-Schools	56,375,796	2.7500	2.7500	1,550,334	E
	Debt Service	56,375,796	1.3672	0.8000	451,006	
Summersville R-II School District	Operating Funds-Schools	27,871,443	3.0000	3.0000	836,143	E
Licking R-VIII School District	Operating Funds-Schools	38,923,310	2.7500	2.7500	1,070,391	E
Cabool R-IV School District	Operating Funds-Schools	46,228,537	2.7718	2.7718	1,281,363	E
	Operating Funds-Temp	46,228,537	0.4458	0.4458	206,087	A 2019
Plato R-V School District	Operating Funds-Schools	32,737,493	2.8684	2.8684	939,042	E
Raymondville R-VII School District	Operating Funds-Schools	9,079,298	3.1284	3.1284	284,037	E
	Operating Funds-Temp	9,079,298	0.4811	0.4811	43,681	2018
Texas County	General Revenue	215,493,673	0.2696	0.0200	43,099	
	Senate Bill 40	215,493,673	0.0972	0.0972	209,460	
<u>Vernon</u>						
Vernon County Ambulance District	General Revenue	196,948,494	0.1500	0.1500	295,423	
City of Bronaugh	General Revenue	1,095,414	0.1526	0.1526	1,672	
	Streets	1,095,414	0.3434	0.3434	3,762	
Village of Deerfield	General Revenue	820,803	0.3031	0.3031	2,488	
Village of Harwood	General Revenue	338,976	0.9681	0.9681	3,282	
City of Metz	General Revenue	481,179	0.5946	0.5946	2,861	
Village of Milo	General Revenue	249,794	0.7500	0.7500	1,873	
Village of Moundville	General Revenue	465,425	0.5000	0.5000	2,327	
	Parks & Recreation	465,425	0.2000	0.2000	931	
City of Nevada	General Revenue	96,956,288	0.6949	0.6949	673,749	
	Parks & Recreation	96,956,288	0.2000	0.0000	0	
	Library	96,956,288	0.2000	0.2000	193,913	
City of Richards	General Revenue	414,230	0.4984	0.4984	2,065	
	Streets	343,843	0.2500	0.2500	860	
City of Schell City	General Revenue	1,059,630	0.8217	0.8217	8,707	
City of Sheldon	General Revenue	2,579,422	0.5433	0.5433	14,014	
	Streets	2,579,422	0.1740	0.1740	4,488	
Village of Stotesbury	General Revenue	72,579	0.3067	0.3067	223	
	Lights	72,579	0.0888	0.0888	64	
	Streets	72,579	0.0444	0.0444	32	
City of Walker	General Revenue	1,405,104	0.6243	0.6243	8,772	
	Lights	1,405,104	0.0500	0.0500	703	
	Streets	1,405,104	0.1500	0.1500	2,108	
Bacon Township Vernon County	General Revenue	6,765,047	0.0915	0.0915	6,190	
	Road & Bridge	6,765,047	0.3655	0.3655	24,726	
	Special Road and Bridge	6,745,047	0.1605	0.1605	10,826	2016
Badger Township Vernon County	General Revenue	5,967,549	0.0997	0.0997	5,950	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Vernon</u>						
Badger Township Vernon County	Road & Bridge	5,967,549	0.3491	0.3491	20,833	2016
	Special Road and Bridge	5,967,549	0.3387	0.3387	20,212	
Blue Mound Township Vernon County	General Revenue	4,128,616	0.0992	0.0992	4,096	2016
	Road & Bridge	4,128,616	0.2731	0.2731	11,275	
	Special Road and Bridge	4,128,616	0.1893	0.1893	7,815	
Center Township Vernon County	General Revenue	123,082,048	0.0973	0.0973	119,759	2016
	Road & Bridge	123,082,048	0.3277	0.3277	403,340	
Clear Creek Township Vernon County	General Revenue	6,503,279	0.0990	0.0990	6,438	2016
	Road & Bridge	6,503,279	0.3618	0.3618	23,529	
Coal Township Vernon County	General Revenue	5,964,170	0.0873	0.0873	5,207	2016
	Road & Bridge	5,964,170	0.3056	0.3056	18,227	
	Special Road and Bridge	5,964,170	0.3405	0.3405	20,308	
Deerfield Township Vernon County	General Revenue	12,175,376	0.0900	0.0900	10,958	2016
	Road & Bridge	12,175,376	0.3246	0.3246	39,521	
	Special Road and Bridge	12,175,376	0.3278	0.3278	39,911	
Dover Township Vernon County	General Revenue	5,826,307	0.1000	0.1000	5,826	2018
	Road & Bridge	5,826,307	0.2783	0.2783	16,215	
	Special Road and Bridge	5,826,307	0.3645	0.3645	21,237 ^A	
Drywood Township Vernon County	General Revenue	11,944,514	0.0946	0.0946	11,300	2018
	Road & Bridge	11,944,514	0.2788	0.2788	33,301	
	Special Road and Bridge	11,944,514	0.3500	0.3500	41,806 ^A	
Harrison Township Vernon County	General Revenue	5,667,880	0.0959	0.0959	5,435	2016
	Road & Bridge	5,667,880	0.3355	0.3355	19,016	
	Special Road and Bridge	5,667,880	0.3330	0.3330	18,874	
Henry Township Vernon County	General Revenue	5,088,440	0.0959	0.0959	4,880	2016
	Road & Bridge	5,088,440	0.3355	0.3355	17,072	
	Special Road and Bridge	5,088,440	0.3405	0.3405	17,326	
Lake Township Vernon County	General Revenue	3,329,941	0.0991	0.0991	3,300	2016
	Road & Bridge	3,329,941	0.4953	0.4953	16,493	
	Special Road and Bridge	3,329,941	0.3676	0.3676	12,241	
Metz Township Vernon County	General Revenue	4,852,624	0.0971	0.0971	4,712	2016
	Road & Bridge	4,852,624	0.3398	0.3398	16,489	
	Special Road and Bridge	4,852,624	0.3477	0.3477	16,873 ^A	
Montevallo Township Vernon County	General Revenue	5,403,633	0.1000	0.1000	5,404	2018
	Road & Bridge	5,376,561	0.3500	0.3500	18,818	
	Special Road and Bridge	5,403,633	0.2512	0.2512	13,574 ^A	
Moundville Township Vernon County	General Revenue	7,268,857	0.0965	0.0965	7,014	2016
	Road & Bridge	7,268,857	0.3378	0.3378	24,554	
	Special Road and Bridge	6,496,906	0.3500	0.3500	22,739	
Osage Township Vernon County	General Revenue	4,725,171	0.0899	0.0899	4,248	2016
	Road & Bridge	4,725,171	0.3147	0.3147	14,870	
Richland Township Vernon County	General Revenue	4,270,383	0.0875	0.0875	3,737	2016
	Road & Bridge	4,270,383	0.3065	0.3065	13,089	
Virgil Township Vernon County	General Revenue	4,862,592	0.0841	0.0841	4,089	2016
	Road & Bridge	4,862,592	0.3051	0.3051	14,836	
Walker Township Vernon County	General Revenue	6,797,980	0.0915	0.0915	6,220	2018
	Road & Bridge	6,797,980	0.3044	0.3044	20,693	
	Special Road and Bridge	6,797,980	0.3500	0.3500	23,793 ^A	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Vernon</u>						
Washington Township Vernon County	General Revenue	28,027,087	0.0993	0.0993	27,831	2016
	Road & Bridge	28,027,087	0.3475	0.3475	97,394	
	Special Road and Bridge	28,027,087	0.3410	0.3410	95,572	
Vernon County Health Department	General Revenue	262,648,494	0.0984	0.0984	258,446	
Nevada R-V School District	Operating Funds-Schools	172,708,833	3.4205	3.4205	5,907,506	E
	Debt Service	172,708,833	0.1564	0.1352	233,502	
Bronaugh R-VII School District	Operating Funds-Schools	13,161,818	3.5270	3.5270	464,217	E
Sheldon R-VIII School District	Operating Funds-Schools	11,389,473	3.9309	3.9309	447,709	E
Northeast Vernon County R-I Sch Dis	Operating Funds-Schools	18,570,441	4.1934	4.1934	778,733	E
Vernon County	General Revenue	262,648,494	0.3636	0.1659	435,734	
<u>Warren</u>						
Marthasville Community Amb District	General Revenue	97,299,136	0.1563	0.1563	152,079	
	Ambulance	97,299,136	0.1367	0.1367	133,008	
Warren County Ambulance District	General Revenue	449,023,196	0.4991	0.4991	2,241,075	
City of Marthasville	General Revenue	16,291,008	0.5613	0.5613	91,441	
	Lights	16,291,008	0.1281	0.1281	20,869	
City of Truesdale	General Revenue	22,607,515	0.8131	0.8131	183,822	
City of Warrenton	General Revenue	99,778,587	0.2899	0.2899	289,258	
	Parks & Recreation	99,778,587	0.1716	0.1716	171,220	
City of Wright City	General Revenue	48,630,448	0.5042	0.5042	245,195	
	Parks & Recreation	48,630,448	0.0936	0.0936	45,518	
	Lights	48,630,448	0.1873	0.1873	91,085	
	Debt Service	48,630,448	0.0641	0.0641	31,172	
Village of Innsbrook	General Revenue	59,405,783	0.1267	0.1267	75,267	
Village of Pendleton	General Revenue	373,613	0.4921	0.4921	1,839	
Wright City Fire Protection Dist	General Revenue	193,819,969	0.4127	0.4127	799,895	
Marthasville Fire Protection Dist	General Revenue	74,878,845	0.3925	0.3925	293,899	
Warrenton Fire Protection District	General Revenue	253,116,127	0.4497	0.4497	1,138,263	
Wright City R-II School District	Operating Funds-Schools	182,631,578	3.1259	3.1259	5,708,880	E
	Debt Service	182,631,578	1.4711	1.2000	2,191,579	
Warren County R-III School District	Operating Funds-Schools	267,637,410	3.5610	3.5610	9,530,568	E
	Debt Service	267,637,410	0.6196	0.6189	1,656,408	
Warren County	General Revenue	551,451,099	0.2443	0.1122	618,728	
	Road & Bridge	551,451,099	0.1760	0.1760	970,554	
	Developmentally Disabled	551,451,099	0.1603	0.1603	883,976	
<u>Washington</u>						
Washington County Ambulance Dist	General Revenue	249,789,293	0.2324	0.0900	224,810	
Village of Caledonia	General Revenue	1,230,470	0.1697	0.1697	2,088	
City of Irondale	General Revenue	2,376,530	0.4739	0.4739	11,262	
Village of Mineral Point	General Revenue	1,248,653	0.2695	0.2695	3,365	
City of Potosi	General Revenue	25,886,714	0.6243	0.6243	161,611	
Washington County Library District	General Revenue	249,789,293	0.1860	0.1860	464,608	
Potosi Fire Protection District	General Revenue	162,864,202	0.2356	0.2356	383,708	
Richwoods Fire Protection District	General Revenue	16,503,083	0.2655	0.2655	43,816	
Irondale Fire Protection District	General Revenue	11,496,557	0.4743	0.4743	54,528	
Caledonia Fire Protection District	General Revenue	6,010,696	0.3732	0.3732	22,432	
Washington County Health Department	General Revenue	249,789,293	0.1394	0.1394	348,206	
Kingston K-14 School District	Operating Funds-Schools	29,373,453	2.9554	2.9499	866,487	E

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Washington</u>						
Kingston K-14 School District	Debt Service	29,373,453	1.1063	0.9895	290,650	
Potosi R-III School District	Operating Funds-Schools	84,765,422	2.7500	2.7500	2,331,049	F
	Debt Service	84,765,422	0.5282	0.5000	423,827	
Richwoods R-VII School District	Operating Funds-Schools	12,881,031	3.2473	3.2473	418,286	E
Valley R-VI School District	Operating Funds-Schools	23,632,273	3.6665	3.6665	866,477	E
Washington County	General Revenue	249,789,293	0.3626	0.1951	487,339	
	Road & Bridge	249,789,293	0.2549	0.2549	636,713	
	Hospital	249,789,293	0.1860	0.1860	464,608	
	Senate Bill 40	249,789,293	0.1860	0.1860	464,608	
	Senior Services	249,789,293	0.0464	0.0464	115,902	
<u>Wayne</u>						
East Wayne County Ambulance Dist	General Revenue	59,247,468	0.3000	0.3000	177,742	
Clearwater Ambulance District	General Revenue	72,318,376	0.2861	0.2861	206,903	
Village of Mill Spring	General Revenue	509,382	0.6919	0.6919	3,524	
City of Piedmont	General Revenue	18,238,378	0.2225	0.2200	40,124	
	Lights	18,238,378	0.1314	0.1300	23,710	
	Library	18,238,378	0.1011	0.1000	18,238	
	Cemetery	18,238,378	0.0303	0.0300	5,472	
Clearwater Fire Protection District	General Revenue	53,683,141	0.2956	0.2956	158,687	
Wayne County Health Center	General Revenue	134,105,065	0.0985	0.0985	132,093	
Greenville R-II School District	Operating Funds-Schools	44,397,110	2.7500	2.7500	1,220,921	E
	Debt Service	44,397,110	1.1744	0.3600	159,830	
Clearwater R-I School District	Operating Funds-Schools	64,947,433	2.7500	2.7500	1,786,054	E
	Debt Service	64,947,433	0.6632	0.3500	227,316	
Wayne County	General Revenue	134,105,065	0.2977	0.0000	0	
	Road & Bridge	134,105,065	0.1100	0.1100	147,516	
	Senate Bill 40	134,105,065	0.0800	0.0800	107,284	
<u>Webster</u>						
Village of Diggins	General Revenue	2,412,856	0.2082	0.2082	5,024	
City of Fordland	General Revenue	4,878,354	0.3968	0.3968	19,357	
City of Marshfield	Parks & Recreation	79,622,899	0.1146	0.1146	91,248	
	Cemetery	79,622,899	0.1356	0.1356	107,969	
	Debt Service	79,622,899	1.1164	0.3700	294,605	
City of Niangua	General Revenue	1,718,507	0.2815	0.2815	4,838	
City of Rogersville	General Revenue	32,846,215	0.3309	0.3309	108,688	
	Debt Service	32,846,215	0.4689	0.4591	150,797	
City of Seymour	General Revenue	16,658,161	0.3725	0.3725	62,052	
	Parks & Recreation	16,658,161	0.0827	0.0827	13,776	
	Library	7,246,287	0.0630	0.0630	4,565	
	Cemetery	16,658,161	0.0521	0.0521	8,679	
Webster County Library District	General Revenue	369,440,750	0.1188	0.1188	438,896	
Southern Webster Co Fire Prot Dist	General Revenue	71,539,967	0.2973	0.2973	212,688	
Marshfield Fire Protection District	General Revenue	95,687,748	0.3000	0.3000	287,063	
Niangua Fire Protection District	General Revenue	14,916,126	0.3000	0.3000	44,748	
Webster County Health Unit	General Revenue	376,667,356	0.1387	0.1387	522,438	
Niangua R-V School District	Operating Funds-Schools	15,196,160	3.3036	3.3036	502,020	E
Fordland R-III School District	Operating Funds-Schools	32,154,928	2.7500	2.7500	884,261	F
	Debt Service	32,154,928	1.0621	0.7589	244,024	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Webster</u>						
Marshfield R-I School District	Operating Funds-Schools	186,265,916	2.7500	2.7500	5,122,313	E
	Debt Service	186,265,916	0.7139	0.6000	1,117,595	
Seymour R-II School District	Operating Funds-Schools	46,794,500	2.7500	2.7500	1,286,849	F
Webster County	General Revenue	376,667,356	0.0000	0.0000	0	
	Road & Bridge	376,667,356	0.1882	0.1882	708,888	
	Senate Bill 40	376,667,356	0.0793	0.0793	298,697	
	Senior Services	376,667,356	0.0500	0.0500	188,334	
<u>Worth</u>						
Worth County Ambulance District	General Revenue	31,967,929	0.1473	0.1473	47,089	
Worth Co Convalescent Center Dist	General Revenue	31,967,929	0.3436	0.3436	109,842	
East Fork of Grand River Watershed	General Revenue	2,868,990	0.1908	0.1908	5,474	
Village of Allendale	General Revenue	643,742	0.4000	0.4000	2,575	
	General Revenue-Temp	643,742	0.2042	0.2042	1,315	2017
Village of Denver	General Revenue	261,349	0.7444	0.7444	1,945	
City of Grant City	General Revenue	5,052,042	1.0000	1.0000	50,520	
	Health	5,052,042	0.1800	0.1800	9,094	
	Special Fund	5,052,042	0.3000	0.3000	15,156	
City of Sheridan	General Revenue	1,180,076	1.0000	1.0000	11,801	
Village of Worth	General Revenue	203,002	0.7777	0.7777	1,579	
Sheridan Fire Protection District	General Revenue	6,361,683	0.1685	0.1685	10,719	
Worth County Fire Protection Dist	General Revenue	23,424,830	0.1903	0.1903	44,577	
Worth County R-III School District	Operating Funds-Schools	27,845,850	3.3552	3.3552	934,284	E
	Debt Service	27,845,850	0.2566	0.2500	69,615	
Worth County	General Revenue	31,967,929	0.4909	0.4909	156,931	
	Library	31,967,929	0.0982	0.0982	31,393	
	Road & Bridge	31,967,929	0.4909	0.4909	156,931	
	Special Road and Bridge	31,967,929	0.3488	0.3488	111,504	2017
	Senior Services	31,967,929	0.0492	0.0492	15,728	
	General Revenue-Temp1	31,967,929	0.3500	0.3500	111,888	A 2018
	General Revenue-Temp2	31,967,929	0.3500	0.3500	111,888	A 2018
<u>Wright</u>						
City of Hartville	General Revenue	4,343,260	0.5162	0.5162	22,420	
City of Mansfield	General Revenue	11,418,659	0.5007	0.5007	57,173	
	Streets	11,418,659	0.1523	0.1523	17,391	
	Cemetery	11,418,659	0.0988	0.0988	11,282	
City of Mountain Grove	General Revenue	45,191,193	0.0000	0.0000	0	
	Parks & Recreation	45,191,193	0.0000	0.0000	0	
City of Norwood	General Revenue	3,687,574	0.3869	0.3869	14,267	
	Water	3,687,574	0.6171	0.6171	22,756	
Wright County Library	General Revenue	179,382,178	0.1391	0.1391	249,521	
Wright County Health Department	General Revenue	179,382,178	0.0794	0.0794	142,429	
Norwood R-I School District	Operating Funds-Schools	19,384,440	3.2949	3.2949	638,698	E
Hartville R-II School District	Operating Funds-Schools	36,879,228	2.9937	2.9937	1,104,053	E
	Debt Service	36,879,228	0.5971	0.5501	202,873	
Mountain Grove R-III School Dist	Operating Funds-Schools	91,484,567	2.7500	2.7500	2,515,826	E
Mansfield R-IV School District	Operating Funds-Schools	36,325,021	2.9963	2.9900	1,086,118	E
	Debt Service	36,325,021	1.7233	1.0700	388,678	
Manes R-V School District	Operating Funds-Schools	5,075,714	3.6611	3.6433	184,923	E

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Wright</u>						
Wright County	General Revenue	179,382,178	0.3082	0.0722	129,514	
	Developmentally Disabled	179,382,178	0.0794	0.0794	142,429	
<u>St. Louis City</u>						
St. Louis Public Libraries	General Revenue	4,119,622,811	0.5600	0.5600	23,069,888	
Baden Market Centre Spec Bus Dist	General Revenue	1,809,450	0.8500	0.8500	15,380	
Cherokee Station Special Bus Dist	General Revenue	3,024,420	0.6645	0.6645	20,097	
Kingsway Center Special Bus Dist	General Revenue	2,425,060	0.7694	0.7694	18,658	
Locust Central Business District	General Revenue	45,973,450	0.8500	0.8500	390,774	
Central West End South Spec Bus Dis	General Revenue	46,263,770	0.5142	0.5142	237,888	
Central West End North Spec Bus Dis	General Revenue	64,495,760	0.8304	0.8304	535,573	2018
Soulard Special Business District	General Revenue	59,554,120	0.5470	0.5470	325,761	
Waterman/Lake Special Business Dist	General Revenue	6,224,450	0.8500	0.8500	52,908	^A 2024
Westminister/Lake Special Bus Dist	General Revenue	8,542,170	0.8500	0.8500	72,608	^A 2024
Washington Place Special Bus Dist	General Revenue	5,445,200	0.8556	0.8556	46,589	^A 2024
East Loop/Parkview Gardens SBD	General Revenue	9,374,250	0.5279	0.5279	49,487	
Cathedral Square Special Bus Dist	General Revenue	24,912,580	0.8056	0.8056	200,696	2018
Central West End Southeast SBD	General Revenue	60,343,790	0.4233	0.4233	255,435	2018
Cherokee-Lemp Special Business Dist	General Revenue	2,348,680	0.5296	0.5296	12,439	
Gardenside Special Business Dist	General Revenue	14,122,960	0.5372	0.5372	75,869	2022
Tower Grove South Concern Citiz SBD	General Revenue-Temp	17,458,340	0.7701	0.7701	134,447	2018
DeBaliviere Place Spec Bus District	General Revenue	37,560,560	0.8500	0.8500	319,265	^A 2024
St. Louis Community College	General Revenue	27,008,439,326	0.2176	0.2176	58,770,364	
St. Louis City School District	Operating Funds-Schools	4,021,050,423	3.7500	3.7500	150,789,391	^E
	Debt Service	4,021,050,423	0.8057	0.6211	24,974,744	
	Parks & Recreation	3,864,554,681	0.0200	0.0200	772,911	
	Health	3,864,554,681	0.0200	0.0200	772,911	
	Hospital	3,864,554,681	0.1000	0.1000	3,864,555	
	Developmentally Disabled	4,119,622,811	0.1500	0.1500	6,179,434	
	Mental Health	4,119,622,811	0.0900	0.0900	3,707,661	
	Community Child Service	4,119,622,811	0.1900	0.1900	7,827,283	
	County Purposes	3,864,554,681	0.3500	0.3500	13,525,941	
	General Revenue No. 1	4,119,622,811	0.1600	0.1600	6,591,396	
City of St. Louis	General Revenue No. 2	3,864,554,681	0.8328	0.8328	32,184,011	
	Debt Service	3,864,554,681	0.1330	0.1330	5,139,858	
	Total Revenue				<u>\$ 5,160,732,630</u>	

APPENDIX VII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

LEGEND:

- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase or decrease to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section.
- E School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G Article X, Section 11(g) of the Missouri Constitution allows the Kansas City 33 School District School Board to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was \$4.96). The rate so established may be changed from year to year by the School Board.

NOTES:

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VIII for a listing of 2015 taxing authorities that calculated separate tax rates for each subclass of property.

All rates in the levied column represent the rate extended and certified to the State Auditor's Office by both the taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration					
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year				
<u>Clay</u>																			
City of Gladstone	General Revenue	230,880,940	0.9230	0.9230		34,200	0.9290	0.9290		59,354,043	0.9290	0.9290		60,199,034	0.9290	0.9290	\$	3,241,997	
<u>St. Louis</u>																			
City of Bellefontaine Neighbors	General Revenue	44,011,340	0.2500	0.2500		26,150	0.0000	0.0000		11,891,904	0.2500	0.2500		14,260,360	0.2350	0.2350		173,270	
	Debt Service	44,011,340	0.6230	0.6230		26,150	0.6230	0.6230		11,891,904	0.6230	0.6230		14,260,360	0.6230	0.6230		437,282	
Village of Bellerive Acres	General Revenue	2,732,130	0.7910	0.7910		0	0.0000	0.0000		358,170	0.5150	0.5150		938,280	0.7900	0.7900		30,868	
City of Bel Nor	General Revenue	13,557,019	0.4730	0.4730		0	0.0000	0.0000		397,550	0.5060	0.5060		2,648,338	0.5530	0.5530		80,782	
Village of Bel Ridge	General Revenue	7,543,380	0.3500	0.3500		48,040	0.0000	0.0000		13,750,160	0.3500	0.3500		0	0.0000	0.0000		74,527	
	Debt Service	7,543,380	0.7970	0.0000		48,040	0.7970	0.0000		13,750,160	0.7970	0.0000		0	0.7970	0.0000		0	
City of Berkeley	General Revenue	31,195,960	1.0000	1.0000		15,070	0.4550	0.4550		99,173,739	1.0000	1.0000		56,810,946	0.9200	0.9200		1,826,426	
	Pension	31,195,960	0.1100	0.1100		15,070	0.0430	0.0430		99,173,739	0.1100	0.1100		56,810,946	0.1100	0.1100		205,905	
	Debt Service	31,195,960	0.1430	0.1430		15,070	0.1430	0.1430		99,173,739	0.1430	0.1430		56,810,946	0.1430	0.1430		267,690	
City of Beverly Hills	General Revenue	1,857,560	0.2500	0.2500		0	0.0000	0.0000		1,233,143	0.2500	0.2500		556,389	0.2320	0.2320		9,018	
City of Black Jack	Debt Service	50,112,660	0.5410	0.5410		7,600	0.5410	0.5410		3,844,014	0.5410	0.5410		10,516,247	0.5410	0.5410		348,840	
City of Breckenridge Hills	General Revenue	16,887,540	0.2640	0.2640		0	0.0000	0.0000		8,728,003	0.2130	0.2130		4,292,581	0.0000	0.0000		63,174	
City of Brentwood	General Revenue	134,983,150	0.0000	0.0000		0	0.0000	0.0000		112,580,049	0.2050	0.2050		35,523,229	0.2070	0.2070		304,322	
	Library	134,983,150	0.2100	0.2100		0	0.0000	0.0000		112,580,049	0.2260	0.2260		35,523,229	0.2290	0.2290		619,244	
	Pension	134,983,150	0.3810	0.3810		0	0.0000	0.0000		112,580,049	0.4110	0.4110		35,523,229	0.3850	0.3850		1,113,754	
City of Bridgeton	General Revenue	100,996,930	0.1570	0.1570		171,560	0.0000	0.0000		254,306,181	0.2490	0.2490		84,705,654	0.0000	0.0000		791,788	
Village of Calverton Park	General Revenue	7,478,730	0.3700	0.3700		0	0.0000	0.0000		104,080	0.5000	0.5000		1,303,140	0.2980	0.2980		32,075	
City of Charlack	General Revenue	5,624,650	0.2660	0.2660		0	0.0000	0.0000		2,480,950	0.2500	0.2500		1,903,730	0.2570	0.2570		26,057	
City of Clarkson Valley	General Revenue	92,078,710	0.1280	0.1280		7,220	0.1110	0.1110		12,511,040	0.1230	0.1230		11,116,850	0.1530	0.1530		150,266	
City of Clayton	General Revenue	480,148,770	0.6140	0.6140		0	0.0000	0.0000		353,696,680	0.6870	0.6870		78,844,690	0.7070	0.7070		5,935,442	
	Police	480,148,770	0.1220	0.1220		0	0.0000	0.0000		353,696,680	0.1230	0.1230		78,844,690	0.1230	0.1230		1,117,807	2033
	Debt Service	480,148,770	0.1290	0.1290		0	0.1290	0.1290		353,696,680	0.1290	0.1290		78,844,690	0.1290	0.1290		1,177,370	
City of Cool Valley	General Revenue	5,304,250	0.3500	0.3500		0	0.0000	0.0000		4,074,936	0.3500	0.3500		2,046,958	0.1650	0.1650		36,205	
City of Country Club Hills	General Revenue	3,598,610	0.9760	0.9760		0	0.0000	0.0000		908,670	0.8890	0.8890		940,560	0.7150	0.7150		49,926	
	Parks & Recreation	3,598,610	0.4000	0.4000		0	0.0000	0.0000		908,670	0.4000	0.4000		940,560	0.3300	0.3300		21,133	
	Health	3,598,610	0.2000	0.2000		0	0.0000	0.0000		908,670	0.2000	0.2000		940,560	0.1880	0.1880		10,783	
Village of Country Life Acres	General Revenue	6,636,400	0.3720	0.3720		840	0.0000	0.0000		88,216	0.3700	0.3700		601,709	0.4200	0.4200		27,541	
City of Crestwood	General Revenue	167,418,620	0.2480	0.2480		0	0.0000	0.0000		65,397,600	0.3990	0.3990		30,278,904	0.2780	0.2780		760,310	
City of Creve Coeur	General Revenue	459,600,720	0.0690	0.0690		3,420	0.0590	0.0590		366,827,070	0.0740	0.0740		0	0.0000	0.0000		588,579	
City of Crystal Lake Park	General Revenue	14,958,320	0.6790	0.6790		0	0.0000	0.0000		69,880	0.7080	0.7080		1,313,100	0.8080	0.8080		112,672	
City of Dellwood	General Revenue	22,003,450	0.2700	0.2700		0	0.0000	0.0000		5,731,460	0.3000	0.3000		5,968,593	0.2350	0.2350		90,630	
City of Des Peres	General Revenue	225,392,230	0.0000	0.0000		89,390	0.0000	0.0000		147,821,461	0.0000	0.0000		46,491,064	0.0000	0.0000		0	
	Debt Service	225,392,230	0.4700	0.0000		89,390	0.4700	0.0000		147,821,461	0.4700	0.0000		46,491,064	0.4700	0.0000		0	

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Edmundson	General Revenue	3,482,120	0.0000	0.0000	0	0.0000	0.0000	18,357,400	0.5000	0.5000	0	0.0000	0.0000	91,787	
City of Ellisville	General Revenue	147,935,500	0.1710	0.1500	1,480	0.0680	0.0680	96,806,940	0.1430	0.1430	30,777,927	0.0000	0.0000	360,338	
City of Eureka	General Revenue	136,821,930	0.3840	0.3840	140,980	0.3250	0.3250	54,767,445	0.4060	0.4060	36,627,288	0.3880	0.3880	890,324	
City of Ferguson	General Revenue	94,601,060	0.8310	0.8000	10,230	0.5970	0.5970	33,236,990	0.8240	0.8000	33,545,570	0.8240	0.8000	1,291,130	
	Parks & Recreation	94,601,060	0.2000	0.2000	10,230	0.2000	0.2000	33,236,990	0.2000	0.2000	33,545,570	0.1980	0.1980	322,117	
	Debt Service	94,601,060	0.3280	0.3280	10,230	0.3280	0.3280	33,236,990	0.3280	0.3280	33,545,570	0.3280	0.3280	529,372	
City of Flordell Hills	General Revenue	2,338,500	0.9040	0.8450	0	0.0000	0.0000	593,520	1.0000	0.8820	0	0.0000	0.0000	24,995	
City of Frontenac	General Revenue	178,710,480	0.4970	0.4970	0	0.0000	0.0000	42,092,410	0.5320	0.5320	19,457,440	0.5530	0.5530	1,219,722	
Village of Glen Echo Park	General Revenue	956,470	0.4470	0.4470	0	0.0000	0.0000	44,427	0.0880	0.0880	165,633	0.5000	0.5000	5,143	
City of Glendale	General Revenue	135,250,160	0.4230	0.4230	0	0.0000	0.0000	6,126,508	0.4230	0.4230	15,482,191	0.5190	0.5190	678,376	
	Pension	135,250,160	0.0820	0.0820	0	0.0000	0.0000	6,126,508	0.0840	0.0840	15,482,191	0.1000	0.1000	131,534	
Town of Grantwood Village	General Revenue	19,822,810	0.2380	0.2380	118,080	0.1940	0.1940	1,006,704	0.2450	0.2450	2,361,035	0.2610	0.2610	56,036	
City of Greendale	General Revenue	4,715,927	0.5520	0.5520	0	0.0000	0.0000	218,720	0.3620	0.3620	0	0.0000	0.0000	26,824	
Village of Hanley Hills	General Revenue	7,104,580	0.5000	0.5000	0	0.0000	0.0000	460,960	0.5000	0.5000	1,858,610	0.4500	0.4500	46,191	
City of Hazelwood	General Revenue	160,892,590	0.7670	0.7670	304,450	0.4910	0.4910	175,593,260	0.7700	0.7700	130,288,197	0.7540	0.7540	3,569,982	
	Debt Service	160,892,590	0.2220	0.2220	304,450	0.2220	0.2220	175,593,260	0.2220	0.2220	130,288,197	0.2220	0.2220	1,036,914	
Village of Hillsdale	General Revenue	3,465,980	0.4540	0.4540	0	0.0000	0.0000	2,438,009	0.4850	0.4850	7,984,530	0.5000	0.5000	67,483	
City of Huntleigh	General Revenue	40,559,650	0.1890	0.1890	19,700	0.0860	0.0860	508,869	0.2180	0.2180	3,415,379	0.2000	0.2000	84,615	
City of Jennings	General Revenue	50,603,900	1.0000	1.0000	0	0.0000	0.0000	17,495,495	1.0000	1.0000	13,583,641	1.0000	1.0000	816,830	
	Pension	50,603,900	0.2450	0.2450	0	0.0000	0.0000	17,495,495	0.2450	0.2450	13,583,641	0.2450	0.2450	200,123	
City of Kinloch	General Revenue	967,980	1.0000	1.0000	0	0.0000	0.0000	957,320	1.0000	1.0000	368,670	1.0000	1.0000	22,940	
City of Kirkwood	General Revenue	557,971,250	0.2880	0.2880	0	0.0000	0.0000	121,348,497	0.2880	0.2880	76,324,472	0.2640	0.2640	2,157,937	
	Parks & Recreation	557,971,250	0.1280	0.1280	0	0.0000	0.0000	121,348,497	0.1320	0.1320	76,324,472	0.1210	0.1210	966,736	
	Library	551,839,040	0.1860	0.1860	0	0.0000	0.0000	103,482,252	0.2000	0.2000	73,873,908	0.2350	0.2350	1,406,989	
	Pension	557,971,250	0.1170	0.1170	0	0.0000	0.0000	121,348,497	0.1290	0.1290	76,324,472	0.1720	0.1720	940,644	
	Library-Temp	551,839,040	0.1170	0.1170	0	0.0000	0.0000	103,482,252	0.1090	0.1080	73,873,908	0.1200	0.1200	846,061	2032
	Debt Service	557,971,250	0.0670	0.0670	0	0.0670	0.0670	121,348,497	0.0670	0.0670	76,324,472	0.0670	0.0670	506,282	
City of Ladue	General Revenue	572,428,620	0.6870	0.6870	0	0.0000	0.0000	46,417,105	0.6870	0.6870	45,442,155	0.7560	0.7560	4,595,013	
City of Lakeshire	General Revenue	14,117,750	0.3750	0.3750	0	0.0000	0.0000	235,011	0.3750	0.3750	0	0.0000	0.0000	53,823	
Village of Mackenzie	General Revenue	1,427,900	0.1780	0.1780	0	0.0000	0.0000	49,101	0.1830	0.1830	242,248	0.1850	0.1850	3,080	
City of Manchester	General Revenue	246,055,840	0.0440	0.0440	0	0.0000	0.0000	50,145,020	0.0410	0.0410	41,832,548	0.0500	0.0500	149,740	
	Debt Service	246,055,840	0.2430	0.1930	0	0.2430	0.1930	50,145,020	0.2430	0.1930	41,832,548	0.2430	0.1930	652,404	
City of Maplewood	General Revenue	75,764,630	0.1820	0.1820	0	0.0000	0.0000	75,298,060	0.4700	0.4700	20,438,610	0.5670	0.5670	607,679	
	Pension	75,764,630	0.3800	0.3800	0	0.0000	0.0000	75,298,060	0.4000	0.4000	20,438,610	0.4450	0.4450	680,050	
	Solid Waste	75,764,630	0.1540	0.1540	0	0.0000	0.0000	75,298,060	0.1590	0.1590	20,438,610	0.2180	0.2180	280,958	
	Debt Service	75,764,630	0.5020	0.2800	0	0.5020	0.2800	75,298,060	0.5020	0.2800	20,438,610	0.5020	0.2800	480,204	
Village of Marlborough	General Revenue	13,543,260	0.1090	0.1090	0	0.0000	0.0000	8,520,195	0.1120	0.1120	4,916,716	0.1110	0.1110	29,762	

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Moline Acres	Debt Service	8,543,000	2.8499	1.4000	0	2.8499	1.4000	2,255,460	2.8499	1.4000	2,575,945	2.8499	1.4000	187,242	
City of Normandy	General Revenue	14,152,860	0.4000	0.4000	0	0.0000	0.0000	4,725,971	0.4000	0.4000	4,284,836	0.4000	0.4000	92,655	
City of Northwoods	General Revenue	17,280,400	0.3950	0.3950	0	0.0000	0.0000	5,099,932	0.3060	0.3060	4,384,290	0.3600	0.3600	99,647	
	Debt Service	17,280,400	1.3185	1.3185	0	1.3185	1.3185	5,099,932	1.3185	1.3185	4,384,290	1.3185	1.3185	352,892	
Village of Norwood Court	General Revenue	2,980,610	0.0000	0.0000	0	0.0000	0.0000	207,650	0.0000	0.0000	738,060	0.0000	0.0000	0	
City of Oakland	General Revenue	25,429,090	0.1890	0.1890	0	0.0000	0.0000	3,388,540	0.1960	0.1960	2,962,910	0.2370	0.2370	61,725	
City of Olivette	General Revenue	163,675,490	0.6230	0.6230	0	0.0000	0.0000	55,152,622	0.7540	0.7540	30,470,013	0.7710	0.7710	1,670,473	
	Pension	163,675,490	0.2270	0.2270	0	0.0000	0.0000	55,152,622	0.2480	0.2480	30,470,013	0.2500	0.2500	584,497	
	Debt Service	163,675,490	0.6930	0.4200	0	0.6930	0.4200	55,152,622	0.6930	0.4200	30,470,013	0.6930	0.4200	1,047,052	
City of Overland	General Revenue	88,648,710	0.0720	0.0720	0	0.0000	0.0000	80,163,340	0.0810	0.0800	35,886,131	0.0970	0.0970	162,767	
	Pension	88,648,710	0.1200	0.1200	0	0.0000	0.0000	80,163,340	0.1200	0.1200	35,886,131	0.1200	0.1200	245,638	
City of Pagedale	General Revenue	8,135,990	0.3500	0.3500	0	0.0000	0.0000	11,793,810	0.3500	0.3500	5,310,969	0.3500	0.3500	88,343	
City of Pasadena Hills	General Revenue	10,465,046	0.3010	0.3010	0	0.0000	0.0000	133,310	0.4000	0.4000	1,624,599	0.3100	0.3100	37,069	
	Debt Service	10,465,046	0.8880	0.8880	0	0.8880	0.8880	133,310	0.8880	0.8880	1,624,599	0.8880	0.8880	108,540	
Village of Pasadena Park	General Revenue	3,669,375	0.3370	0.3370	0	0.0000	0.0000	163,250	0.0000	0.0000	673,749	0.3090	0.3090	14,448	
City of Pine Lawn	General Revenue	8,720,450	0.3000	0.3000	0	0.0000	0.0000	3,732,041	0.3000	0.3000	2,441,924	0.2570	0.2570	43,633	
City of Richmond Heights	General Revenue	172,426,350	0.2870	0.2870	0	0.0000	0.0000	115,592,509	0.2900	0.2900	30,189,105	0.2900	0.2900	917,630	
	Pension	172,426,350	0.3150	0.3150	0	0.0000	0.0000	115,592,509	0.3200	0.3200	30,189,105	0.3190	0.3190	1,009,342	
Village of Riverview	General Revenue	8,577,430	0.4500	0.4500	0	0.0000	0.0000	2,151,437	0.3620	0.3620	2,231,931	0.3110	0.3110	53,328	
City of Rock Hill	General Revenue	64,400,230	0.2810	0.2810	0	0.0000	0.0000	24,001,415	0.2990	0.2990	12,574,574	0.3400	0.3400	295,482	
	Library	64,400,230	0.2820	0.2820	0	0.0000	0.0000	24,001,415	0.3140	0.3140	12,622,834	0.3550	0.3550	301,784	
	Debt Service	64,400,230	0.3890	0.3800	0	0.3890	0.3800	24,001,415	0.3890	0.3800	12,574,574	0.3890	0.3800	383,710	
	General Revenue	73,315,580	0.2000	0.2000	0	0.0000	0.0000	27,073,919	0.2000	0.2000	17,474,533	0.1930	0.1930	234,505	
City of St. Ann	General Revenue Temp	73,315,580	0.3150	0.3150	0	0.0000	0.0000	27,073,919	0.2800	0.2800	17,474,533	0.0000	0.0000	306,751	2018
	General Revenue	33,414,730	0.5000	0.5000	0	0.0000	0.0000	17,733,341	0.4680	0.4680	9,536,173	0.4500	0.4500	292,978	
City of Shrewsbury	General Revenue	70,156,500	0.4690	0.4690	0	0.0000	0.0000	27,088,325	0.4810	0.4810	17,618,998	0.5770	0.5770	560,990	
	Debt Service	70,156,500	0.5010	0.5010	0	0.5010	0.5010	27,088,325	0.5010	0.5010	17,618,998	0.5010	0.5010	575,468	
City of Sunset Hills	General Revenue	211,545,540	0.0550	0.0550	122,520	0.0560	0.0560	98,260,040	0.0540	0.0540	44,126,327	0.0600	0.0600	195,955	
Village of Sycamore Hills	General Revenue	4,502,600	0.2520	0.2520	0	0.0000	0.0000	522,501	0.2520	0.2520	923,136	0.2510	0.2510	14,980	
	Health	4,502,600	0.1170	0.1170	0	0.0000	0.0000	522,501	0.1160	0.1160	923,136	0.1170	0.1170	6,954	
City of Town and Country	General Revenue	474,728,030	0.0000	0.0000	56,530	0.0000	0.0000	190,241,158	0.0000	0.0000	83,289,334	0.0000	0.0000	0	
	Dispatch	474,728,030	0.0000	0.0000	56,530	0.0000	0.0000	190,241,158	0.0000	0.0000	83,289,334	0.0000	0.0000	0	
Village of Twin Oaks	General Revenue	4,892,170	0.0000	0.0000	0	0.0000	0.0000	9,082,280	0.3120	0.3120	1,361,250	0.0000	0.0000	28,337	
City of University City	General Revenue	467,060,200	0.5680	0.5680	0	0.0000	0.0000	62,127,167	0.5520	0.5520	62,139,977	0.6800	0.6800	3,418,396	
	Library	470,415,720	0.2590	0.2590	0	0.0000	0.0000	63,928,927	0.2380	0.2380	62,138,773	0.2800	0.2800	1,544,516	
	Pension	470,415,720	0.1660	0.1660	0	0.0000	0.0000	63,928,927	0.1490	0.1490	62,138,773	0.1950	0.1950	997,315	
Village of Uplands Park	General Revenue	1,540,080	0.5000	0.5000	0	0.0000	0.0000	98,087	0.5000	0.5000	405,505	0.3910	0.3910	9,776	

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Valley Park	General Revenue	70,613,220	0.4760	0.4760	148,780	0.0000	0.0000	39,085,417	0.6360	0.6360	18,454,431	0.5700	0.5700	689,892	
City of Velda City	General Revenue	4,087,193	0.5000	0.5000	0	0.0000	0.0000	238,840	0.5000	0.5000	1,111,318	0.3800	0.3800	25,853	
	Debt Service	4,087,193	2.3173	2.3173	0	2.3173	2.3173	238,840	2.3173	2.3173	1,111,318	2.3173	2.3173	126,000	
Village of Velda Village Hills	General Revenue	2,832,610	0.5000	0.5000	0	0.0000	0.0000	209,890	0.5000	0.5000	950,468	0.3780	0.3780	18,805	
City of Vinita Park	General Revenue	6,899,420	0.2810	0.2810	0	0.0000	0.0000	27,367,780	0.2690	0.2690	6,631,300	0.2300	0.2300	108,259	
	Debt Service	6,899,420	0.2600	0.2600	0	0.2600	0.2600	27,367,780	0.2600	0.2600	6,631,300	0.2600	0.2600	106,336	
Village of Vinita Terrace	General Revenue	1,251,420	0.0500	0.0500	0	0.0000	0.0000	539,700	0.0500	0.0500	0	0.0000	0.0000	896	
	Health	1,251,420	0.1710	0.1710	0	0.0000	0.0000	539,700	0.1850	0.1850	0	0.0000	0.0000	3,138	
City of Warson Woods	General Revenue	55,457,340	0.3410	0.3410	0	0.0000	0.0000	7,014,061	0.4410	0.4410	6,223,822	0.0000	0.0000	220,042	
City of Webster Groves	General Revenue	409,174,090	0.2310	0.2310	0	0.0000	0.0000	61,626,703	0.2010	0.2010	53,152,750	0.2800	0.2800	1,217,890	
	Library	409,174,090	0.1480	0.1480	0	0.0000	0.0000	61,626,703	0.1280	0.1280	53,340,970	0.1800	0.1800	780,474	
	Streets	409,174,090	0.1490	0.1490	0	0.0000	0.0000	61,626,703	0.1300	0.1300	53,152,750	0.1810	0.1810	785,991	
	Pension	409,174,090	0.1190	0.1190	0	0.0000	0.0000	61,626,703	0.1040	0.1040	53,152,750	0.1450	0.1450	628,080	
	Library-Temp	409,174,090	0.1300	0.1300	0	0.0000	0.0000	61,626,703	0.1180	0.1180	53,340,970	0.1350	0.1350	676,656	2028
	Debt Service	409,174,090	0.2830	0.2600	0	0.2830	0.2600	61,626,703	0.2830	0.2600	53,152,750	0.2830	0.2600	1,362,279	
City of Wellston	General Revenue	4,674,470	0.4830	0.4830	0	0.0000	0.0000	6,978,920	0.5140	0.5140	2,755,073	0.6000	0.6000	74,980	
Village of Westwood	General Revenue	18,834,870	0.0570	0.0570	0	0.0000	0.0000	255,596	0.0930	0.0930	0	0.0000	0.0000	10,974	
City of Winchester	General Revenue	13,593,120	0.2160	0.2160	0	0.0000	0.0000	3,026,452	0.1740	0.1740	2,592,924	0.2610	0.2610	41,395	
City of Woodson Terrace	General Revenue	17,702,600	0.3500	0.3500	0	0.0000	0.0000	19,686,156	0.3140	0.3140	32,900,681	0.2510	0.2510	206,354	
Ferguson Municipal Pub Library Dist	General Revenue	94,601,060	0.2200	0.2200	10,230	0.0000	0.0000	39,174,608	0.2200	0.2200	35,301,155	0.2200	0.2200	371,969	
Maplewood Public Library	General Revenue	75,696,490	0.2550	0.2550	0	0.0000	0.0000	66,642,490	0.2910	0.2910	23,325,280	0.3020	0.3020	457,398	
	Debt Service	75,696,490	0.1630	0.1630	0	0.1630	0.1630	66,642,490	0.1630	0.1630	23,325,280	0.1630	0.1630	270,033	
Richmond Heights Mem Public Library	General Revenue	172,426,350	0.1870	0.1870	0	0.0000	0.0000	115,592,509	0.2350	0.2350	30,189,105	0.2120	0.2120	658,081	
St. Louis County Library	General Revenue	11,278,391,480	0.2460	0.2460	5,409,390	0.2390	0.2390	5,251,680,693	0.2590	0.2590	2,991,027,756	0.2250	0.2250	48,089,437	
Valley Park Community Library	General Revenue	31,782,727	0.1430	0.1430	350	0.1700	0.1700	14,941,450	0.1040	0.1040	9,916,620	0.1700	0.1700	77,847	
Affton Fire Protection District	General Revenue	344,301,550	1.0196	1.0196	1,220	0.2460	0.2460	62,702,534	1.0479	1.0479	72,199,537	1.0856	1.0856	4,951,360	
	Ambulance	344,301,550	0.1400	0.1400	1,220	0.0000	0.0000	62,702,534	0.1400	0.1400	72,199,537	0.1400	0.1400	670,885	
	Pension	344,301,550	0.0620	0.0620	1,220	0.0000	0.0000	62,702,534	0.0630	0.0630	72,199,537	0.0640	0.0640	299,177	
	Dispatch	344,301,550	0.0270	0.0270	1,220	0.0000	0.0000	62,702,534	0.0270	0.0270	72,199,537	0.0270	0.0270	129,385	
Metro West Fire Protection District	General Revenue	1,343,043,860	0.4910	0.4910	805,530	0.5000	0.5000	233,766,609	0.5290	0.5290	214,394,429	0.5610	0.5610	9,037,751	
	Ambulance	1,343,043,860	0.2540	0.2540	805,530	0.2590	0.2590	233,766,609	0.2680	0.2680	214,394,429	0.2900	0.2900	4,661,656	
	Pension	1,343,043,860	0.0930	0.0930	805,530	0.0940	0.0940	233,766,609	0.0990	0.0990	214,394,429	0.1060	0.1060	1,708,475	
	Dispatch	1,343,043,860	0.0430	0.0430	805,530	0.0410	0.0410	233,766,609	0.0440	0.0440	214,394,429	0.0480	0.0480	783,606	
	Debt Service	1,343,043,860	0.1320	0.1320	805,530	0.1320	0.1320	233,766,609	0.1320	0.1320	214,394,429	0.1320	0.1320	2,365,454	
Black Jack Fire Protection District	General Revenue	372,609,980	0.9890	0.9890	214,560	0.6290	0.6290	58,071,207	0.9590	0.9590	80,473,526	1.0000	1.0000	5,048,100	
	Pension	372,609,980	0.1000	0.1000	214,560	0.0570	0.0570	58,071,207	0.0900	0.0900	80,473,526	0.1000	0.1000	505,470	
	Emergency Medical Service	372,609,980	0.3990	0.3990	214,560	0.2290	0.2290	58,071,207	0.3610	0.3610	80,473,526	0.4000	0.4000	2,018,736	

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
Black Jack Fire Protection District	NCCFA System	372,609,980	0.0500	0.0500	214,560	0.0290	0.0290	58,071,207	0.0450	0.0450	80,473,526	0.0500	0.0500	252,736	
	Debt Service	372,609,980	0.3400	0.2680	214,560	0.3400	0.2680	58,071,207	0.3400	0.2680	80,473,526	0.3400	0.2680	1,370,470	
Monarch Fire Protection District	General Revenue	1,443,869,084	0.4210	0.4210	1,088,510	0.3650	0.3650	537,567,280	0.5020	0.5020	288,426,446	0.5300	0.5300	10,309,910	
	Ambulance	1,443,869,084	0.2640	0.2640	1,088,510	0.2270	0.2270	537,567,280	0.3020	0.3020	288,426,446	0.3300	0.3300	6,389,546	
	Pension	1,443,869,084	0.0790	0.0790	1,088,510	0.0690	0.0690	537,567,280	0.0920	0.0920	288,426,446	0.1000	0.1000	1,924,396	
	Dispatch	1,443,869,084	0.0420	0.0420	1,088,510	0.0330	0.0330	537,567,280	0.0460	0.0460	288,426,446	0.0480	0.0480	992,510	
Community Fire Protection District	General Revenue	225,367,220	1.0000	1.0000	0	0.0000	0.0000	175,400,536	1.0000	1.0000	125,348,617	1.0000	1.0000	5,261,164	
	Ambulance	225,367,220	0.5000	0.5000	0	0.0000	0.0000	175,400,536	0.5000	0.5000	125,348,617	0.5000	0.5000	2,630,582	
	Pension	225,367,220	0.2500	0.2500	0	0.0000	0.0000	175,400,536	0.2500	0.2500	125,348,617	0.2500	0.2500	1,315,291	
	Dispatch	225,367,220	0.0300	0.0300	0	0.0000	0.0000	175,400,536	0.0300	0.0300	125,348,617	0.0300	0.0300	157,835	
	Debt Service	225,367,220	0.2850	0.2700	0	0.2850	0.2700	175,400,536	0.2850	0.2700	125,348,617	0.2850	0.2700	1,420,514	
Creve Coeur Fire Protection Dist	General Revenue	663,626,430	0.5240	0.5240	40	0.5400	0.5400	470,378,785	0.5090	0.5090	190,998,544	0.5400	0.5400	6,903,023	
	Ambulance	663,626,430	0.4070	0.4070	40	0.4050	0.4050	470,378,785	0.3960	0.3960	190,998,544	0.4200	0.4200	5,365,854	
	Pension	663,626,430	0.1420	0.1420	40	0.1500	0.1500	470,378,785	0.1410	0.1410	190,998,544	0.1500	0.1500	1,892,081	
	Dispatch	663,626,430	0.0470	0.0470	40	0.0500	0.0500	470,378,785	0.0470	0.0470	190,998,544	0.0500	0.0500	628,482	
	Debt Service	663,626,430	0.0480	0.0350	40	0.0480	0.0350	470,378,785	0.0480	0.0350	190,998,544	0.0480	0.0350	463,751	
Fenton Fire Protection District	General Revenue	445,145,150	0.5750	0.5750	118,130	0.4870	0.4870	350,152,857	0.5380	0.5380	144,986,077	0.5080	0.5080	5,180,512	
	Ambulance	445,145,150	0.2870	0.2870	118,130	0.2240	0.2240	350,152,857	0.2820	0.2820	144,986,077	0.3000	0.3000	2,700,220	
	Pension	445,145,150	0.0960	0.0960	118,130	0.0750	0.0750	350,152,857	0.0940	0.0940	144,986,077	0.1000	0.1000	901,558	
	Dispatch	445,145,150	0.0480	0.0480	118,130	0.0380	0.0380	350,152,857	0.0470	0.0470	144,986,077	0.0500	0.0500	450,779	
Florissant Valley Fire Prot Dist	General Revenue	459,422,170	1.1494	1.0900 B	195,770	1.0900	1.0900 B	146,022,682	1.0900	1.0900 B	113,354,934	1.1137	1.0900 B	7,837,052	
	Ambulance	459,422,170	0.4370	0.4370	195,770	0.3050	0.3050	146,022,682	0.4220	0.4220	113,354,934	0.4400	0.4400	3,123,249	
	Pension	459,422,170	0.1000	0.1000	195,770	0.0730	0.0730	146,022,682	0.1000	0.1000	113,354,934	0.1000	0.1000	718,943	
	Dispatch	459,422,170	0.0300	0.0300	195,770	0.0220	0.0220	146,022,682	0.0300	0.0300	113,354,934	0.0300	0.0300	215,683	
	Debt Service	459,422,170	0.2000	0.2000	195,770	0.2000	0.2000	146,022,682	0.2000	0.2000	113,354,934	0.2000	0.2000	1,437,991	
Kinloch Fire Protection District	General Revenue	967,980	0.9000	0.8810	0	0.0000	0.0000	957,150	0.8650	0.8560	537,497	0.8700	0.8700	21,397	
	Dispatch	1,339,560	0.0000	0.0000	0	0.0000	0.0000	822,960	0.0000	0.0000	519,005	0.0000	0.0000	0	
Lemay Fire Protection District	General Revenue	110,716,340	0.9790	0.9790	2,550	0.0780	0.0780	107,733,314	0.9770	0.9770	44,688,648	0.9900	0.9900	2,578,887	
	Ambulance	110,716,340	0.2120	0.2120	2,550	0.0390	0.0390	107,733,314	0.2340	0.2340	44,688,648	0.2050	0.2050	578,427	
	Pension	110,716,340	0.0990	0.0990	2,550	0.0000	0.0000	107,733,314	0.0990	0.0990	44,688,648	0.1000	0.1000	260,954	
	Central Alarm Fund	110,716,340	0.0500	0.0500	2,550	0.0000	0.0000	107,733,314	0.0490	0.0490	44,688,648	0.0480	0.0480	129,598	
West County EMS & Fire Prot Dist	General Revenue	526,104,960	0.7280	0.7280 B	247,590	0.7400	0.7400 B	136,896,192	0.7400	0.7400 B	92,293,852	0.7450	0.7450 B	5,532,497	
	Ambulance	526,104,960	0.1750	0.1750	247,590	0.1850	0.1850	136,896,192	0.1800	0.1800	92,293,852	0.1940	0.1940	1,346,605	
	Pension	526,104,960	0.0870	0.0870	247,590	0.0930	0.0930	136,896,192	0.0900	0.0900	92,293,852	0.0970	0.0970	670,673	
	Dispatch	526,104,960	0.0440	0.0440	247,590	0.0450	0.0450	136,896,192	0.0440	0.0440	92,293,852	0.0490	0.0490	337,056	
	Debt Service	526,104,960	0.4100	0.2400	247,590	0.4100	0.2400	136,896,192	0.4100	0.2400	92,293,852	0.4100	0.2400	1,813,302	
Maryland Heights Fire Prot District	General Revenue	217,878,250	0.7920	0.7920	5,690	0.4390	0.4390	250,587,700	0.7980	0.7980	147,903,689	0.8000	0.8000	4,908,540	

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
Maryland Heights Fire Prot District	Ambulance	217,878,250	0.3590	0.3590	5,690	0.0000	0.0000	250,587,700	0.3600	0.3600	147,903,689	0.3680	0.3680	2,228,584	
	Pension	217,878,250	0.1290	0.1290	5,690	0.0700	0.0700	250,587,700	0.1290	0.1290	147,903,689	0.1300	0.1300	796,600	
	Dispatch	217,878,250	0.0500	0.0500	5,690	0.0350	0.0350	250,587,700	0.0500	0.0500	147,903,689	0.0500	0.0500	308,187	
	Debt Service	217,878,250	0.3000	0.2000	5,690	0.3000	0.2000	250,587,700	0.3000	0.2000	147,903,689	0.3000	0.2000	1,232,751	
Mehlville Fire Protection District	General Revenue	1,513,817,870	0.5710	0.5710	495,000	0.8760	0.8760	468,122,489	0.6720	0.6720	312,662,112	0.7570	0.7570	14,160,872	
	Ambulance	1,513,817,870	0.0000	0.0000	495,000	0.0000	0.0000	468,122,489	0.0000	0.0000	312,662,112	0.0000	0.0000	0	
	Pension	1,513,817,870	0.0350	0.0350	495,000	0.0550	0.0550	468,122,489	0.0360	0.0360	312,662,112	0.0560	0.0560	873,723	
	Alarm Fund	1,513,817,870	0.0450	0.0450	495,000	0.0460	0.0460	468,122,489	0.0440	0.0440	312,662,112	0.0480	0.0480	1,037,497	
Metro-North Fire Protection Dist	General Revenue	64,926,080	2.0046	2.0000	0	0.0000	0.0000	16,090,007	1.9965	1.9965	16,454,870	2.0000	2.0000	1,948,856	
	Pension	64,926,080	0.2440	0.2440	0	0.0000	0.0000	16,090,007	0.2430	0.2430	16,454,870	0.2490	0.2490	238,491	
	Dispatch	64,926,080	0.0500	0.0500	0	0.0000	0.0000	16,090,007	0.0500	0.0500	16,454,870	0.0500	0.0500	48,735	
	Debt Service	64,926,080	0.8150	0.3400	0	0.8150	0.3400	16,090,007	0.8150	0.3400	16,454,870	0.8150	0.3400	331,401	
Northeast Ambulance & Fire Prot Dis	General Revenue	107,916,430	1.5078	1.5078	12,340	1.5078	1.5078	36,674,911	1.5078	1.5078	34,958,387	1.5000	1.5000	2,704,710	
	Ambulance	107,916,430	0.2900	0.2900	12,340	0.2900	0.2900	36,674,911	0.2900	0.2900	34,958,387	0.2900	0.2900	520,730	
	Pension	107,916,430	0.1000	0.1000	12,340	0.1000	0.1000	36,674,911	0.1000	0.1000	34,958,387	0.1000	0.1000	179,562	
	Dispatch	107,916,430	0.0500	0.0500	12,340	0.0500	0.0500	36,674,911	0.0490	0.0490	34,958,387	0.0400	0.0400	85,918	
	Debt Service	107,916,430	0.6390	0.4000	12,340	0.6390	0.4000	36,674,911	0.6390	0.4000	34,958,387	0.6390	0.4000	718,248	
Pattonville Fire Protection Dist	General Revenue	121,844,630	0.9830	0.9830	378,980	0.9380	0.9380	477,536,207	0.9830	0.9830	149,111,942	0.9830	0.9830	7,361,239	
	Ambulance	121,844,630	0.7100	0.7000	378,980	0.6810	0.6810	477,536,207	0.7070	0.7000	149,111,942	0.7000	0.7000	5,242,030	
	Pension	121,844,630	0.1500	0.1500	378,980	0.1430	0.1430	477,536,207	0.1500	0.1500	149,111,942	0.1500	0.1500	1,123,281	
	Dispatch	121,844,630	0.0500	0.0500	378,980	0.0480	0.0480	477,536,207	0.0500	0.0500	149,111,942	0.0500	0.0500	374,428	
	Debt Service	121,844,630	0.2730	0.2500	378,980	0.2730	0.2500	477,536,207	0.2730	0.2500	149,111,942	0.2730	0.2500	1,872,179	
Riverview Fire Protection District	General Revenue	118,048,460	2.0167	2.0000	26,150	1.5149	1.5149	31,941,358	2.0980	2.0000	34,686,392	1.9837	1.9837	3,688,266	
	Pension	118,048,460	0.2500	0.2500	26,150	0.2500	0.2500	31,941,358	0.2500	0.2500	34,686,392	0.2500	0.2500	461,756	
	Dispatch	118,048,460	0.0500	0.0500	26,150	0.0000	0.0000	31,941,358	0.0500	0.0500	34,686,392	0.0500	0.0500	92,338	
	Debt Service	118,048,460	0.2440	0.1740	26,150	0.2440	0.1740	31,941,358	0.2440	0.1740	34,686,392	0.2440	0.1740	321,382	
Robertson Fire Protection District	General Revenue	33,565,860	1.4097	1.3900	359,720	0.8710	0.8710	163,808,542	1.4099	1.3900	101,646,932	1.3900	1.3900	4,159,530	
	Ambulance	33,565,860	0.6630	0.6630	359,720	0.4390	0.4390	163,808,542	0.6980	0.6980	101,646,932	0.7000	0.7000	2,079,033	
	Pension	33,565,860	0.2000	0.2000	359,720	0.2000	0.2000	163,808,542	0.2000	0.2000	101,646,932	0.2000	0.2000	598,762	
	Dispatch	33,565,860	0.0500	0.0500	359,720	0.0500	0.0500	163,808,542	0.0500	0.0500	101,646,932	0.0500	0.0500	149,691	
	Debt Service	33,565,860	0.2980	0.2090	359,720	0.2980	0.2090	163,808,542	0.2980	0.2090	101,646,932	0.2980	0.2090	625,706	
Spanish Lake Fire Protection Dist	General Revenue	95,294,100	2.1125	2.0000	162,430	1.0438	1.0438	26,463,910	2.0218	2.0000	24,568,044	2.0000	2.0000	2,928,217	
	Pension	95,294,100	0.1500	0.1500	162,430	0.0710	0.0710	26,463,910	0.1500	0.1500	24,568,044	0.1500	0.1500	219,604	
	Dispatch	95,294,100	0.0500	0.0500	162,430	0.0240	0.0240	26,463,910	0.0500	0.0500	24,568,044	0.0500	0.0500	73,202	
	Debt Service	95,294,100	0.3470	0.1640	162,430	0.3470	0.1640	26,463,910	0.3470	0.1640	24,568,044	0.3470	0.1640	240,241	
Valley Park Fire Protection Dist	General Revenue	155,642,050	0.7850	0.7850	188,290	0.6340	0.6340	58,257,988	0.8000	0.8000	43,742,331	0.8800	0.8800	2,073,980	
	Ambulance	155,642,050	0.2690	0.2690	188,290	0.2190	0.2190	58,257,988	0.2710	0.2710	43,742,331	0.3000	0.3000	708,196	

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
Valley Park Fire Protection Dist	Pension	155,642,050	0.0910	0.0910	188,290	0.0720	0.0720	58,257,988	0.0900	0.0900	43,742,331	0.1000	0.1000	237,944	
	Dispatch	155,642,050	0.0280	0.0280	188,290	0.0200	0.0200	58,257,988	0.0250	0.0250	43,742,331	0.0300	0.0300	71,305	
Mid-County Fire Protection District	General Revenue	35,456,090	1.7507	1.7507	0	0.0000	0.0000	53,053,481	1.8230	1.8230	31,128,488	1.8500	1.8500	2,163,772	
	Ambulance	35,456,090	0.6270	0.5500	0	0.0000	0.0000	53,053,481	0.5450	0.5450	31,128,488	0.5470	0.5470	654,423	
	Pension	35,456,090	0.2500	0.2500	0	0.0000	0.0000	53,053,481	0.2500	0.2500	31,128,488	0.2500	0.2500	299,095	
	Dispatch	35,456,090	0.0300	0.0300	0	0.0000	0.0000	53,053,481	0.0300	0.0300	31,128,488	0.0300	0.0300	35,891	
	Debt Service	35,456,090	0.4900	0.4900	0	0.4900	0.4900	53,053,481	0.4900	0.4900	31,128,488	0.4900	0.4900	586,226	
West Overland Fire Protection Dist	General Revenue	46,598,350	1.0295	1.0100	0	0.0000	0.0000	69,115,058	0.9970	0.9970	24,310,873	1.0100	1.0100	1,405,260	
	Ambulance	46,598,350	0.6250	0.6250	0	0.0000	0.0000	69,115,058	0.6300	0.6300	24,310,873	0.6500	0.6500	884,685	
	Pension	46,598,350	0.1500	0.1500	0	0.0000	0.0000	69,115,058	0.1500	0.1500	24,310,873	0.1500	0.1500	210,036	
	Dispatch	46,598,350	0.0500	0.0500	0	0.0000	0.0000	69,115,058	0.0500	0.0500	24,310,873	0.0500	0.0500	70,012	
	Debt Service	46,598,350	0.2250	0.1820	0	0.2250	0.1820	69,115,058	0.2250	0.1820	24,310,873	0.2250	0.1820	254,844	
Black Creek Sewer	General Revenue	802,061,230	0.0000	0.0000	0	0.0000	0.0000	620,301,443	0.0000	0.0000	148,850,278	0.0000	0.0000	0	
Clayton Central Sewer	General Revenue	63,857,800	0.0000	0.0000	0	0.0000	0.0000	295,091,568	0.0000	0.0000	41,372,369	0.0000	0.0000	0	
Coldwater Creek Sewer	General Revenue	845,050,270	0.1000	0.1000	38,880	0.0680	0.0680	518,791,867	0.1000	0.1000	429,550,565	0.1000	0.1000	1,793,419	
Creve Coeur-Frontenac Sewer	General Revenue	333,567,280	0.0000	0.0000	0	0.0000	0.0000	205,276,472	0.0000	0.0000	61,207,488	0.0000	0.0000	0	
Deer Creek Sewer	General Revenue	2,638,465,470	0.0830	0.0830	105,300	0.0490	0.0490	1,115,765,949	0.0850	0.0850	410,779,249	0.0930	0.0930	3,520,404	
Fountain Creek Sewer	General Revenue	77,200,120	0.0000	0.0000	0	0.0000	0.0000	22,774,465	0.0000	0.0000	18,393,498	0.0000	0.0000	0	
Gravois Creek Sewer	General Revenue	976,171,550	0.0810	0.0810	321,910	0.0480	0.0480	456,827,637	0.0830	0.0830	220,460,443	0.0860	0.0860	1,359,616	
Loretta-Joplin Sewer	General Revenue	19,268,310	0.0840	0.0840	0	0.0000	0.0000	2,333,170	0.0720	0.0720	4,254,986	0.0900	0.0900	21,695	
Maline Creek Sewer	General Revenue	308,575,580	0.1000	0.1000	158,740	0.1000	0.1000	179,417,359	0.1000	0.1000	130,276,151	0.1000	0.1000	618,428	
Meramec River Basin Sewer	General Revenue	2,130,155,560	0.0000	0.0000	925,460	0.0000	0.0000	818,280,981	0.0000	0.0000	443,557,249	0.0000	0.0000	0	
Missouri River-Bonfils Sewer	General Revenue	126,085,270	0.0000	0.0000	105,810	0.0000	0.0000	521,755,919	0.0000	0.0000	202,183,775	0.0000	0.0000	0	
North Affton Sewer	General Revenue	55,041,900	0.0870	0.0870	0	0.0000	0.0000	5,528,359	0.0630	0.0630	10,019,624	0.0850	0.0850	59,886	
Seminary Branch RDP Sewer	General Revenue	231,207,610	0.0680	0.0680	0	0.0000	0.0000	46,506,179	0.0780	0.0780	41,385,913	0.0760	0.0760	224,949	
Shrewsbury Branch RDP Sewer	General Revenue	19,961,890	0.0660	0.0660	0	0.0000	0.0000	4,518,571	0.0670	0.0670	4,240,433	0.0820	0.0820	19,679	
Sugar Creek Sewer	General Revenue	301,828,350	0.0540	0.0540	15,840	0.0000	0.0000	74,394,072	0.0980	0.0980	42,908,016	0.0690	0.0690	265,500	
University City Branch RDP Sewer	General Revenue	480,307,340	0.0930	0.0930	40	0.0000	0.0000	269,314,274	0.0980	0.0980	149,142,897	0.0940	0.0940	850,808	
Watkins Creek Sewer	General Revenue	85,781,980	0.1000	0.1000	7,930	0.0830	0.0830	38,336,589	0.1000	0.1000	23,867,661	0.0990	0.0990	147,754	
Wellston Sewer	General Revenue	11,490,550	0.1000	0.1000	0	0.0000	0.0000	12,812,884	0.1000	0.1000	7,062,450	0.1000	0.1000	31,366	
Hancock Street Light Dist St. Louis	General Revenue	41,291,760	0.1290	0.1290	0	0.0000	0.0000	87,819,740	0.2000	0.2000	26,199,110	0.1700	0.1700	273,444	
Wheaton Cook Lyndhurst Light Dist	General Revenue	4,297,700	0.2000	0.2000	0	0.0000	0.0000	1,927,860	0.1680	0.1680	1,106,420	0.2000	0.2000	14,047	
Castle Point Street Light District	General Revenue	5,890,470	0.1900	0.1900	0	0.0000	0.0000	208,420	0.1900	0.1900	1,435,950	0.1850	0.1850	14,244	
Glasgow Village Street Light Dist	General Revenue	11,202,960	0.1600	0.1600	0	0.0000	0.0000	344,240	0.1600	0.1600	2,381,250	0.1580	0.1580	22,238	
Clayton Special Business District	General Revenue	55,395,140	0.1140	0.1140	0	0.0000	0.0000	297,606,520	0.1290	0.1290	0	0.0000	0.0000	447,063	
Maplewood Special Business District	General Revenue	691,910	0.0980	0.0980	0	0.0000	0.0000	19,731,950	0.2610	0.2610	0	0.0000	0.0000	52,178	
University City Spec Bus Dist BD57	General Revenue	1,052,090	0.5860	0.5860	0	0.0000	0.0000	7,758,760	0.4980	0.4980	0	0.0000	0.0000	44,804	

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
Webster Groves-Old Webster Bus Dist	General Revenue	2,665,030	0.1950	0.1950	0	0.0000	0.0000	12,296,510	0.3010	0.3010	0	0.0000	0.0000	42,209	
Webster Groves-Old Orchard Bus Dist	General Revenue	1,820,800	0.3600	0.3600	0	0.0000	0.0000	8,647,080	0.3360	0.3360	0	0.0000	0.0000	35,609	
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	34,456,680	0.4050	0.4050	0	0.0000	0.0000	139,550	
Jennings Special Business District	General Revenue	36,550	0.4300	0.4300	0	0.0000	0.0000	1,928,950	0.4080	0.4080	0	0.0000	0.0000	8,027	
Productive Living Board	General Revenue	13,276,549,400	0.0880	0.0880	5,435,810	0.0770	0.0770	5,847,834,440	0.0880	0.0880	3,334,219,572	0.0900	0.0900	19,834,441	
Parkview Gardens Spec Bus Dist BD39	General Revenue	12,793,200	0.6180	0.6180	0	0.0000	0.0000	1,828,480	0.8500	0.8500	0	0.0000	0.0000	94,604	
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,389,740	0.3730	0.3730	0	0.0000	0.0000	16,374	
Robinwood West Community Imp Dist	General Revenue	14,119,310	0.7880	0.7880	0	0.0000	0.0000	50,800	0.0000	0.0000	0	0.0000	0.0000	111,260	
Crestwood Point Community Imp Dist	Debt Service	0	4.0131	3.0000	0	4.0131	3.0000	1,978,900	4.0131	3.0000	0	4.0131	3.0000	59,367	
Crossings Community Imp District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	5,939,160	1.5010	1.5010	0	0.0000	0.0000	89,147	2047
Crestwood Market Community Imp Dis	Debt Service	0	10.1095	5.0000	0	10.1095	5.0000	1,376,810	10.1095	5.0000	0	10.1095	5.0000	68,841	
Hazelwood R-I School District	Operating Funds-Schools	807,798,730	5.2804	5.2804 E	953,780	3.8965	3.8965 E	415,063,080	5.4277	5.4277 E	369,441,620	5.4050	5.4050 E	85,188,867	
	Debt Service	807,798,730	2.2101	0.9400	953,780	2.2101	0.9400	415,063,080	2.2101	0.9400	369,441,620	2.2101	0.9400	14,976,618	
Ferguson-Florissant R-II Sch Dist	Operating Funds-Schools	365,740,430	5.3384	5.2400 E	32,330	2.7538	2.7538 E	273,026,830	5.3310	5.1842 E	241,478,450	5.2400	5.1614 E	45,783,614	
	Debt Service	365,740,430	0.3000	0.3000	32,330	0.3000	0.3000	273,026,830	0.3000	0.3000	241,478,450	0.3000	0.3000	2,640,834	
Pattonville R-III School District	Operating Funds-Schools	384,910,820	4.7687	4.3900	181,360	4.9048	4.7148	643,409,120	5.1951	5.2157 C	260,995,590	5.2863	5.0963	63,765,543	
	Debt Service	384,910,820	0.8200	0.4900	181,360	0.8200	0.4900	643,409,120	0.8200	0.4900	260,995,590	0.8200	0.4900	6,318,535	
Kirkwood R-VII School District	Operating Funds-Schools	896,421,600	3.0560	3.0607 CE	121,100	2.2392	2.2392 E	264,037,950	4.4183	4.6182 CE	141,933,560	3.7875	3.7875 E	45,009,022	
	Operating Funds-Temp	896,421,600	0.7120	0.7120	121,100	0.3160	0.3160	264,037,950	0.7240	0.7240	141,933,560	0.7320	0.7320	9,333,493	2024
	Debt Service	896,421,600	0.3650	0.3650	121,100	0.3650	0.3650	264,037,950	0.3650	0.3650	141,933,560	0.3650	0.3650	4,754,177	
Lindbergh R-VIII School District	Operating Funds-Schools	756,405,600	3.5116	3.5116 E	353,360	2.9866	2.9866 E	344,257,010	3.9326	3.9326 E	152,036,540	3.9096	3.9096 E	46,054,764	
	Debt Service	756,405,600	0.8990	0.7530	353,360	0.8990	0.7530	344,257,010	0.8990	0.7530	152,036,540	0.8990	0.7530	9,435,485	
Mehlville R-IX School District	Operating Funds-Schools	1,153,014,240	3.6988	3.6988 E	176,170	4.0600	4.0600 E	295,236,950	3.5570	3.5570 E	242,879,010	3.9761	3.9761 E	62,813,534	
	Debt Service	1,153,014,240	0.0400	0.0400	176,170	0.0400	0.0400	295,236,950	0.0400	0.0400	242,879,010	0.0400	0.0400	676,523	
Parkway C-2 School District	Operating Funds-Schools	2,701,283,850	3.7343	3.9717 CE	777,090	3.8917	3.8917 E	1,098,669,000	4.1896	4.1896 E	535,320,980	3.7379	3.7379 E	173,356,732	
	Debt Service	2,701,283,850	0.4900	0.4900	777,090	0.4900	0.4900	1,098,669,000	0.4900	0.4900	535,320,980	0.4900	0.4900	21,246,650	
Affton 101 School District	Operating Funds-Schools	254,262,680	5.3680	5.3680 E	0	0.0000	0.0000 E	60,056,010	5.6165	5.6165 E	56,168,340	5.5131	5.5131 E	20,118,483	
Bayless School District	Operating Funds-Schools	104,933,510	4.2492	4.2492 E	0	0.0000	0.0000 E	13,313,070	4.1404	4.1404 E	22,697,750	4.9131	4.9131 E	6,125,212	
	Debt Service	104,933,510	0.6190	0.5340	0	0.6190	0.5340	13,313,070	0.6190	0.5340	22,697,750	0.6190	0.5340	752,643	
Brentwood School District	Operating Funds-Schools	140,498,140	4.4401	4.3356	0	0.0000	0.0000	110,178,830	4.9433	5.0734 C	39,737,940	4.2012	4.1167	13,317,142	
	Debt Service	140,498,140	0.5550	0.3400	0	0.5550	0.3400	110,178,830	0.5550	0.3400	39,737,940	0.5550	0.3400	987,411	
Clayton School District	Operating Funds-Schools	517,195,910	3.2913	3.2262 C	0	0.0000	0.0000	425,636,880	3.7448	3.9163 C	95,297,010	3.4502	3.3755 C	36,571,742	
	Debt Service	517,195,910	0.8850	0.6230	0	0.8850	0.6230	425,636,880	0.8850	0.6230	95,297,010	0.8850	0.6230	6,467,549	
Hancock Place School District	Operating Funds-Schools	40,480,470	4.3000	4.3680 CE	0	0.0000	0.0000 E	88,357,440	4.3000	4.7425 CE	25,848,150	4.3000	4.3000 E	7,070,009	
	Debt Service	40,480,470	1.4204	1.0100	0	1.4204	1.0100	88,357,440	1.4204	1.0100	25,848,150	1.4204	1.0100	1,562,329	
Jennings School District	Operating Funds-Schools	56,035,340	5.5500	5.5500 E	0	0.0000	0.0000 E	15,447,130	5.5500	5.5500 E	21,025,470	4.8034	4.8034 E	4,977,215	
	Debt Service	56,035,340	1.0653	0.9900	0	1.0653	0.9900	15,447,130	1.0653	0.9900	21,025,470	1.0653	0.9900	915,829	

APPENDIX VIII

2015 PROPERTY TAX RATES

LISTING OF 2015 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
Ladue School District	Operating Funds-Schools	1,135,087,000	3.1439	3.1439 E		40	3.7500	3.7500 E		227,263,300	3.2409	3.2409 E		47,582,251	
	Debt Service	1,135,087,000	0.7600	0.3900		40	0.7600	0.3900		227,263,300	0.7600	0.3900		5,858,549	
Maplewood-Richmond Heights Sch Dis	Operating Funds-Schools	166,655,520	4.2369	4.2369 E		0	0.0000	0.0000 E		75,101,920	3.8536	3.8536 E		11,617,031	
	Debt Service	166,655,520	1.5448	1.3500		0	1.5448	1.3500		75,101,920	1.5448	1.3500		3,720,118	
Normandy School District	Operating Funds-Schools	133,476,580	4.6600	4.5156 F		12,340	2.3695	2.2251 F		59,566,380	4.6600	4.5156 F		10,967,013	
	Debt Service	133,476,580	1.9409	1.6225		12,340	1.9409	1.6225		59,566,380	1.9409	1.6225		3,940,658	
Ritenour School District	Operating Funds-Schools	218,123,140	4.6900	4.6900 E		0	0.0000	0.0000 E		170,527,900	4.6390	4.6390 E		23,481,716	
	Debt Service	218,123,140	1.6760	1.0030		0	1.6760	1.0030		170,527,900	1.6760	1.0030		5,234,207	
Riverview Gardens School District	Operating Funds-Schools	131,175,220	4.3500	4.3500 E		9,210	4.3500	4.3500 E		21,513,900	4.3500	4.3500 E		8,024,228	
	Debt Service	131,175,220	1.6813	1.3420		9,210	1.6813	1.3420		21,513,900	1.6813	1.3420		2,499,571	
University City School District	Operating Funds-Schools	469,014,550	4.3549	4.3549 E		0	0.0000	0.0000 E		62,473,030	4.4885	4.4885 E		26,638,553	
	Debt Service	469,014,550	1.2154	0.7380		0	1.2154	0.7380		62,473,030	1.2154	0.7380		4,407,885	
Valley Park School District	Operating Funds-Schools	90,649,730	4.5800	4.5800 E		960	4.6500	4.6500 E		40,820,090	4.5159	4.5159 E		7,388,803	
	Debt Service	90,649,730	0.9550	0.9410		960	0.9550	0.9410		40,820,090	0.9550	0.9410		1,519,158	
Webster Groves School District	Operating Funds-Schools	562,610,210	5.1023	5.1023 E		0	0.0000	0.0000 E		90,593,390	5.2294	5.2294 E		38,216,707	
	Debt Service	562,610,210	1.4119	0.5699		0	1.4119	0.5699		90,593,390	1.4119	0.5699		4,182,882	
St. Louis County	General Revenue	13,276,028,770	0.2060	0.2060		5,411,540	0.1790	0.1790		5,838,542,010	0.2050	0.2050		46,295,836	
	Parks & Recreation	13,276,028,770	0.0490	0.0490		5,411,540	0.0430	0.0430		5,838,542,010	0.0490	0.0490		11,035,576	
	Road & Bridge	13,276,028,770	0.1030	0.1030		5,411,540	0.0900	0.0900		5,838,542,010	0.1030	0.1030		23,193,809	
	Health	13,276,028,770	0.1380	0.1380		5,411,540	0.1200	0.1200		5,838,542,010	0.1370	0.1370		30,994,124	
	Debt Service	13,276,028,770	0.0190	0.0190		5,411,540	0.0190	0.0190		5,838,542,010	0.0190	0.0190		4,266,298	
														<u><u>\$ 1,348,959,119</u></u>	

LEGEND:

A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.

B A voter approved increase or decrease to an existing levy.

C Levy includes a recoupment rate authorized by state law.

D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section.

E School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.

F School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.

NOTES:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VII for a listing of 2015 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's Office by both the taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.



Nicole R. Galloway, CPA
Missouri State Auditor

City of Gallatin



December 2015
Report No. 2015-128

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Gallatin

Utility System Controls and Procedures	<p>The city does not maintain a separate fund for the financial activity of the combined water and sewer systems, as required by bond covenants and state law. Currently, electric, water, and sewer transactions are accounted for in the Utility Fund. The city has historically violated bond covenants for its combined water and sewer system bonds by transferring surplus water and sewer revenues to the General Fund. From 2011 through 2014, approximately \$252,000 of water and sewer revenues were transferred to the General Fund. The board has no documentation of any discussions held or a basis for determining the amount to be transferred from the electric department to the General Fund, and from 2011 through 2014, approximately \$607,000 was transferred from the electric department to the General Fund. The city also allocated approximately 75 percent of the wages for the city administrator, city clerk, and deputy city clerk, totaling approximately \$85,000, to the Utility Fund (25 percent to each department - water, sewer, and electric) with no supporting documentation indicating how these amounts were determined. The city increased sewer rates in December 2012 and electric rates in September 2013 without preparing a statement of costs as required by law or maintaining documentation of how the rate increase was calculated. Additionally, some adjustments posted to customer utility accounts are not approved by the city administrator, in violation of city policy. The city does not track or restrict the balance of customer utility deposits in its financial records. Penalties are not properly assessed on delinquent sewer accounts.</p>
Accounting Controls and Procedures	<p>The city is not properly tracking and recording some restricted funds. The board has not adequately segregated duties or performed adequate reviews of the work performed by the city clerk or the deputy city clerk. The city has not established procedures to routinely follow up on outstanding checks.</p>
Disbursements	<p>The city does not have a formal bidding policy and bids were not solicited for several significant goods and services purchased in 2014. The board did not document its evaluation and selection of engineering services and professional services are obtained without the benefit of a competitive selection process. The city does not have adequate procedures to account for fuel used by the public works and police departments.</p>
Payroll	<p>Procedures have not been established to ensure IRS regulations are followed regarding uniform allowances and the police chief's additional compensation received for teaching the DARE program. As a result, the city may be subject to penalties and/or fines for failure to report all taxable benefits.</p>
Missouri Public Energy Pool Disclosures	<p>The city does not include any disclosure about its relationship with the Missouri Joint Municipal Electric Utility Commission and the Missouri Public Energy Pool or detail about the city's ownership interest in power generating facilities under construction or potential ownership costs in the city's financial statements. Such disclosures are necessary to comply with accounting standards for state and local governments and to fully disclose the financial arrangements, as well as potential, significant future debt, to citizens.</p>

Lease Agreements and Policies	The former city administrator entered into a lease agreement with his father on behalf of the city. The lease agreement allowed the city to use salt bins owned by the former city administrator's father to store city salt used for street maintenance, but the board did not approve the lease agreement. In addition, the city has not adopted formal policies for a gun purchase program for police officers.
Budgets and Financial Reporting	Budget amendments are not prepared prior to incurring related expenditures and the budgets do not include beginning or ending cash balances. The city did not submit an annual financial report for 2014 to the State Auditor's Office.
Electronic Data Security	The city has not established adequate password controls to reduce the risk of unauthorized access to computer systems and electronic data. Passwords are not required to be changed on a periodic basis to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password. In addition, security controls are not in place to lock a computer after a specified number of incorrect logon attempts.

In the areas audited, the overall performance of this entity was **Fair***

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

City of Gallatin

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Utility System Controls and Procedures.....4 2. Accounting Controls and Procedures 10 3. Disbursements 12 4. Payroll 14 5. Missouri Public Energy Pool Disclosures 15 6. Lease Agreements and Policies 18 7. Budgets and Financial Reporting 19 8. Electronic Data Security 20
-------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	21
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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Gallatin, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Gallatin. We have audited certain operations of the city in fulfillment of our duties. The city engaged R. Scott Stephens, Certified Public Accountant (CPA), to audit the city's financial statements for the year ended December 31, 2014. To minimize duplication of effort, we reviewed the report of the CPA firm for the year ending December 31, 2013, since the audit for the year ending December 31, 2014, had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

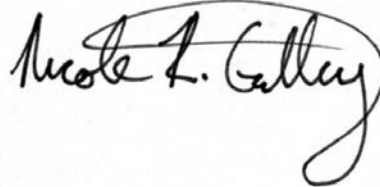
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Gallatin.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Wayne Kauffman, MBA
Audit Staff:	Keisha Williams

City of Gallatin

Management Advisory Report

State Auditor's Findings

1. Utility System Controls and Procedures

There are significant weaknesses in city operations related to utility services. The city provides electric, water, and sewer services and tracks the related financial activity in the Utility Fund. According to city records, the city collected \$2,144,418, \$418,935, and \$405,805 in electric, water, and sewer receipts, respectively during the year ended December 31, 2014.

The city has historically transferred substantial amounts of money from its Utility Fund operations to help finance the operations and activities of the General Fund. The city is currently taking approximately 8 percent of each utility's gross revenue monthly and transferring the amount to the General Fund. The activity of each department is tracked separately, but all 3 are combined and presented as the Utility Fund in the financial statements of the city. Our review of the Utility Fund and related transfers identified various concerns.

1.1 Utility operations

The city does not maintain a separate fund for the financial activity of the combined water and sewer systems, as required by bond covenants and state law. Currently, electric, water, and sewer transactions are accounted for in the Utility Fund. The city tracks receipts and disbursements by activity; however, accumulated balances of the respective utility operations are not accounted for separately and the monies are commingled in the same bank account. The unaudited balance of the Utility Fund at December 31, 2014, was approximately \$645,000, but the city does not know which portion of the balance belongs to the electric utility or the combined water and sewer system.

Section 250.150.1, RSMo, states that revenues from the operations for its combined water and sewer systems shall be segregated from all other revenues or funds of the city. In addition, the bond covenants of the 2014 and 2004 combined water and sewer revenue bonds require a separate fund for water and sewer activity.

1.2 Water/Sewer transfers

The city has historically violated bond covenants for its combined water and sewer system bonds by transferring surplus water and sewer revenues to the General Fund. From 2011 through 2014, approximately \$252,000 of water and sewer revenues were transferred to the General Fund. City officials based the transfers on taking 8 percent of the gross revenues of the combined system and have been using this rate for many years, even prior to 2011, according to city personnel. The bond covenants related to the 2004 and 2014 combined water and sewer system bonds do not authorize system revenues to be used in this manner.

Article VI, Section 602 (e) of the 2004 bond agreement and Article VI, Section 602 (f) of the 2014 bond agreement prohibit the transfer of any surplus revenue for any purpose other than a system related expense. Failure to follow the bond covenants could result in the bondholders taking action to call the bonds.



City of Gallatin Management Advisory Report - State Auditor's Findings

1.3 Electric transfers

The Board of Alderman (Board) has no documentation of any discussions held or a basis for determining the amount to be transferred from the electric department to the General Fund. From 2011 through 2014, approximately \$607,000 was transferred to the General Fund, which was based on 8 percent of gross revenues of the system. The city has made these transfers for many years, even prior to 2011, at the same percent. The transfers from the Utility Fund (water/sewer and electric) are significant and account for approximately 33 percent of the General Fund revenues during 2014, with the majority of the monies coming from the electric department.

The transfer rate for the electric department has been 8 percent for many years, as established by the Board, but there is no evidence or documentation of any discussions held on how this percentage was determined. Because these transfers, along with the administrative transfers discussed in section 1.4, represent a significant revenue source for the General Fund, it is important for the Board to periodically re-evaluate their impact, not only on the General Fund budget, but also on electric rates. City officials provided us with information, which they indicate was compiled by the Missouri Municipal League, documenting the transfer rate to the General Fund by other cities to support the transfer rate in Gallatin. We reviewed the transfer rates established by 103 cities with a population less than 6,000 residents (including Gallatin). For those cities, the average electric transfer rate was 5.09 percent of gross electric revenues and 94 of the 103 cities (or 91 percent) have established a transfer rate less than Gallatin.

To ensure these electric transfers are reasonable, it is important the city evaluate the value of the government services the transfers are offsetting during the annual budget process and document its process for determining the percentage to be charged.

1.4 Disbursement allocations

Some disbursements allocated to the General Fund and the various departments within the Utility Fund may not be reasonable and are not adequately supported. In addition to the transfers from the Utility Fund to the General Fund discussed in sections 1.2 and 1.3, the city also allocates approximately 75 percent of the wages for the City Administrator, City Clerk, and Deputy City Clerk, totaling approximately \$85,000, to the Utility Fund (25 percent to each department - water, sewer, and electric). The city did not have any supporting documentation indicating how these amounts were determined. In addition, no supporting documentation exists for the allocation of some other personnel costs and general expenses to various funds and departments of the city as described below:

- The Public Works Director's entire salary of \$49,582 was charged to the combined water and sewer department although he is also the director for the electric and street departments.



City of Gallatin
Management Advisory Report - State Auditor's Findings

- The city's entire \$4,905 postage expense was charged to the electric department, although all utilities are billed on the same statement. In addition, some of this postage was used for general activities such as building permits, business license renewals, and liquor license renewals.
- Cell phone charges for the City Administrator and Mayor of \$2,406 were charged entirely to the electric department.
- The annual audit cost of \$6,424 was allocated evenly between the General Fund and the Utility Fund (electric department only) although the audit covered all city funds and departments.

The proper allocation of expenses is necessary for the city to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria, such as the number of hours worked by each employee, and documentation of allocations should be retained.

1.5 Sewer and electric rates

The city increased sewer rates in December 2012 and electric rates in September 2013 without preparing a statement of costs as required by law or maintaining documentation of how the rate increase was calculated. The Board maintained documentation of the various increases in revenue that could be expected by increasing the utility rates, but the reason for increasing the rates was not documented. Without a current cost study to support the rates charged for sewer and electric services, it is unclear whether the rates assessed for these services are set at an appropriate level.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs that shows the increase is necessary to cover costs of providing the service. To ensure utility rates are set to cover the cost of providing the related services, the city should perform and document a detailed cost study of its sewer and electric costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits.

1.6 Utility adjustments

Controls over adjustments posted to customer utility accounts need improvement. Adjustments are sometimes needed to change a customer account balance, including adjusting usage for inaccurate meter readings when bills are processed or reducing a balance due to water leaks. Prior to August 2014, neither type of adjustment was required to be approved. The city adopted a policy in August 2014 requiring adjustments for water leaks to be approved by the City Administrator, but no procedures are in place to compare adjustments posted to the computer system to the manual approval forms to ensure all water leak adjustments are properly approved and only approved adjustments are made to customer accounts. Inaccurate meter



City of Gallatin Management Advisory Report - State Auditor's Findings

reading adjustments still do not require approval. In addition, reports of adjustments posted to the system are not reviewed and approved.

To ensure adjustments to utility accounts are valid and approved, adjustment transactions should be approved before they are made in the computer system and the posted adjustments should later be compared to the list of approved adjustments.

1.7 Utility deposits

The city does not track or restrict the balance of customer utility deposits in its financial records. The city maintains a list of customer deposits held, which totaled \$134,161 as of December 29, 2014, but these monies are not maintained separately. According to city officials, customer utility deposits are held, along with other monies, in the city's primary checking account, but the actual amount of deposits held is not reported in the accounting records, and thus, cannot be compared to the listing. The balance of the Utility Fund in the city's primary checking account at December 31, 2014, was \$167,668, with a significant portion of this amount apparently being customer utility deposits.

Maintaining an accounting of utility deposits within the accounting records and comparing it to the list of customer deposits provides the city assurance the Utility Fund account balance is sufficient to cover customer deposit liabilities and other obligations, and ensure customer deposit monies are not used for utility operations.

1.8 Sewer delinquencies

Penalties are not properly assessed on delinquent sewer accounts. Ordinance 700.260(D) requires a 5 percent penalty to be added to delinquent accounts. The city does not assess this penalty.

Because ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important the ordinances are followed.

Recommendations

The Board of Aldermen:

- 1.1 Establish a separate fund to account for the electric utility financial activity or maintain records in a manner to separately account for the receipts, disbursements, and accumulated balances for the electric utility and the combined water and sewer system. Additionally, the city should establish the proper balance of the separate funds and maintain separate balances in the future.
- 1.2 Discontinue making transfers from the combined water and sewer revenues to the General Fund.
- 1.3 Determine the value of government services being offset by the electric transfers, evaluate the effects of the transfers and their



City of Gallatin
Management Advisory Report - State Auditor's Findings

impact on the General Fund, and retain documentation of how the transfer rate is determined.

- 1.4 Ensure costs allocated to the Utility Fund departments are reasonable, supported by adequate documentation, and the documentation is retained.
- 1.5 Ensure a statement of costs is prepared to support any utility rate increases, and document formal reviews of water, sewer, and electric rates periodically to ensure revenues are sufficient to cover all costs of providing these services.
- 1.6 Ensure all adjustments are properly approved and compared to actual changes posted to the computer system.
- 1.7 Properly account for the utility deposits and reconcile the utility deposits to available funds in the Utility Fund to ensure the city can meet its financial liability.
- 1.8 Assess a late penalty on delinquent sewer bills in accordance with city ordinance.

Auditee's Response

- 1.1 *The city agrees within six months to establish separate funds and divide the utility fund into two funds - electric and a combined water/sewer fund. The existing Utility fund reserves will be divided according to the percentage calculated by comparing the revenues of each utility to the total and then dividing the existing Utility Fund balance accordingly.*
- 1.2 *The city during the audit became aware of the specific bond requirements. Previously the city was relying on Section 250.150.2, RSMo, which permits interfund transfers. Due to the bond requirements, the city agrees that going forward it will not transfer surplus funds to the General Fund of the city in violation of any bond covenant. The city would note that it has always timely paid all bond payments and otherwise complied with the bond requirements and does not expect any adverse actions due to this inadvertent error.*
- 1.3 *The city agrees there is no formal documentation retained on discussion for the funds transferred from the electric department to the General Fund but the city annually in considering the budget does discuss all expenditures, income, and transfers as a part of the budget process. The city agrees to do a better job documenting such discussions.*



City of Gallatin
Management Advisory Report - State Auditor's Findings

The city believes the 8 percent transfer amount from the electric department is appropriate based on upon the city's investment in the electric system, the costs that the city incurs in providing city services to the electric system, the use of city streets and other facilities by the electric system, and to replace funds the city would otherwise be receiving as a franchise fee and property taxes if the electric system was investor owned. The city would also note that the 8 percent amount is lower than transfer amounts that have been approved by the Missouri Supreme Court and in line with transfers to the General Fund made by other cities in the area. The city does agree that it is a good management practice as suggested to periodically review the transfer amount to ensure that it is fair to both the electric system users and the General Fund and will institute such suggestion in future budget years.

- 1.4 *The city believes that the disbursements for reimbursements to the General Fund are generally reasonable. Due to the city's size and staffing level, the city deems it appropriate to allocate the staff costs among the funds (General and Utility) for the positions as is the city's current practice. The work load for each employee is ever changing and dynamic. The city feels in the long run that the allocations are fair and that additional costs to study and track time spent on each task would not be productive and would be a waste of resources as the data would vary from day to day, week to week, and year to year.*

The city would point out that the Administrator, in addition to the overall management of General Fund activities, also serves in the capacity of Utility General Manager and as such the city believes the amount allocated for his services to these funds to be reasonable. When comparing the costs allocated to the utilities for the salaries in Gallatin to the salaries for utility managers in other cities in the state the salary allocation by the city is below average. So the sum being paid to the City Administrator from the Utility Fund to act as its Utility General Manager represents a savings to the utility customers.

The city agrees that it needs to do a better job of allocation of the Public Works Director's salary among the utility departments for which he provides services.

The city agrees with the recommendation on allocation of postage costs and will institute the recommendation in the 2016 budget.

The city agrees with the recommendation to improve the allocation of cell phone costs among the department funds and is in the



City of Gallatin
Management Advisory Report - State Auditor's Findings

process of reducing cell phone usage and remaining usage will be allocated to among the funds in the 2016 budget.

The city agrees with the recommendation and the cost of any audits will be allocated among the department funds in relation to percent of such funds to the overall budget in next budget year.

- 1.5 The city Board of Aldermen do discuss the basis for the increases in utility rates but agrees that it needs to do a better job of documenting the basis for such increases. In the future the city will adopt the audit recommendation that all increases be accompanied by a statement of costs.*
- 1.6 The city agrees with the recommendation and has already implemented the required procedure and documentation by monthly reporting and reconciliation by the City Administrator on a monthly basis.*
- 1.7 The city does track customer utility deposits and maintains records of such deposits. The city agrees to implement the audit recommendation on segregation of the customer deposits and the necessary account will be established by 2016 budget year.*
- 1.8 The city agrees that sewer penalties need to be fully and fairly enforced. The city accepts the audit recommendation and will institute a policy to make penalty assessments in the next budget cycle.*

2. Accounting Controls and Procedures

2.1 Restricted monies

Accounting controls and procedures need improvement. The city receives monies for utility payments, taxes, merchant licenses, and other miscellaneous receipts. During the year ended December 31, 2014, the city collected approximately \$3.7 million.

The city is not properly tracking and recording some restricted monies. For the year ended December 31, 2014, the city received \$67,347 in state motor-vehicle related monies. Although these monies are restricted for specific purposes, they were deposited into the General Fund and the related disbursements and balance were not tracked separately. As a result, the city cannot determine at a point in time what portion of the General Fund represents restricted street improvement monies or demonstrate disbursements of these funds were allowable or appropriate.

Article IV, Sections 30(a) and 30(b), of the Missouri Constitution require motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street related purposes only. Separate accounting of restricted monies is necessary to ensure compliance with the Missouri Constitution.



City of Gallatin
Management Advisory Report - State Auditor's Findings

2.2 Segregation of duties

The Board has not adequately segregated duties or performed adequate reviews of the work performed by the City Clerk or the Deputy City Clerk. The Deputy City Clerk is primarily responsible for receipting and depositing monies and making adjustments to customers' account balances. The City Clerk is responsible for receipting and depositing monies in the Deputy City Clerk's absence, purchasing, preparing checks, and reconciling the bank accounts. A detailed review of accounting records is not performed by an independent person.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If segregation of duties is not possible, a timely supervisory review by the Board should be performed and documented.

2.3 Outstanding checks

The city has not established procedures to routinely follow up on outstanding checks. As of December 31, 2014, the city had 28 checks, totaling \$1,287, that had been outstanding more than a year. Two checks have been outstanding since June 2006.

Proper follow-up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise allowed by state law. Old outstanding checks should be voided and reissued to those payees who can be readily located, and amounts remaining unclaimed should be disposed of in accordance with state law.

Recommendations

The Board of Aldermen:

- 2.1 Determine the amount of restricted monies in the General Fund and establish a separate accounting of the restricted monies.
- 2.2 Segregate the duties of the City Clerk and Deputy City Clerk. At a minimum, there should be a documented supervisory review of city records and reconciliations.
- 2.3 Establish procedures to routinely follow up on and reissue old outstanding checks and dispose of unclaimed monies in accordance with state law.

Auditee's Response

- 2.1 *The city agrees with the recommendation and all transportation related funds will be deposited into the established account for the city transportation sales tax and capital improvement sales tax to allow for clear and easy assessment of available restricted funds and to be able to track expenditures per state law requirements.*



City of Gallatin
Management Advisory Report - State Auditor's Findings

2.2 *The city agrees with the recommendation and will segregate duties as is practical and where not practical it will use second party verification of all transactions. The accounting system also allows for certain verification of activities. The city acknowledges the need and is continually looking for ways to improve protection for both the public and the city employees.*

2.3 *The city agrees with the recommendation and will start utilizing the state system to dispose of unclaimed monies.*

3. Disbursements

Controls and procedures over city disbursements need improvement.

3.1 Procurement procedures

The city does not have a formal bidding policy and bids were not solicited for several significant goods and services purchased during the year ended December 31, 2014.

Item or Service	Cost
Street repairs	\$110,294
Oiler truck	43,750
Water tower and well maintenance	30,977
Water treatment supplies	6,413

The Public Works Director indicated the water tower and well maintenance purchase was from a sole source vendor; however, the Board had not documented this information.

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business.

3.2 Professional and engineering services

The Board did not document its evaluation and selection of engineering services and professional services are obtained without the benefit of a competitive selection process.

- The city did not document its evaluation and selection of engineering services for the new water plant. Payments to the firm totaled \$190,000 during the year ended December 31, 2014. A city official indicated the city uses this firm because of past performance and a good working relationship.
- The city has not solicited proposals for auditing services. According to city personnel, the same firm has provided auditing services for the city for at least 20 years. The city paid \$6,424 for auditing services during the year ended December 31, 2014.



City of Gallatin Management Advisory Report - State Auditor's Findings

- The city has not solicited proposals for legal counsel services. According to city personnel, the same law firm has provided legal services for the city for at least 20 years. The city paid \$2,790 to this firm for legal services during the year ended December 31, 2014.
- The city did not solicit proposals for the sewer plant operator. The city contracted with a vendor to operate the sewer plant during 2015 for \$88,200.
- The city has not solicited proposals for banking services in recent years and maintains its accounts at a local bank where a current Board member is the bank's Chief Financial Officer. As a result, this gives the appearance of a conflict of interest even though the checking account was established with the bank prior to April 2006 when the bank's Chief Financial Officer became a Board member.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration. In addition, Sections 8.289 and 8.291, RSMo, provide requirements for obtaining, evaluating, and negotiating engineering services. Also, to reduce the appearance of a conflict of interest, proposals should be solicited for services provided by a Board member's employer.

3.3 Fuel purchases

The city lacks adequate procedures to account for fuel used by the public works and police departments. The city purchases gasoline using fuel cards at a local business and uses a bulk fuel tank for diesel fuel that is refilled as needed. According to city records, the city spent approximately \$23,500 on gasoline and \$9,700 on diesel fuel during the year ended December 31, 2014.

Employees do not submit receipts for fuel purchases to the City Clerk and thus, a comparison of the monthly fuel statement to individual fuel tickets cannot be performed. In addition, the fuel statement is not compared to the fuel logs maintained by the Public Works Department or law enforcement employees' daily activity logs.

The city also does not properly monitor bulk fuel use or reconcile fuel billings to fuel use records. The city uses a bulk tank to store diesel fuel, but prior to July 2014, the city was not maintaining a log to document the number of gallons pumped. Employees now record on a log each time fuel is pumped from the tank; however, the log is not used to reconcile to fuel purchased.

Chapter 6 of the city's personnel manual requires employees to bring a copy of the receipt immediately to the City Clerk when a charge on a credit card



City of Gallatin
Management Advisory Report - State Auditor's Findings

is made. In addition, requiring employees submit fuel tickets and reconciling them to items on the monthly vendor billing, as well as fuel and activity logs, will help provide assurance that all fuel billed was actually charged to and used by city employees. Procedures for maintaining and reviewing fuel usage logs and reconciling log information to fuel purchased and related records are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper amounts, and decrease the risk of loss, theft, or misuse of fuel occurring without detection.

Recommendations

The Board of Aldermen:

- 3.1 Establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and the justification for bids selected.
- 3.2 Solicit proposals for professional services and comply with state law when procuring engineering services and document the evaluation and selection process for those services.
- 3.3 Require employees submit fuel tickets to the City Clerk and have applicable staff, reconcile them with fuel billings and investigate any discrepancies.

Auditee's Response

- 3.1 *The city agrees with the recommendation and has established a formal bidding procedure, and will maintain records of subsequent procedures.*
- 3.2 *The city agrees with the recommendation and starting immediately will follow state requirements for acquiring professional engineering services.*
- 3.3 *The city agrees with the recommendation and has already implemented a new system of fuel cards and all purchases are balanced against receipts and vehicle logs. The bulk fuel log will also be balanced against fuel purchased with normal expected usage being tracked for vehicles that do not have an odometer.*

4. Payroll

Procedures have not been established to ensure Internal Revenue Service (IRS) regulations are followed regarding uniform allowances and the Police Chief's additional compensation received for teaching the Drug Abuse Resistance Education (DARE) program. As a result, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

The city paid 11 full-time employees, including the City Administrator and administrative staff, uniform allowances totaling \$3,300 (\$300 to each employee) in 2014. The City Administrator and administrative staff



City of Gallatin
Management Advisory Report - State Auditor's Findings

received the allowance even though they are not required to wear uniforms. Employees were not required to submit invoices or itemized expense reports to support the allowances, nor were the allowances reported on their W-2 forms. In addition, the \$1,200 paid to the Police Chief for teaching the DARE program was not processed through the payroll system so payroll taxes were not withheld.

IRS regulations require employee business expenses not accounted for to the employer be considered gross income and payroll taxes be withheld from the undocumented payments. Uniform allowances are intended to offset the cost of maintaining a uniform and should be restricted to employees who wear uniforms. In addition, all employee compensation should be reported on the employee's W-2 form and payroll taxes should be withheld and remitted, if necessary, as required by the IRS.

Recommendation

The Board of Aldermen require employees to submit itemized reports of uniform clothing purchases or report the allowance payments as other income on W-2 forms. The Board of Aldermen should ensure all employee compensation is properly taxed and reported to the IRS.

Auditee's Response

The city agrees with the recommendation and any new uniform allowance will only be allowed for job specific requirements such as highly reflective gear for street and utility personnel and fire resistant gear for electric utility workers.

5. Missouri Public Energy Pool Disclosures

The Board needs to evaluate its relationship with the Missouri Joint Municipal Electric Utility Commission (MJMEUC), including the Missouri Public Energy Pool (MoPEP), a power pool managed by the MJMEUC, to determine proper disclosures about the relationship in the city's financial statements.

Currently, the city does not include any disclosure about MJMEUC and MoPEP or detail about the city's ownership interest in power generating facilities under construction and/or to be constructed and the potential ownership costs in the city's financial statements. However, based on the requirements of the Governmental Accounting Standards Board (GASB) for state and local governments, the relationship between the city and the MJMEUC/MoPEP may be a joint venture. Additionally, joint venture participants must disclose specific information including information regarding ongoing financial interest and/or financial responsibility and information to evaluate whether the joint venture is accumulating significant financial resources or causing financial burden on the participating government in the future. Such disclosures are necessary to comply with GASB financial reporting requirements and to fully disclose the financial arrangements, as well as potential, significant future debt, to citizens.



City of Gallatin
Management Advisory Report - State Auditor's Findings

The city contracts with the MJMEUC for the purchase of electrical power and energy. The city, along with other Missouri municipalities, is also a member of the MoPEP. In order to provide the MoPEP members a diversified portfolio of reliable energy resources on a long-term basis due to growing load requirements of the members and to replace power and energy currently purchased under short-term contracts, the MoPEP members directed the MJMEUC to participate in the development and construction of new generating facilities.

The obligations of the MoPEP members include maintaining adequate customer rates and maintenance of power facilities and contracts in order to meet the members' commitments to the pool. If a member city, such as Gallatin, decides to leave the pool, it must give a 5-year notice. At the end of the 5-year period, the city would be responsible for a pro-rata share of the ongoing capital and operation costs of each pool project based on its share of energy. According to MJMEUC documents, Gallatin's pro-rata share was 0.7 percent and the city's obligation for the project bonds issued would be approximately \$3.5 million as of December 2014. The city may also be obligated for any power purchase contracts.

Recommendation

The Board of Aldermen consult with its independent auditor to evaluate the relationship with MJMEUC/MoPEP and determine the proper and necessary disclosures for the financial statements.

Auditee's Response

The city will consult with its independent auditors on the relationship with MJMEUC/MoPEP. It is the city's understanding that it is not a joint venture relationship. The following DISCLOSURE LANGUAGE FOR MEMBER'S AUDITED FINANCIAL STATEMENT was obtained from MJMEUC/MoPEP:

LONG TERM CONTRACTS:

The City of Gallatin (the City) is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC). MJMEUC manages a power pool known as Missouri Public Energy Pool #1 ("MoPEP"). The City is a member of MoPEP. All MoPEP members (including the City) have an agreement (the "MoPEP Agreement") with MJMEUC for the purchase of electric capacity and energy from MJMEUC. The MoPEP Agreement requires MJMEUC to supply the full energy requirements of the City and includes a procedure for the City to dedicate its capacity to MoPEP.

MoPEP operations are governed by a committee ("Pool Committee") consisting of one representative from each MoPEP member and is currently comprised of 35 members. The Pool Committee is charged with setting rates for all services provided by MJMEUC to MoPEP members. These rates include recovery of all of MJMEUC's costs (the "Direct Costs") incurred in



City of Gallatin
Management Advisory Report - State Auditor's Findings

connection with acquiring, providing, arranging, or financing the provision of full requirements service to MoPEP members. Such rates are based upon an annual budget and include, but are not limited to, all payments MJMEUC is required to make, or reserves or coverage MJMEUC is required to maintain, pursuant to any bond indenture, financing lease or loan agreement or other financial contract in order to procure, deliver, or finance resources intended to provide full requirements service, without regard to whether any particular resource is available to or used by any particular MoPEP member. Direct Costs also include amounts required to fund MoPEP capital and/or operating reserves as may be established from time to time by the Pool Committee.

The rates are established so as to charge each MoPEP member (including the City) its proportionate share of all costs associated with MJMEUC's performance under the MoPEP Agreement. Charges based on such rates are assessed and billed monthly. Rates are required to be established at least annually and adjusted to recognize variances between budgeted and actual costs at least every six months.

To meet the power and energy requirements of the City and the other MoPEP members, MJMEUC presently obtains power and energy from the following resources: (i) power purchased under long-term firm energy contracts, unit-contingent energy contracts and interruptible contracts; (ii) MJMEUC owned generation; (iii) member capacity; and (iv) spot market purchases. The City purchases its full energy requirements from MJMEUC pursuant to the MoPEP Agreement, but does not have any ownership interest in MJMEUC's resources.

In the event a MoPEP member would cancel the MoPEP Agreement, the member would remain responsible for its allocated share of MJMEUC's Direct Costs associated with all resource obligations entered into by MJMEUC for MoPEP prior to the notice of cancellation. MJMEUC would utilize or sell the member's allocated share of output in exchange for providing the member a credit or offset equal to the fair market value of the output up to the amount of the member's obligation. As a result, the member would have a financial obligation after cancellation in the event that the fair market value of the output is less than the member's allocated share of MJMEUC's Direct Costs with respect to the resource obligations at the time of cancellation. Since the amount of the cancelling member's obligation would depend on MJMEUC's Direct Costs after cancellation and the fair market value of the output at such times in the future, the amount of the obligation is not reasonably determinable. Currently, the City of Gallatin has no plans or intentions to begin cancellation proceedings.



City of Gallatin
Management Advisory Report - State Auditor's Findings

6. Lease Agreements and Policies

A lease agreement and several contracts were entered into by the former City Administrator without Board approval and policies have not been established for the gun purchase program.

On August 26, 2013, the former City Administrator entered into a lease agreement with his father on behalf of the city. The lease agreement allowed the city to use salt bins owned by the former City Administrator's father to store city salt used for street maintenance for 9 months starting August 26, 2013, and ending May 26, 2014. In return, the city agreed to set 3 poles and assist with framing a building extension. The Public Works Director estimated 20 hours of city labor and several city vehicles were used to set the poles and frame the extension. The Board did not approve this lease agreement. The September 9, 2013, Board meeting minutes indicate a discussion was held on this lease agreement but no action to approve the agreement was taken. This meeting occurred 2 weeks after the lease agreement took effect. Although the lease agreement expired in May 2014, the city continues to use the salt bins.

In addition, the city has not adopted formal policies for a gun purchase program for police officers. The former City Administrator entered into contracts with police officers that were not approved by the Board, allowing police officers to reimburse the city through payroll deductions for the cost of firearms purchased by the city. The contracts indicated the repayments had to be made within 12 months, but city officials indicated no other restrictions or limitations for the program exist, such as what type of guns, or how many, can be purchased. After the 12 month interest free repayment plan is complete, the ownership of the firearm transfers from the city to the individual police officer. One Board member we spoke to regarding this program indicated he was unaware of its existence.

To adequately monitor lease agreements and contracts entered into by the city, they should not be signed on behalf of the city without the documented authorization and approval of the Board. Written policies regarding the gun purchase program, including any restrictions or limitations on the types of guns and how many can be purchased, would help ensure the program is operating for the purposes the Board intended.

Recommendation

The Board of Aldermen ensure lease agreements and contracts are not entered into prior to documented Board approval. In addition, written policies for the gun purchase program should be developed.

Auditee's Response

The city agrees with the recommendation and all future leases and agreements will be approved by Board of Aldermen, and the gun purchase program will be revised as suggested for the 2016 budget year.



7. Budgets and Financial Reporting

7.1 Budget amendments

Budget amendments are not prepared prior to incurring related expenditures and the budgets do not include beginning or ending fund balances, as required by state law.

Budget amendments are not prepared before the original budgeted expenditure total is overspent. The Board waits until the last meeting of the year to amend the budget to increase the expenditure budget to the actual expenditure amount, resulting in funds being overspent in total without proper authorization. For example, the original budgeted expenditures amount for the General Fund for the year ended December 31, 2014, was \$596,822. During the last regular Board meeting of the year, on December 19, 2014, the Board amended the General Fund budget through a resolution that stated the "annual budget for fiscal year 2014 be amended to reflect actual expenditures for the year ending December 31, 2014, and that the amended amounts are hereby authorized for expenditure." This effectively increased the budgeted expenditures to \$681,790, resulting in the General Fund being overspent by \$84,968 before the amended budget was approved by the Board.

Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in the budget. The Board should formally amend the budget before the related expenditures are incurred.

7.2 Fund balances

Budget documents do not include the actual beginning and estimated ending cash for any funds. As a result, the Board is not using all available information to assist in effectively managing the city and the public is not provided a complete overview of city finances.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting utility rates and informing the public about city operations and current finances.

7.3 Financial reporting

The city did not submit an annual financial report to the State Auditor's Office as required by law for the year ended December 31, 2014. Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office.

Recommendations

The Board of Aldermen:

- 7.1 Prepare and approve budget amendments prior to incurring the related expenditures.



City of Gallatin
Management Advisory Report - State Auditor's Findings

- 7.2 Ensure annual budgets contain all information required by state law.
- 7.3 Submit annual financial reports to the State Auditor's Office as required by state law.

Auditee's Response

- 7.1 *The city agrees with the recommendation and will follow Section 67.080, RSMo. Amendments to the budget, if needed, will be made throughout the budget year.*
- 7.2 *The city agrees with the recommendation and will follow the requirements of Section 67.010, RSMo.*
- 7.3 *The city agrees with the recommendation and will follow the requirements of Section 105.145, RSMo.*

8. Electronic Data Security

The city has not established adequate password controls to reduce the risk of unauthorized access to computer systems and electronic data. Passwords are not required to be changed on a periodic basis to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password. In addition, security controls are not in place to lock a computer after a specified number of incorrect logon attempts.

Passwords are required to authenticate access to computers. Passwords should be changed periodically to reduce the risk of unauthorized access to and use of systems and data. Logon attempt controls lock the capability to access a system after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a system by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to systems and the unauthorized use, modification, or destruction of data.

Recommendation

The Board of Aldermen should require a unique password for each employee that is periodically changed to prevent unauthorized access to city computer systems and electronic data. The Board of Aldermen should also require each city computer to have security controls in place to lock the computer after a specified number of incorrect logon attempts.

Auditee's Response

The city agrees with the recommendations and is in the process of investigating a two factor authentication system to increase the security of its system and in the meantime will change passwords on a monthly basis.

City of Gallatin

Organization and Statistical Information

The City of Gallatin is located in Daviess County. The city was incorporated in 1856 and is currently a fourth-class city. The city employed 11 full-time employees and 8 part-time employees on December 31, 2014.

City operations include law enforcement services, utilities (water, sewer, electric, and trash), street maintenance, swimming pool, park, and planning and zoning.

Mayor and Board of Aldermen

The city government consists of a mayor and a 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2014, are identified below. The Mayor is paid \$300 per month and the Board of Aldermen members are paid \$200 per month. The compensation of these officials is established by ordinance.

Barbara Ballew, Mayor

John Whitfield, Alderman and Board President, East Ward

Carol Walker, Alderwoman, East Ward

Steve Evans, Alderman, West Ward

Dan Lockridge, Alderman, West Ward

Financial Activity

A summary of the city's financial activity for the year ended December 31, 2014, follows:

City of Gallatin
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended December 31, 2014

	General Fund	Park Fund	Swimming Pool Fund	Gallatin Industrial Development Authority Fund	Band Fund	Cemetery Fund	Utility Fund	Total
RECEIPTS								
Property taxes	\$ 92,359	32,711	0	0	3,206	0	0	128,276
Sales taxes	237,640	0	0	0	0	0	0	237,640
Motor fuel and vehicle taxes	67,347	0	0	0	0	0	0	67,347
Institutional tax	773	274	0	0	27	0	0	1,074
Cable franchise	293	0	0	0	0	0	0	293
Utilities	0	0	0	0	0	0	2,924,121	2,924,121
Bond proceeds	0	0	0	0	0	0	192,934	192,934
Penalties	0	0	0	0	0	0	27,800	27,800
Reconnect fees	0	0	0	0	0	0	3,350	3,350
4th of July event	0	3,893	0	0	0	0	0	3,893
Programs	0	8,275	0	0	0	0	0	8,275
Concessions	0	350	4,753	0	0	0	0	5,103
Pool passes	0	0	2,390	0	0	0	0	2,390
Donations	0	0	4,687	0	0	1,906	0	6,593
Gate deposits	0	0	6,516	0	0	0	0	6,516
Licenses and permits	3,296	0	0	0	0	0	0	3,296
Fines	2,692	0	0	0	0	0	0	2,692
Interest	1,830	22	0	1	0	740	837	3,430
Rent	450	2,205	675	0	0	0	0	3,330
Miscellaneous	24,775	1,201	0	0	0	0	13,050	39,026
Transfers in	215,105	0	33,325	0	0	8,288	0	256,718
Total Receipts	646,560	48,931	52,346	1	3,233	10,934	3,162,092	3,924,097
DISBURSEMENTS								
Payroll	276,759	8,942	22,955	0	0	0	380,389	689,045
Supplies	117,468	407	7,454	0	0	0	90,179	215,508
Electricity purchase	0	0	0	0	0	0	1,558,405	1,558,405
Debt service	9,570	0	0	0	0	0	326,727	336,297
New water plant	0	0	0	0	0	0	194,999	194,999
Contracts	0	0	0	0	0	0	7,350	7,350
Festivals -								
4th of July event	0	4,462	0	0	0	0	0	4,462
Chautauqua	0	0	0	0	2,000	0	0	2,000
Programs	0	7,210	0	0	0	0	0	7,210
Concessions	0	0	3,235	0	0	0	0	3,235
Insurance	7,000	1,908	0	0	0	0	21,000	29,908
Capital improvements	158,191	11,336	0	0	0	0	14,958	184,485
Utilities	5,714	0	394	0	0	0	18,899	25,007
Maintenance	8,441	6,249	13,074	0	0	0	182,675	210,439
Vehicles	16,872	0	0	0	0	0	41,579	58,451
Legal fees	3,065	0	0	0	0	0	1,000	4,065
Postage	0	0	0	0	0	0	4,905	4,905
Audit	3,212	0	0	0	0	0	3,212	6,424
Membership fees	0	0	0	0	0	0	5,561	5,561
Dues and subscriptions	3,705	0	0	0	0	0	5,406	9,111
Easement	0	0	0	0	0	0	2,500	2,500
Mowing	0	0	0	0	0	10,500	0	10,500
Transfers out	41,613	0	0	0	0	0	215,105	256,718
Miscellaneous	30,180	39	5,234	40	0	434	7,875	43,802
Total Disbursements	681,790	40,553	52,346	40	2,000	10,934	3,082,724	3,870,387
RECEIPTS OVER (UNDER) DISBURSEMENTS	(35,230)	8,378	0	(39)	1,233	0	79,368	53,710
CASH, JANUARY 1, 2014	478,046	54,341	9,513	4,815	13,222	15,596	565,972	1,141,505
CASH, DECEMBER 31, 2014	\$ 442,816	62,719	9,513	4,776	14,455	15,596	645,340	1,195,215



Nicole R. Galloway, CPA
Missouri State Auditor

ECONOMIC DEVELOPMENT

Public Service Commission



December 2015
Report No. 2015-129

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Public Service Commission

Manufactured Housing and Modular Units Program	There were significant weaknesses in the Public Service Commission's (PSC) oversight of the Manufactured Housing and Modular Units Program. The program did not ensure that deficiencies identified during inspections of manufactured and modular homes were corrected in a timely manner or, in some cases, ever corrected. The PSC failed to take any action against manufacturers, dealers, and installers who filed late monthly reports. The Commission was also unaware that in January 2008 the former director of the program suspended collection of a \$30 inspection fee for all new manufactured homes. For the period of July 2013 to June 2015, the state lost approximately \$113,000 in revenues when the PSC failed to collect the inspection fee. The PSC ordered the program to reinstate the fee effective July 1, 2015.
Closed Session Records	Meeting minutes for the PSC's closed sessions failed to include required information under Missouri's Sunshine Law. Minutes lacked information such as each meeting's time, place, and names of those in attendance. The minutes also failed to record each commission member's votes during closed session meetings. Auditors were unable to determine whether discussion during closed session meetings was restricted to the list of topics included in the meeting minutes, as no details about the discussion were provided in the minutes.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Public Service Commission

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Manufactured Housing and Modular Units Program4 2. Closed Session Records.....9
-------------------------------------------------------------	---------------------------------------------------------------------------------------------

Organization and Statistical Information	11
---------------------------------------------	----

Appendixes

	Combined Statement of Receipts, Disbursements, Other Financing Uses and Changes in Cash and Investments, Year Ended -	
A-1	June 30, 2015	13
A-2	June 30, 2014.....	14
B	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2015.....	15
C	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2015.....	16
D	Statement of Changes in General Capital Assets, 2 Years Ended June 30, 2015.....	17



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Mike Downing, Director
Department of Economic Development
and
Public Service Commission
and
Wess A. Henderson, Executive Director
Jefferson City, Missouri

We have audited certain operations of the Public Service Commission in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015 and 2014. The objectives of our audit were to:

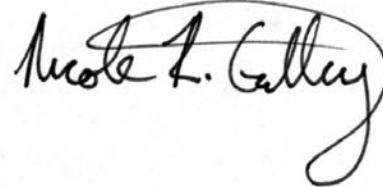
1. Evaluate the commission's internal controls over significant management and financial functions.
2. Evaluate the commission's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the commission, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the commission's management and was not subjected to the procedures applied in our audit of the commission.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Public Service Commission.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Robert McArthur II
Audit Staff:	Waleed Atout
	Steven Barton



Public Service Commission
Management Advisory Report - State Auditor's Findings

1. Manufactured Housing and Modular Units Program

Significant weaknesses exist in Public Service Commission (PSC) controls over the Manufactured Housing and Modular Units Program.

The program was established in January 1974 under Chapter 700, RSMo, and oversees the annual registration of dealers and manufacturers of manufactured homes and modular units, and licensing of installers of new manufactured homes. The program is responsible for prescribing and enforcing uniform construction, safety, and installation standards by conducting code and installation inspections. Program staff conduct routine home inspections of manufactured homes under Housing and Urban Development (HUD) regulations and inspect modular homes. Program management and the inspectors determine which homes are subjected to the routine inspections. In addition, consumers may file complaints and request an inspection. Program staff also perform dealer lot inspections, dealer lot investigations, alteration inspections, and vehicle identification number inspections. The program employs a program director, 2 clerical assistants, and 5 inspectors.

The program is funded by licensing, registration, and inspection fees and fees for manufactured home certification labels, modular home seals, and installer decals for homes sold and installed in the state. During the fiscal year ended June 30, 2015, program expenditures totaled about \$543,000. Program financial activity is recorded in the Manufactured Housing Fund.

Under Chapter 700, RSMo, the PSC may revoke, suspend or place on probation the certificates of registration of dealers and manufacturers and the license of manufactured home installers for statutory violations. In addition, the PSC may consider citizen complaints when determining if violations have occurred. Although the program is authorized to take enforcement actions, the program last filed a manufactured housing formal complaint with the PSC in March 2011 and the PSC has not sanctioned the certificate of registration of any manufacturer or dealer, or the license of any installer, since December 2011.

1.1 Inspection deficiencies

The program does not ensure that deficiencies identified during routine and consumer complaint inspections are corrected and does not require deficiencies to be corrected within established timeframes.

A single inspection may identify deficiencies on the part of the manufacturer, dealer, and/or installer. The program requires inspectors to notify manufacturers, dealers, and installers of the results and deficiencies identified during routine and consumer complaint inspections and to complete an inspection report. In addition, manufacturers, dealers, and installers must correct deficiencies within the required timeframes and submit a work order signed by the consumer indicating all deficiencies were corrected.



Public Service Commission
Management Advisory Report - State Auditor's Findings

We reviewed 12 of the 597 routine inspections conducted during the period of July 2012 through June 2014 and 10 of the 72 consumer complaint inspections performed during the period of July 2013 through March 2015. We noted concerns with 11 of the 12 routine inspections and with all 10 complaint inspections. The overall error rate identified was 95 percent.

Uncorrected deficiencies

The program does not ensure that deficiencies are corrected. For 10 routine inspections and 9 consumer complaint inspections, the inspection file did not contain documentation that all deficiencies noted during the inspection had been corrected. Several files reviewed included some documentation indicating the manufacturer, dealer, or installer reported making corrections; however, these files did not contain a work order signed by the homeowner. Some files did not have documentation that any deficiency had been corrected. For 9 routine inspections, the files did not have documentation that the parties responsible for correcting the deficiencies were notified of the inspection results.

After we reported our results to PSC officials, they indicated program staff had been able to subsequently contact the relevant parties for the inspections with uncorrected deficiencies and determined in most instances those deficiencies had been satisfactorily corrected. The program subsequently filed multiple formal complaints before the PSC involving uncorrected deficiencies of one manufactured home dealership.

Correction timeframes

The program does not ensure deficiencies are corrected within the required timeframes. Installers must correct noted deficiencies within 30 days and manufacturers and dealers must correct noted deficiencies within 20 days from notification of the inspection results. We noted only 1 instance when all deficiencies for an inspection were corrected by all parties within the required timeframes. In some instances individual installers, dealers, or manufacturers reported correcting the deficiencies they were responsible for within the required timeframes, but other parties with deficiencies did not.

The PSC should ensure all deficiencies identified during manufactured and modular home inspections are corrected within established time frames.

1.2 Manufacturers, dealers
and installers reporting

The program does not take action against manufacturers, dealers, and installers who fail to file required monthly reports.

The program requires registered manufacturers, dealers, and licensed installers to submit monthly reports of shipments, sales, and installations. Dealers are also required to submit a property locator form indicating the destination of the home within 48 hours of the date the home leaves the dealer's location. The program can impose a \$50 inspection fee for each report filed more than 60 days late and file a formal complaint with the PSC seeking to suspend or revoke the registration or license of untimely filers.



Public Service Commission
Management Advisory Report - State Auditor's Findings

The program did not assess any inspection fees or file any formal complaint during the 2 years ended June 30, 2015, on any manufacturer, dealer, or installer for failure to meet the reporting requirements. We reviewed reports due during the period of January 2014 to March 2015.

Manufacturer reports

As of spring 2015, there were 27 manufactured home and 59 modular home manufacturers and 16 more companies registered as both manufactured home and modular home manufacturers. We reviewed the shipment reports submitted by 6 manufacturers. We noted 2 manufacturers consistently filed reports late, including one report that was filed 309 days late.

Under 4 CSR 240-120.070(2) and 4 CSR 240-123.040(9), manufacturers are to submit to the program, by the tenth day of each month, a report that identifies each manufactured or modular home shipped into or manufactured in Missouri during the previous month.

Dealer reports

As of spring 2015, there were 173 licensed dealers. We reviewed the reports of 7 dealers. Almost half the monthly reports filed by 6 of the dealers reviewed were filed late, with one report filed 219 days late. In addition, 2 of the 7 dealers reported selling new homes during the period; however, they did not submit property locator forms within 48 hours.

Under 4 CSR 240-120.130 and 4 CSR 240-123.070, dealers of manufactured and modular homes must submit a monthly sales report by the tenth day of the following month. In addition, 4 CSR 240-120.65 requires dealers to submit a property locator form indicating the destination of a home within 48 hours after shipment to the consumer. Failure to submit property locator forms timely impedes the ability of the program to conduct timely routine inspections.

Installers

As of spring 2015, there were 84 licensed installers. Over half of the installation reports filed by 1 of 4 installers reviewed were filed late and one report was filed 117 days late.

Under 4 CSR 240-125.070, installers must submit a monthly report of installations performed by the tenth day of the following month.

Conclusion

By not enforcing the monthly reporting requirements for manufacturers, dealers, and installers; program management's ability to schedule inspections efficiently and based upon the level of activity of the various regulated entities was reduced.

1.3 Lost revenues

The program failed to collect a \$30 inspection fee on all new manufactured homes delivered or sold to dealers in the state and failed to file a notice with the Secretary of State (SOS) of suspension of the regulation establishing the fee.



Public Service Commission Management Advisory Report - State Auditor's Findings

Program officials indicated the former program director indefinitely suspended the \$30 inspection fee in January 2008, without obtaining the PSC's approval or filing a suspension notice with the SOS. According to reports from the Institute for Building Technology and Safety listing all new manufactured homes shipped to Missouri each month, 3,781 new manufactured homes were shipped to Missouri during the period of July 2013 through June 2015. The state lost approximately \$113,000 in revenues due to the failure to collect required fees on this activity. Additional undetermined revenues were lost between January 2008 and June 2013. The commission was unaware the fee had been suspended.

Under 4 CSR 240-120.140, the PSC established the \$30 inspection fee to be assessed on each new manufactured home delivered or sold to dealers in the state, to be paid by the manufacturer. In addition, Section 536.022, RSMo, indicates if any rule or portion of a rule of a state agency is suspended or terminated by action of the governor, a court or other authority, the state agency shall immediately file a notice of such action with the SOS. On April 29, 2015, the PSC ordered the program to reinstate the \$30 shipment fee effective July 1, 2015.

Recommendations

The PSC:

- 1.1 Ensure all deficiencies identified during routine and consumer complaint inspections are corrected within established timeframes.
- 1.2 Ensure monthly reports are received timely and consider assessing the \$50 inspection fee for each report that is filed 60 days after the due date and file a formal complaint with the PSC for any entities that fail to comply. In addition, the PSC should ensure that property locator forms are received timely and consider assessing entities \$50 per form that is not filed within 48 hours.
- 1.3 Ensure the inspection fees on manufactured homes are collected. In addition, the PSC should file notices of suspension or termination of rules as required by state law.

Auditee's Response

- 1.1 *Several issues were identified in the draft report related to inspections, with an overall identified error rate of 95 percent. Prior to receiving the draft report, the PSC commenced steps to address the deficiencies.*

Process Review

- *Staff reviewed all internal processes to ensure better compliance with rules, timeframes, and customer service.*
- *The Manager will review open complaints and open inspections every 30 days. The Manager will follow up with inspectors on*



Public Service Commission
Management Advisory Report - State Auditor's Findings

all inspections with inactivity for over 45 days. The Manager will follow up on all open complaints with inactivity for 30 days. After the end of each month, the Manager will submit a list of open complaints and open inspections to the Staff Director.

- Staff is developing a timeline for manufacturers, dealers, and installers to timely complete issues/deficiencies identified during inspection. Letters will be updated accordingly.*
- Staff will record all contact with the consumer, dealer, installer, or manufacturer in the department computer system. All consumer complaint or inspection manufacturer, dealer, installer issues outstanding after 90 days will be referred to Staff Counsel's Office (SCO). The SCO will notify the manufacturer, dealer, or installer that it has a limited amount of time to either correct issues or submit a plan of action. The SCO will file a complaint if issues have not been corrected or an acceptable plan of action has not been submitted by the due date.*
- The SCO has filed 5 complaints since July 2015. Staff is working on the resolution of all complaints.*

Rule Revisions

- Staff is reviewing all manufactured housing rules and proposing changes for consistency. There are several places where timeframes for completion of items are identified. These timeframes are being reviewed and will either be modified or "softened" to recognize delays due to such things as weather, ability to obtain materials, etc.*
- Workshop(s) will be held with interested stakeholders.*
- Proposed rulemaking will be submitted to Commissioners to begin the formal rulemaking process.*

Letters and Forms

Staff is reviewing all letters and forms for accuracy and relevance.



Public Service Commission
Management Advisory Report - State Auditor's Findings

Request for Proposal (RFP)

On October 5, 2015, the Commission approved release of an RFP to solicit bids for a new Manufactured Housing and Modular Units computer software/system. On November 12, 2015, the Office of Administration assigned a buyer to the project.

- 1.2 *The draft report noted deficiencies with timely receipt of manufacturer, dealer, and installer reporting. As part of the process review discussed above, the PSC implemented a manual report tracking process. Reports are date stamped when received. Reports received in a timely manner are separated from reports received after the due date, are entered into the computer software/system and reports are generated to identify delinquent reports. "Past due" letters are sent out within a few days of delinquency. Requests from the past due entity are not processed until the entity is current with all reports. When inspectors meet with installers or dealers, they also request delinquent reports. Delinquent reporting has also been addressed in some of the complaints recently filed.*
- 1.3 *The draft report noted the program failed to collect a \$30 inspection fee on all new manufactured homes delivered or sold to dealers in the state of Missouri and failed to file notice with the SOS of suspension of the regulation which established the fee. It is not clear why the collection of the fee ceased. The Commission has the authority to waive its rules, but there is not a Commission case indicating the Commission waived this requirement. The requirement was reinstated effective July 1, 2015.*

2. Closed Session Records

Meeting minutes for closed sessions did not include some required information or details about the topics discussed.

The closed session minutes during the audit period did not include the time, place, members present, members absent, or roll call votes with "yea" and "nay" attributed to the name of the commission member. The minutes only listed a tally of the votes to close the meeting, a statutory citation, and each topic to be discussed, followed by the word "discussed." Those minutes did not include any details about the topics discussed and as a result we were unable to determine if the discussion was restricted to the cited topic. In April 2015, after we discussed this matter with agency officials, the PSC began including some additional detail about the discussions held in closed session.

Section 610.020.7, RSMo, requires a journal or minutes of closed meetings. The minutes shall include the date, time, place, members present, members



Public Service Commission
Management Advisory Report - State Auditor's Findings

absent, and a record of any votes taken. In addition, Section 610.015, RSMo, requires all votes in closed session to be by roll call and the minutes to attribute for each roll call each "yea" and "nay" vote, or abstinence if not voting, to the name of the individual member of the public governmental body.

Recommendation

The PSC ensure closed session minutes include required information and sufficient detail to demonstrate discussions are limited to those allowable topics cited when closing the meeting.

Auditee's Response

The Commission is committed to following the applicable requirements under Chapter 610, and Section 610.020.7, RSMo. As noted in the report regarding closed session minutes, the Commission has already modified the information included in closed session minutes to include additional detail about discussions held in closed session. In response to the report's recommendation regarding closed session minutes, the Commission will continue to take closed session minutes that include sufficient detail to show that the discussions had in closed session are limited to those allowable topics cited when the meeting has been closed. This also includes noting in the minutes the date, time, place, members present, members absent, and a record of any votes taken by roll call.

Public Service Commission

Organization and Statistical Information

The Missouri Public Service Commission (PSC) was established in 1913 by the 47th General Assembly. The 1974 State Reorganization Act placed the PSC within the Department of Consumer Affairs, Regulation and Licensing, which in 1984 was renamed the Department of Economic Development.

The PSC is charged with the statutory responsibility of ensuring that public utility consumers receive safe and adequate services at just and reasonable rates that will provide the utility companies' shareholders the opportunity to earn a reasonable return on their investment. The PSC consists of 5 commissioners who are appointed by the Governor to 6-year terms with the advice and consent of the Missouri Senate. The terms are staggered so that no more than 2 terms expire in any 1 year. The Governor designates one member as chair, who serves in that capacity at the pleasure of the Governor.

The PSC regulates utility rates, service, and safety for investor-owned electric, gas, telecommunications, sewer, and water companies. The PSC monitors the construction of manufactured and modular homes to ensure compliance with state and federal law. The PSC also administers the Deaf Relay Services and Equipment Distribution Program that provides telecommunication services to the hearing impaired.

While the rates charged by rural electric cooperatives and municipally-owned utilities are determined by their respective governing bodies, the PSC has jurisdiction regarding matters of safety over rural electric cooperatives and municipally-operated electric and natural gas systems. Similarly, the PSC does not have jurisdiction over the basic service rates for telephone cooperatives, but regulates other aspects of their operations. The PSC also oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives and municipally-owned electric utilities, as well as those involving privately-owned water and sewer utilities and public water supply districts.

The PSC has a staff of professional accountants, engineers, economists, attorneys, financial analysts, and management specialists that evaluate utility requests for PSC approval. These requests deal with matters such as tariff changes regarding rates and business operations, financing proposals, business reorganizations, asset transfers, and mergers. The staff will provide the results of its evaluation and recommend actions that satisfy the agency's statutory requirements.



Public Service Commission
Organization and Statistical Information

As of June 30, 2015, the PSC had the following members:

Name	Position	Term Ends
Robert S. Kenney	Chairman	April 28, 2015*
Stephen M. Stoll	Commissioner	December 13, 2017
William P. Kenney	Commissioner	January 9, 2019
Daniel Y. Hall	Commissioner	September 27, 2019
Scott T. Rupp	Commissioner	May 25, 2020

* Commissioner Robert Kenney's term had expired, but he continued to serve until August 7, 2015. On August 10, 2015, Commissioner Hall was appointed Chairman and Maida J. Coleman was appointed to the Commission subject to Senate confirmation.

During the 2 years ended June 30, 2015, Terry Jarrett also served as commissioner. Wess Henderson serves as the Executive Director. At June 30, 2015 the PSC had approximately 184 salaried and 7 temporary employees.

Appendix A-1

Public Service Commission

Combined Statement of Receipts, Disbursements, Other Financing Uses and Changes in Cash and Investments
Year Ended June 30, 2015

	Public Service Commission Fund	Deaf Relay Service and Equipment Distribution Program Fund	Manufactured Housing Fund	Manufactured Housing Consumer Recovery Fund	Total (Memorandum Only)
RECEIPTS					
Public utilities fees	\$ 18,063,685	1,631,951	0	0	19,695,636
Federal gas grant	110,000	0	0	0	110,000
Interest	0	29,453	0	244	29,697
Inspection fees	0	0	383,477	0	383,477
Cost reimbursements - State	608,259	0	0	0	608,259
Other receipts	16,884	223	352	0	17,459
Total Receipts	18,798,828	1,661,627	383,829	244	20,844,528
DISBURSEMENTS					
Salaries and wages	10,406,049	0	269,921	0	10,675,970
Employee fringe benefits	4,819,616	0	134,851	0	4,954,467
Travel, in-state	141,338	348	7,057	0	148,743
Travel, out-of-state	84,552	0	0	0	84,552
Fuel and utilities	135,165	0	3,299	0	138,464
Supplies	283,343	37	19,942	0	303,322
Professional development	129,517	200	2,465	0	132,182
Communication service and support	142,843	0	7,571	0	150,414
Professional services	523,847	864,044	18,816	0	1,406,707
Equipment expenses	222,263	0	40,705	0	262,968
Miscellaneous expenses	32,343	385	473	0	33,201
Building and lease payment	872,615	0	17,508	0	890,123
Program distributions	0	0	3,629	0	3,629
Cost allocations and administrative expenses	446,110	28,241	16,556	0	490,907
Total Disbursements *	18,239,601	893,255	542,793	0	19,675,649
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	559,227	768,372	(158,964)	244	1,168,879
OTHER FINANCING USES					
Appropriations exercised by other state agencies					
Elementary and Secondary Education	0	1,182,017	0	0	1,182,017
Office of the Public Counsel	875,570	0	0	0	875,570
Total Other Financing Uses	875,570	1,182,017	0	0	2,057,587
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	(316,343)	(413,645)	(158,964)	244	(888,708)
CASH AND INVESTMENTS, JULY 1, 2014	2,309,886	5,974,037	791,695	49,851	9,125,469
CASH AND INVESTMENTS, JUNE 30, 2015	\$ 1,993,543	5,560,392	632,731	50,095	8,236,761

* Disbursements on this statement do not agree to fund expenditures on Appendix B primarily due to appropriated transfers out.

Appendix A-2

Public Service Commission

Combined Statement of Receipts, Disbursements, Other Financing Uses and Changes in Cash and Investments
Year Ended June 30, 2014

	Public Service Commission Fund	Deaf Relay Service and Equipment Distribution Program Fund	Manufactured Housing Fund	Manufactured Housing Consumer Recovery Fund	Total (Memorandum Only)
RECEIPTS					
Public utilities fees	\$ 18,061,412	2,038,764	0	0	20,100,176
Federal gas grant	18,221	0	0	0	18,221
Interest	0	33,942	0	277	34,219
Inspection fees	0	0	401,934	0	401,934
Cost reimbursements - State	636,085	0	0	0	636,085
Other receipts	11,768	8	525	0	12,301
Total Receipts	18,727,486	2,072,714	402,459	277	21,202,936
DISBURSEMENTS					
Salaries and wages	9,910,060	0	252,909	0	10,162,969
Employee fringe benefits	4,443,796	0	126,881	0	4,570,677
Travel, in-state	101,553	65	9,234	0	110,852
Travel, out-of-state	90,323	0	0	0	90,323
Fuel and utilities	136,292	0	1,574	0	137,866
Supplies	321,008	74	21,230	0	342,312
Professional development	157,998	200	3,590	0	161,788
Communication service and support	160,408	0	6,816	0	167,224
Professional services	406,228	1,011,198	20,381	0	1,437,807
Equipment expenses	255,037	0	17,114	0	272,151
Miscellaneous expenses	37,135	382	439	0	37,956
Building and lease payments	855,428	0	13,240	0	868,668
Program distributions	5,440	0	22,301	0	27,741
Cost allocations and administrative expenses	562,803	30,512	19,747	0	613,062
Total Disbursements *	17,443,509	1,042,431	515,456	0	19,001,396
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	1,283,977	1,030,283	(112,997)	277	2,201,540
OTHER FINANCING USES					
Appropriations exercised by other state agencies					
Elementary and Secondary Education	0	1,117,499	0	0	1,117,499
Office of the Public Counsel	705,619	0	0	0	705,619
Total Other Financing Uses	705,619	1,117,499	0	0	1,823,118
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	578,358	(87,216)	(112,997)	277	378,422
CASH AND INVESTMENTS, JULY 1, 2013	1,731,528	6,061,253	904,692	49,574	8,747,047
CASH AND INVESTMENTS, JUNE 30, 2014	\$ 2,309,886	5,974,037	791,695	49,851	9,125,469

* Disbursements on this statement do not agree to fund expenditures on Appendix B primarily due to appropriated transfers out.

Appendix B

Public Service Commission
Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,			
		2015		2014	
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Lapsed Balances
PUBLIC SERVICE COMMISSION FUND					
Public Service Commission Refunds	\$ 10,000	0	10,000	10,000	10,000
Public Service Commission Personal Services	10,618,459	10,406,049	212,410	10,521,514	611,454
Department of Economic Development Leasing	914,742	907,893	6,849	917,208	4,285
Public Service Commission Expense and Equipment	2,536,462	1,583,549	952,913	2,536,462	995,063
Unemployment Benefits	4,894	0	4,894	5,441	1
Department of Economic Development State Owned	76,929	76,383	546	67,090	0
Total Public Service Commission Fund	14,161,486	12,973,874	1,187,612	14,057,715	1,620,803
DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION PROGRAM FUND					
Public Service Commission Expense and Equipment	2,495,808	865,015	1,630,793	2,495,808	1,483,890
Total Deaf Relay Service and Equipment Distribution Program Fund	2,495,808	865,015	1,630,793	2,495,808	1,483,890
MANUFACTURED HOUSING FUND					
Manufactured Housing Refunds	10,000	125	9,875	10,000	10,000
Manufactured Housing Administration Expense and Equipment	354,466	96,784	257,682	120,946	42,217
Manufactured Housing Program	20,000	3,629	16,371	20,000	4,099
Department of Economic Development Leasing	21,645	20,927	718	15,304	416
Manufactured Housing Administration Personal Services	349,828	269,921	79,907	348,232	95,323
Unemployment Benefits	0	0	0	6,401	1
Total Manufactured Housing Fund	755,939	391,386	364,553	520,883	152,056
MANUFACTURED HOUSING CONSUMER RECOVERY FUND					
Manufactured Housing Consumer Recovery	192,000	0	192,000	192,000	192,000
Total Manufactured Housing Consumer Recovery Fund	192,000	0	192,000	192,000	192,000
Total All Funds	\$ 17,605,233	14,230,275	3,374,958	17,266,406	3,448,749

Appendix C

Public Service Commission Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2015	2014	2013	2012	2011
Salaries and wages	\$ 10,675,970	10,162,969	10,118,289	10,150,120	9,767,133
Travel, in-state	148,743	110,852	149,267	98,286	154,531
Travel, out-of-state	84,552	90,323	70,385	65,966	44,066
Fuel and utilities	138,464	137,866	125,108	115,690	107,593
Supplies	303,322	342,312	273,378	250,891	234,234
Professional development	132,182	161,788	129,132	140,757	121,745
Communication service and supplies	150,414	167,224	151,551	160,692	148,201
Services:					
Professional	1,203,436	1,292,998	1,520,887	1,564,193	1,983,118
Housekeeping and janitorial	59	110	0	0	32
Maintenance and repair	203,212	144,699	136,735	155,333	213,548
Equipment:					
Computer	184,619	207,064	49,636	82,103	120,081
Motorized	40,160	15,280	21,707	932	76,269
Office	23,980	45,259	31,865	26,331	26,601
Other	14,209	4,548	17,816	12,263	13,383
Property and improvements	0	0	18,041	0	0
Building lease payments	875,690	859,635	872,453	863,123	809,344
Equipment rental and leases	14,433	9,033	167	3,405	82
Miscellaneous expenses	33,076	37,956	8,958	33,405	18,031
Refunds	125	0	400	2,183	1,150
Program distributions	3,629	27,741	19,931	9,266	19,777
Total Expenditures	\$ <u>14,230,275</u>	<u>13,817,657</u>	<u>13,715,706</u>	<u>13,734,939</u>	<u>13,858,919</u>

Appendix D

Public Service Commission
Statement of Changes in General Capital Assets

All Funds	Equipment	Software	Motor Vehicles	Total
Balance, July 1, 2013	\$ 1,098,880	0	286,372	1,385,252
Additions	134,347	86,268	20,548	241,163
Dispositions	(31,428)	0	(12,580)	(44,008)
Balance, June 30, 2014	1,201,799	86,268	294,340	1,582,407
Additions	162,742	24,786	45,307	232,835
Dispositions	(77,163)	0	(22,044)	(99,207)
Balance, June 30, 2015	\$ 1,287,378	111,054	317,603	1,716,035

Fund of Acquisition	Balance June 30, 2015
Public Service Commission Fund	\$ 1,600,281
Manufactured Housing Fund	115,163
Deaf Relay Service and Equipment Distribution Fund	591
Total All Funds	\$ 1,716,035



Nicole R. Galloway, CPA
Missouri State Auditor

Goodman Area Fire Protection District



December 2015
Report No. 2015-130

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Goodman Area Fire Protection District

Interest, Debit Cards, and Online Transactions

Some activities involving Board President Jim Morgan and Board Member Paul Sprenkle created actual, or at the very least, the appearance of conflicts of interest. The district did not solicit bids for any of the services provided by Mr. Morgan or his company during 2014 and 2013, totaling \$7,748, and Mr. Morgan did not abstain from approving the related payments. The district also purchased supplies from a local company owned by Mr. Sprenkle, who did not abstain from approving the purchases.

The district does not have a policy restricting or limiting the use of the debit cards. A \$1000 cash withdrawal was made by Mr. Morgan, during his time as Vice President from the district's bank account using a district debit card. A district debit card was used to pay fees for six calls using Skype totaling \$60, which Mr. Morgan indicated he believed were fraudulent; however, the charges were not disputed or a refund obtained. The district debit card assigned to Mr. Morgan was used to pay 8 vendor invoices that did not show the district as the customer. In March 2012, Mr. Morgan circumvented debit card purchase limits by splitting a purchase. District debit cards were also used to make several food purchases during trips when overnight travel was not required. Additionally, district board members, officers, and vendors used the district's debit cards in violation of district bylaws.

Mr. Morgan indicated he used the district's eBay account and debit card to make district, personal, and company online purchases. Due to the similar nature of some items purchased, determining which eBay account transactions were for the district was not always possible. This occurred because Mr. Morgan rebuilds/repairs vehicles and equipment using new and used parts for the district, personally, and for his business.

Capital Assets

The district does not maintain records of capital assets, including land, buildings, vehicles, equipment, and other personal property. The district also does not always tag or otherwise identify capital assets as district property or perform physical inventories. Numerous district assets are maintained at the personal residence of Mr. Morgan, and a district generator is maintained at the personal residence of the district's lieutenant. The district does not have specific plans for the use of many of the assets stored on Mr. Morgan's property, and it is questionable why the district is storing assets on his property when the district maintains buildings and land at three other locations within the district. The district also does not have a written agreement with him detailing issues related to the storage of assets, such as access and liability. The district failed to obtain insurance coverage on four district vehicles.

Disbursements

The board does not maintain a list of bills approved and does not document its approval of individual invoices. The board does not have adequate controls over bank accounts and checks. Some district checks were issued without the required signatures, some checks were issued to cash, and some checks were issued with the payee left blank. The district did not maintain adequate documentation of some disbursements. The district does not have a

procedure in place to prepare and file 1099-MISC forms with the Internal Revenue Service. Officials and employees did not always follow the district's bid policy, and due to the limited number of transactions incurred by the district in excess of the required bid threshold, the district should consider revising the policy.

Accounting Controls, Procedures, and Records	Accounting duties are not segregated, and there is no supervisory review of the work performed by the board secretary/treasurer, who is responsible for all record-keeping duties of the fire district. The district does not issue receipt slips for monies received in accordance with district bylaws. The district does not maintain accurate accounting records, and financial reports presented for board review were not always accurate or consistently prepared.
Budgetary Process	District budgets did not contain all required elements. The board does not adequately monitor budget-to-actual revenues and expenditures.
Meetings and Bylaws	The board secretary/treasurer failed to document the voting and approval process of some board decisions, and meeting minutes were not always signed as required by district bylaws. The district also does not have an official copy of up-to-date bylaws, and the board has not adopted resolutions and ordinances in accordance with district bylaws.
Electronic Data Security	The district does not backup financial and other computer system data leaving the district's electronic data at risk if data could not be recovered. In addition, the district does not have antivirus software installed on the computer systems to ensure protection of district data.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Goodman Area Fire Protection District

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Conflicts of Interest, Debit Cards, and Online Transactions.....4
	2. Capital Assets9
	3. Disbursements 14
	4. Accounting Controls, Procedures, and Records 18
	5. Budgetary Procedures.....20
	6. Meeting and Bylaws.....21
	7. Electronic Data Security.....23

Organization and Statistical Information	25
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NICOLE R. GALLOWAY, CPA

Missouri State Auditor

To the Board of Directors
Goodman Area Fire Protection District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Goodman Area Fire Protection District. We have audited certain operations of the district in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. The objectives of our audit were to:

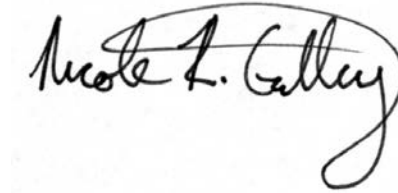
1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; testing selected transactions; inspection of capital assets; and analysis of comparative data from external and internal sources. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Goodman Area Fire Protection District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison, CPA
In-Charge Auditor:	Connie James
Audit Staff:	Marian Seevers, M.Acct., CPA

Goodman Area Fire Protection District

Management Advisory Report

State Auditor's Findings

1. Conflicts of Interest, Debit Cards, and Online Transactions

Some activities involving elected Board members created actual, or at the very least, the appearance of conflicts of interest. Significant improvement is needed in the district's handling of debit cards and online transactions. We identified improper use of district debit cards and online purchases including personal and unsupported purchases.

The fire protection district's fiscal year is January 1 through December 31. The scope of our audit included, but was not necessarily limited to the period January 1, 2013, through December 31, 2013. After the identification of significant concerns regarding conflicts of interest, debit cards, online transactions, and capital assets, we also applied limited audit procedures to disbursements for the periods January 1, 2012, through December 31, 2012, and January 1, 2014, through December 31, 2014.

1.1 Conflicts of interest

Some activities involving current Board President/former Board Vice President Jim Morgan and Board Member Paul Sprenkle created actual, or at the very least, the appearance of conflicts of interest. Morgan served as Board Vice President from 2012 to April 2014. He was appointed as Board President in April 2014, and currently serves in that position. Sprenkle has served as a Board member from 2012 to present.

- The district did not solicit bids for any of the services provided by President/Vice President Morgan or his company.

During 2013, the district paid \$4,632 to Morgan's Backhoe and Excavating, a company owned by Morgan, for rock and dirt hauling, cutting a parking lot and repairing a water leak, and backhoe services. The district also issued a \$400 check to him personally on December 30, 2013, (one day before the city's fiscal and reporting year ended) for labor and backhoe services related to installing a tower site heater. The invoice related to this payment listed Jim Morgan Plumbing as the vendor. Jim Morgan Plumbing is not a company registered as being owned and operated by him. Given the timing of the payments and the issuance of checks to both Morgan and his company, district officials may have been trying to circumvent state law regarding conflicts of interest.

Two of the checks issued to Morgan's Backhoe and Excavating in 2013 exceeded \$500. Also, invoices submitted by Morgan's Backhoe and Excavating were not always itemized or adequately detailed. Some invoices did not detail the number of hours worked, the rate charged, or the amount of fill dirt purchased and hauled.

In addition, during 2014, the district did not solicit bids for a used fire truck and fire extinguisher brackets purchased from President/Vice President Morgan for \$2,716.



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

He also did not abstain from approving payments to his company or himself or abstain when the Board specifically voted to use his company for some of these services. On October 9, 2012, and March 12, 2013, the Board specifically voted to use Morgan's Backhoe and Excavating for some work for the district; however, he did not abstain from these votes.

- The district purchased supplies from a local company owned by Board Member Sprenkle. During 2013 and 2014, the district paid \$1,234 and \$1,133 to this company using district debit cards without soliciting bids. In addition, detailed invoices showing the items purchased were not retained for 5 of these 15 debit card transactions totaling \$898. While these transactions did not violate state law related to conflicts of interest, Board Member Sprenkle did not abstain from approving these payments.

Board members of a district serve in a fiduciary capacity. Personal interests in business matters of the district could create actual and the appearance of conflicts of interest. Sections 105.454 and 105.458, RSMo, prohibit financial transactions between the district and elected officials that involve more than \$500 per transaction or \$5,000 per annum, unless there has been public notice to solicit proposals and competitive bidding, provided the bid or offer accepted is the lowest received. The Board should ensure its members abstain from any decision to contract with a related party and ensure that action is fully documented in the meeting minutes. In addition, to help prevent actual or the appearance of conflicts of interest, discussions and decisions concerning situations where potential conflicts of interest exist should be completely documented. Soliciting bids or proposals helps ensure the district receives fair value for the monies spent on services.

1.2 Debit cards

From at least 2012 to present, the district has maintained 2 debit cards, with one assigned to President/Vice President Morgan, and another kept at the district office. Another debit card was assigned to former President Marshall Long, but was canceled when he resigned from the Board in April 2014. District debit card purchases totaled \$69,854 during the 3 years ended December 31, 2014. We identified several concerns with debit card use and policies.

- The district does not have a policy restricting or limiting the use of the debit cards. Two cash withdrawals were made from the district's bank account totaling \$1,020 using district debit cards. A \$1,000 withdrawal was made using the debit card assigned to then Vice President Morgan on September 10, 2012. President Morgan indicated the \$1,000 withdrawal was made to reimburse himself for vehicle parts he purchased for the district, and an invoice dated August 27, 2012, was maintained in district records to support the reimbursement. This



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

transaction was not presented to the Board for approval or accurately recorded as a cash withdrawal or cash reimbursement in district records. Rather, it was recorded as a debit card payment to the vehicle parts vendor. In addition, a \$20 cash withdrawal was made on October 16, 2012, using the debit card assigned to former President Long. A handwritten note indicated the \$20 was withdrawn to keep the debit card active, and \$13 was used for lunch and \$7 was kept for petty cash. No documentation of the lunch purchase or petty cash use was maintained by the district. This cash withdrawal also was not presented to or approved by the Board.

- A district debit card was used to pay fees for 6 calls using Skype totaling \$60 in April 2012. Because bank statements did not identify the debit card used, we could not determine which debit card was used to pay these fees. President Morgan indicated he believed these charges were fraudulent; however, no documentation was maintained by the district to show the charges were disputed or a refund obtained.

The district debit card assigned to President/Vice President Morgan was used to pay 8 vendor invoices that did not show the district as the customer. The invoices showed purchases were billed or sold to entities other than the district; including the City of Goodman (6), City of Neosho (1), and Jimmie Morgan, Morgan's Excavating (1). The invoices had dates ranging from July 2012 to December 2013 and totaled \$1,442. President Morgan indicated he requested the vendors to address district invoices in that manner so the district could utilize discounts available to those entities.

- In March 2012, then Vice President Morgan circumvented debit card purchase limits by splitting a purchase. An engine assembly and electric start totaling \$2,144 was purchased; however, the vendor charged half this amount (\$1,072) twice to the district debit card. President Morgan indicated he requested the vendor split the purchase into 2 billings, so the amount would not exceed his \$1,500 debit card purchasing limit. Splitting purchases effectively eliminates the control provided by purchasing limits.
- District debit cards were used to make several food purchases during trips when overnight travel or 12-hour travel status was not required, including 16 transactions in 2014 totaling \$501, 4 transactions in 2013 totaling \$90, and 11 transactions in 2012 totaling \$287. All of these purchases were made within about 140 miles of the City of Goodman, including purchases in Goodman, Anderson, and Joplin. The Goodman Area Fire Protection District includes 96 square miles surrounding the City of Goodman. The district does not have a formal policy regarding food purchases when overnight travel is not required. Additionally,



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

some invoices included notes indicating the meals were for training or a fire call, but some had no explanation of the purpose. The lack of this documentation along with no formal policy, makes evaluating the appropriateness of these expenses difficult.

- Checkout procedures have not been established for the district's debit cards. Also, use of the debit cards by Board members without adoption of a resolution and by district vendors and officers violates district bylaws. Article I, Section 9, of the district bylaws requires an adopted resolution or ordinance to authorize a Board member to incur expenses on behalf of the Board.

Former President Long and President/Vice President Morgan used a district debit card to purchase items online and at various vendors without prior Board approval. A resolution or ordinance has not been adopted by the Board allowing Board members to incur expenses on behalf of the district.

During 2012 and 2013, the fire district's Lieutenant made 2 purchases totaling \$574 using the debit card maintained in the district office and made 2 other purchases totaling \$753 using then Vice President Morgan's debit card. Additionally, the owner of an auto body shop (utilized by the district) made 2 purchases in 2013 totaling \$255 using then Vice President Morgan's debit card. District bylaws do not include provisions for anyone other than the Board of Directors to incur expenses on behalf of the district.

Complete and detailed written debit card policies and procedures are necessary to provide guidance and help determine who actually needs a debit card. The Board should develop policies requiring submission of debit card receipt slips for comparison to bank statements, allowing only authorized cardholders to use the district's debit cards, and requiring independent approval of purchases made. In addition, the Board should develop an ordinance regarding food purchases and required documentation.

1.3 Online transactions

In February 2011, then Vice President Morgan established a district eBay account to purchase vehicle and equipment parts and various other items for the district. Payments for these online purchases were made either through use of his district debit card or Automated Clearing House (ACH) transactions from the district's bank account. President Morgan indicated he used the eBay account and debit card to make district, personal, and company purchases. Due to the similar nature of some items purchased, we could not always determine which eBay account transactions were for the district. This occurred because Morgan rebuilds/repairs vehicles and equipment using new and used parts for the district, personally, and for his backhoe and excavating company.



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

From February 2011 to February 2015, 585 items were purchased on the district's eBay account totaling \$32,923. Of these 585 items, 186 items totaling \$13,843 appear to be personal or personal company purchases made by President/Vice President Morgan. These items were not paid for through the district's debit card or bank account. Examples of personal items purchased on the district's eBay account include children's toys, racing seats, a bow and arrow/gun rack, a cell phone, and reading glasses.

President/Vice President Morgan used the district's debit card on 3 occasions to pay for personal purchases totaling approximately \$1,200. One personal purchase was made in 2012, another in 2013, and another in 2014. He reimbursed the district for these purchases; however, by using the district's eBay account and debit card he may have avoided paying sales tax on these items.

The commingling of district and personal online transactions increases the risk of misuse or unnecessary purchases. Formal detailed online purchase policies that address required documentation and review and approval procedures, including requiring pre-approval of purchases, are necessary to provide guidance to Board members and officers.

Recommendations

The Board of Directors:

- 1.1 Refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law and the selection process is documented and ensure applicable Board members abstain from voting on such decisions.
- 1.2 Evaluate the need for each debit card and adopt formal policies and procedures for debit card use. In addition, the Board should develop a comprehensive policy regarding food purchases.
- 1.3 Ensure the district's eBay account and debit card are used only for district purchases, and evaluate the need for online purchases. Formal policies and procedures regarding online transactions should be adopted.

Auditee's Response

- 1.1 *The Board of Directors of the Goodman Area Fire Protection District will adopt a conflict of interest policy within ninety (90) days of the release of this audit to ensure that the Goodman Area Fire Protection District will not enter into any business transactions with any board of director or related party, unless specifically authorized by Missouri law. The conflict of interest policy will further ensure that a board of director shall abstain from any decision to contract with a related party, and if any board of director shall have to abstain from any decision, then any action*



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

taken by the Board of Directors shall be fully documented in the minutes of said meeting.

- 1.2 *The Board of Directors of the Goodman Area Fire Protection District is currently considering a debit card use policy. Within ninety (90) days of the release of this audit, the Board of Directors will adopt a debit card use policy to ensure proper check out procedures for the debit cards; to ensure proper protocols are followed when purchasing items or supplies with the debit cards; to ensure that debit card receipts are properly submitted to the bookkeeper; to ensure the bank statements, debit card receipts, and debit card purchases are reconciled on a monthly basis by the assigned bookkeeper and approved by the Board of Directors on a monthly basis; and to ensure that no cash withdrawals are made using a debit card. In addition, the Board of Directors will also develop a local food purchasing policy within ninety (90) days of the release of this audit.*
- 1.3 *The Board of Directors of the Goodman Area Fire Protection district is evaluating the need for online purchases. Furthermore, the Board of Directors will set up new accounts with any online vendors using a newly created email for that purpose. The Board of Directors will also develop a policy for the use of online accounts and online purchases within ninety (90) days of the release of this audit.*

2. Capital Assets

The district does not maintain capital asset records, stores assets at personal residences without distinguishing personal from district assets, and has insufficient insurance coverage. The district maintains buildings and land at 3 different locations within the district. The district also maintains various equipment and vehicles, including 4 fire engines, 1 parade engine, 3 tanker trucks, 3 brush trucks, and 1 rescue vehicle.

2.1 Capital asset records

The district does not maintain records of capital assets, including land, buildings, vehicles, equipment, and other personal property. The district also does not always tag or otherwise identify capital assets as district property or perform physical inventories of district property. Some district assets were tagged as property of the Goodman Volunteer Fire Department and others as property of the Goodman Area Fire Protection District. Other district assets were tagged with a unique barcode and number; however, the district does not account for the assigned barcodes and numbers.

Adequate capital asset records and procedures are necessary to secure better internal control over district property. Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur, and include a detailed description of the assets



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

such as acquisition costs, descriptions, make and model number, and asset identification numbers; the physical location of the assets; and the date and method of disposition of assets. All capital assets should be identified with a tag or other similar device, and the district should conduct annual physical inventories and compare the results to the detailed property records.

2.2 Capital asset storage

Numerous district assets are maintained at the personal residence of President Morgan, and a district generator is maintained at the personal residence of the district's Lieutenant.

President Morgan stores district assets at various locations on his 200 acre property. He also operates a backhoe and excavating company on this property. In addition, he rebuilds/repairs personal and district vehicles and equipment using new and used parts, salvaged vehicles, and equipment stored at his property, and these district assets were not always shielded from weather and vegetation growth.

In addition, the district does not have specific plans for the use of many of the district assets maintained on his property. The district has not made efforts to identify unneeded items or taken any action to sell or salvage unneeded or unused items, as appropriate. Many property items are U.S. Department of Defense excess property items (to be used for firefighting and emergency services) and were obtained from the Missouri Department of Conservation (MDC) through the fire fighter property program at no cost. We noted many of these items have been on hand for several years. Due to the type of item and/or length of time since the district took possession, program items held at the time of our review have no restrictions on disposal. It is also important for the district to identify and account for assets to ensure those with any restrictions or guidelines regarding use, record keeping, or disposal are handled and accounted for appropriately.

Further, it is questionable why the district is storing assets on President Morgan's personal property when the district maintains buildings and land at 3 different locations within the district. One of these locations includes approximately 5 acres of land that could be utilized to store district assets. The district also does not have a written agreement with him detailing issues related to the storage of the district assets, such as access and liability.

The following pictures depict examples of district assets stored at President Morgan's property. All items shown below except for the fire truck used for parts and the fire squad rescue truck were obtained from the MDC fire fighter property program.



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings



Airplane deicer



Fire brush truck



Generator



Fire truck used for parts



Refrigerators



Fire squad rescue truck



Engines for tanker trucks



8,000 gallon water tankers



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings



Military pump



Generator engine



Generator



Fuel tanks



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

The following picture depicts an aerial photo of a portion of President Morgan's 200 acre property and some of the locations where district property is stored.



★ Location of some district property

Source of aerial photo - <https://www.google.com/maps>, accessed October 2014.

Storing district assets at personal residences increases the risk they could be lost or misappropriated. Clear and detailed written contracts, that address access and storage requirements and liability issues, are necessary to ensure all parties are aware of their duties and responsibilities and prevent misunderstandings. In addition, Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

2.3 Insurance coverage

The district had failed to obtain insurance coverage on 4 district vehicles. The district should review insurance coverage periodically to financially protect the district from damage or loss. The insurance coverage should be compared to the capital asset records to determine the basis for the insurance coverage.



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Directors:

- 2.1 Ensure capital asset records are maintained, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.
- 2.2 Ensure capital assets are stored on district property and dispose of unneeded/used assets. Until district assets can be relocated or properly disposed, the Board should enter into a written agreement with President Morgan regarding access to and the storage of district assets.
- 2.3 Ensure adequate insurance coverage is obtained for district assets.

Auditee's Response

- 2.1 *The Board of Directors of the Goodman Area Fire Protection District will complete a physical inventory of all capital assets by the end of the year 2015. During the physical inventory, the Board of Directors will ensure that all capital assets are properly identified and tagged with an inventory tag. The Board of Directors will also conduct a yearly physical inventory of all capital assets and compare inventory to the previous year's inventory to ensure that no capital assets are lost, stolen, or misplaced.*
- 2.2 *The Board of Directors of the Goodman Area Fire Protection District will ensure that all capital assets of the district are properly stored on property owned or leased by the district beginning January 1, 2016. The Board of Directors will also enter into an agreement with the Board President, Jim Morgan, regarding the storage and access of district property on Board President Morgan's property. Within ninety (90) days of the release of this audit, the Board of Directors will adopt a disposal policy to ensure that unneeded or unused capital assets are properly disposed of by the Board of Directors.*
- 2.3 *During the annual physical inventory of capital assets, insurance coverage for all capital assets will be evaluated and any desired or needed changes to insurance coverage will be taken care of upon the completion of the annual physical inventory.*

3. Disbursements

Controls and procedures over district disbursements need improvement.

3.1 Approval process

The Board's disbursement approval process needs significant improvement. Meeting minutes included the only documentation of the Board's approval of district disbursements, typically containing a "motion to pay bills," a



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

"second," and "all approved." The district did not retain documentation of the individual disbursements approved.

The Board does not maintain a list of bills approved (including debit card transactions and ACH transactions from the bank account), and does not document its approval of individual invoices. Board members indicated at each meeting they receive a stack of invoices to be paid, checks to sign, documentation of some disbursements made since the last meeting (debit card transactions and ACH transactions), and a financial report of revenues and expenditures posted to the accounting system for the prior 2 months from the Board Secretary/Treasurer.

However, the approval of debit card transactions and ACH transactions after they are incurred violates district bylaws and the financial reports received were not accurate (as discussed in MAR finding number 4). In addition, the Board does not receive a copy of the district's bank statement for review, which could assist the Board in reviewing all debit card transactions and ACH transactions made from the bank account.

To safeguard against possible loss or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks. Board approval of disbursements should be documented in a listing and by signature or initials on monthly reports.

3.2 District checks

The Board does not have adequate controls over bank accounts and checks, and we noted several concerns.

- While dual signatures are required on all district checks, 6 checks were issued and cleared the bank with only 1 signature and another check cleared the bank without any signatures. The 7 checks totaled \$1,819, with 2 issued in 2012, 1 issued in 2013, and the remaining 4 issued in 2014. Signatures of 2 Board members were noted on all other checks reviewed; however, many of these checks were not signed by the Treasurer and President as required by district bylaws.
- The district issued a \$150 check to cash on February 6, 2013, which was signed by former President Long and Board Member Sprenkle. The memo line of the check and district records indicated the money was to be used for travel expenses. The district did not maintain documentation of these expenses.
- The district issued 2 checks that cleared the bank with the payee being left blank totaling \$1,750, and both checks were signed by then Vice President Morgan and Board Member Sprenkle. One check was issued on May 9, 2013, for \$1,600 and the other check was issued on November 28, 2012, for \$150. Supporting documentation indicated an injector pump and vehicle identification plates were purchased.



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

Article II, Section 2, of district bylaws indicate any of the Board of Directors shall sign all checks of the district and requires the Board Treasurer to sign or co-sign checks as authorized by the Board. Article IV, Section 4, of district bylaws require the Board President to sign all checks. Issuing checks to cash and leaving the payee line blank on checks increases the risk for district monies to be misappropriated.

3.3 Supporting documentation

The district did not maintain adequate documentation of some disbursements. The district did not maintain documentation of 27 disbursements reviewed totaling \$21,889 (8 disbursements totaling \$1,761 in 2014, 11 disbursements totaling \$19,848 in 2013, and 8 disbursements totaling \$280 in 2012). In addition, the district did not have adequately detailed supporting documentation for another 27 disbursements reviewed, totaling \$3,724 (13 disbursements totaling \$1,787 in 2013 and 14 disbursements totaling \$1,937 in 2012). To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices or other detailed documentation with payment information clearly indicated.

3.4 1099-MISC forms

The district does not have a procedure in place to prepare and file 1099-MISC forms with the Internal Revenue Service (IRS), as required. During 2012, 2013, and 2014, the district did not file any 1099-MISC forms.

Sections 6041 to 6050W of the Internal Revenue Code require non-wage payments of at least \$600 in one year for professional services or for services performed as a trade or business by non-employees (other than corporations) be reported to the federal government on 1099-MISC forms. To ensure compliance with IRS requirements, the district should establish procedures to ensure 1099-MISC forms are issued in all applicable instances.

3.5 Procurement

Officials and employees did not always follow the district's bid policy, and due to the limited number of transactions incurred by the district in excess of the required bid threshold, the district should consider revising the policy. Article IV, Section 1, of district bylaws indicates no construction or purchase contract for work or materials or both, involving an expense of \$10,000 or more, shall be entered into, unless a notice for bids shall first be published once a week for 3 consecutive weeks in at least 1 newspaper of general circulation in the Goodman area.

The district did not advertise or obtain bids for construction services costing \$16,350 in 2012, and a used truck costing \$13,750 in 2013 in accordance with district bylaws. Bids were also not solicited for other significant purchases, such as a skid unit costing \$9,555 and a truck costing \$3,500.



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

In addition to complying with district bylaws, competitive bidding helps ensure all parties are given an equal opportunity to participate in district business. A more detailed and inclusive bid policy would provide a better framework for economical management of the district resources and help ensure the district receives fair value by contracting with lowest and best bidders. Complete documentation should be maintained of all bids received and reasons noted why the bid was selected.

Recommendations

The Board of Directors:

- 3.1 Ensure complete lists of bills are prepared; the Board's approval is reflected on the lists; the approved list of bills is compared to invoices, checks written, and debit card transactions posted; and the lists are retained.
- 3.2 Ensure checks are signed in accordance with district bylaws, discontinue the practice of making checks out to cash, and ensure all checks include the payee.
- 3.3 Ensure supporting documentation is maintained for all disbursements.
- 3.4 Prepare and file 1099-MISC forms with the IRS as required.
- 3.5 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made. In addition, consider revising the bylaws to ensure all major purchases have been selected through a competitive procurement process.

Auditee's Response

- 3.1 *The Board of Directors of the Goodman Area Fire Protection District is now using Quickbooks as its accounting management program. The bookkeeper for the Board of Directors will submit a complete list of all bills for the Board of Directors at all monthly meetings. The list of bills will be approved by the Board of Directors at each monthly meeting. The bookkeeper will also prepare for the Board of Directors on a monthly basis a complete list of invoices, checks written, and debit card transactions, along with the monthly bank statement, reconciliation, and outstanding checks for its approval at each monthly meeting. The Board of Directors will examine all financial information submitted for any discrepancies.*
- 3.2 *The Board of Directors of the Goodman Area Fire Protection District will ensure that all checks are signed in accordance with the district bylaws. The Board of Directors will also discontinue*



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

making out any checks to cash, and all checks written on behalf of the district will have a proper payee.

- 3.3 *The Board of Directors will maintain all supporting documentation for all disbursements, including but not limited to: bid, invitation to bid, invoice, and delivery receipt.*
- 3.4 *The Board of Directors of the Goodman Area Fire Protection District will prepare and file any 1099-MISC forms required by law.*
- 3.5 *The Board of Directors of the Goodman Area Fire Protection District will adopt a procurement policy within ninety (90) days of the release of this audit.*

4. Accounting Controls, Procedures, and Records

Accounting duties are not segregated, receipt slips are not issued, accounting records maintained were not accurate, and bank reconciliations performed were not documented.

4.1 Segregation of duties

Accounting duties are not segregated, and there is no supervisory review of the work performed by the Board Secretary/Treasurer, who is responsible for all record-keeping duties of the fire district. The duties include receiving and depositing monies, recording revenues and expenditures, preparing and distributing checks, receiving bank statements and reconciling the bank account, and preparing financial reports.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurances that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, there should be a documented independent review of district transactions.

4.2 Receipt slips

The district does not issue receipt slips for monies received in accordance with district bylaws. Although monies received are recorded in the district's computerized accounting system, the method of payment is not denoted and the system does not assign a receipt and/or transaction number. Thus, an accounting trail is lacking and the records do not provide adequate accountability for all monies received. The district receives monies from property taxes, rental fees, and donations.

Article II, Section 4, of district bylaws indicates the Treasurer shall receive and give receipts for money due and payable to the district. To properly



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

account for all receipts and ensure monies are properly deposited, prenumbered receipt slips should be issued in numerical order for all monies received, and the method of payment should be recorded on each receipt slip and reconciled to the composition of receipts recorded in the accounting system and deposits.

4.3 Accounting records and bank account

The district does not maintain accurate accounting records. The monthly financial reports generated from the accounting system and presented to the Board for review are not accurate or consistently prepared. As a result, the financial reports cannot be relied upon by the Board when making decisions. We identified various errors and omissions in the records.

- Thirteen disbursements totaling \$1,878 and a deposit for \$472 cleared the district's bank account, but were not posted to the accounting system. Twelve of the 13 disbursements were made using district debit cards and the other disbursement was an electronic payment made using PayPal.
- Eighteen disbursements totaling \$1,406 and a deposit of \$122 were posted to the accounting system in error. These transactions never cleared the bank.
- The beginning balance of district funds reported on the monthly financial reports did not always agree to the ending balance of the previous month's financial reports. In addition, bank reconciliations are not formally documented by the Board Secretary/Treasurer. The Board Secretary/Treasurer indicated bank reconciliations are performed in the accounting system when the bank statement is received; however, they are not printed and maintained.

The Board did not receive copies of bank statements or the bank reconciliations to verify the accuracy of the beginning and ending balances reported on the monthly financial reports.

- The financial reports were also not prepared consistently. For some months, financial activity was grouped together by type of transaction, such as deposits, checks issued, or debit cards; while financial activity in other months was reported in transaction date order.

Accurate and complete financial information is necessary for the Board to make informed decisions and to provide residents with reliable information about district finances. Inaccurately recorded transactions make it more difficult to detect loss or misuse of funds. Preparation and retention of monthly bank reconciliations is necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected timely.



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Directors:

- 4.1 Segregate the accounting duties to the extent possible and ensure documented independent reviews of the record-keeping functions are performed.
- 4.2 Ensure prenumbered receipt slip are prepared for all monies received and reconciled to the composition of receipts recorded in the accounting system and deposits.
- 4.3 Ensure accounting records are accurately maintained and bank reconciliations are formally documented.

Auditee's Response

- 4.1 *Accounting duties will be assigned to a bookkeeper, but the Board of Directors of the Goodman Area Fire Protection District will review and approve all financially related reports and documentation at all monthly meetings for accuracy and to ensure that there are no discrepancies. Furthermore, a record will be maintained of the Board of Director's review and approval of all financially related reports and documentation.*
- 4.2 *The Board of Directors of the Goodman Area Fire Protection District has purchased a prenumbered receipt book to receipt any money, and all receipts will be reconciled to the deposits recorded in Quickbooks and the deposits reflected on the monthly bank statements.*
- 4.3 *The Board of Directors of the Goodman Area Fire Protection District will ensure that all accounting records are maintained and that all bank reconciliations are maintained and documented.*

5. Budgetary Procedures

Preparation

The Board does not have adequate procedures to prepare or monitor budgets.

District budgets prepared for the 3 years ended December 31, 2014, did not contain all required elements. The budgets presented only anticipated revenues and expenditures. The budgets did not include a budget message, and actual or budgeted amounts for the 2 preceding years. In addition, beginning available resources and estimated and actual ending available resources were not included in these budgets, but are needed to present a complete financial plan for district finances.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and also sets specific guidelines for the format. A complete budget should include the beginning available resources



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

and a reasonable estimate of the ending available resources. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of district operations.

Monitoring

The Board does not adequately monitor budget-to-actual revenues and expenditures. Actual expenditures exceeded budgeted amounts by \$21,459 in 2014 and \$4,819 in 2013. The Board Secretary/Treasurer provides the Board with monthly financial statements at each Board meeting; however, the reports do not include budget-to-actual information and the financial statements are not itemized by budgetary categories. As a result, the Board cannot easily review financial information to ensure disbursements remain within budgeted appropriations.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted, but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and comply with state law.

Recommendations

The Board of Directors prepare annual budgets that contain all information required by state law, and ensure the budget and financial condition are adequately monitored and monthly financial statements have adequate detail.

Auditee's Response

The Board of Directors of the Goodman Area Fire Protection District will prepare an annual budget with the expected line item receipts and expenditures. The Board of Directors will also review the receipts and expenditures on a monthly basis and compare those receipts and expenditures to the yearly budget to ensure that any expenditure is within the budget. The Board of Directors will also adopt resolutions to increase any line item within the budget. Any resolution will be adopted prior to making any expenditure over the allowed line item budget.

6. Meetings and Bylaws

The district needs to improve procedures for documenting Board meetings. District bylaws are outdated, and the Board has not adopted several resolutions and ordinances in accordance with district bylaws.

6.1 Meeting minutes

The Board Secretary/Treasurer failed to document the voting and approval process of some Board decisions, and meeting minutes were not always signed as required by Article I, Section 6, of district bylaws. For example, the February 12, 2013, minutes indicated the Board approved the types and amounts of out-of-town training expenses it would pay for firefighters; however, the minutes did not document the motion, a second to the motion,



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

or the vote taken. We identified numerous other examples of the failure to document the voting and approval process of Board decisions.

Inadequate minutes can lead to subsequent uncertainty as to Board intentions and possible incorrect interpretation of Board actions by the general public or other outside entities. Because minutes are the official record of actions taken by the Board, care should be taken to ensure they are accurate and provide sufficient information to identify issues discussed and decisions made, and ensure outside users understand what occurred. Careful review and approval of prior meeting minutes is important to ensure sufficiency and accuracy. Article I, Section 6, of district bylaws indicate all Board Directors shall sign such minutes for special meetings, or such meeting shall be invalid and ineffective.

6.2 Bylaws

The district does not have an official copy of up-to-date bylaws. According to district minutes some changes to the bylaws were approved by the Board in May 2010; however, the district bylaws had not been updated for these changes.

In addition, the Board has not adopted resolutions and ordinances in accordance with district bylaws.

- The Board did not adopt a resolution in accordance with bylaws prior to appointing a Fire Chief in May 2014. Article II, Section 6, of district bylaws indicates the Board shall appoint a Fire Chief to office by resolution of the Board.
- The Board did not adopt a resolution in accordance with bylaws prior to retaining attorneys. Article II, Section 5, of the district bylaws indicates the Board shall retain an attorney for such a period of time, and on such basis of compensation as provided for by an adopted resolution of the Board.
- The Board did not adopt a resolution in accordance with bylaws prior to selecting a bank. The Board has used the same bank since at least 2011 without establishing a resolution or maintaining a depository agreement. Article IV, Section 3, of district bylaws indicates all funds of the district shall be deposited in such banks selected by the Board by resolution.

Section 321.220, RSMo, provides that the district has the authority to adopt and amend bylaws necessary for ". . . carrying on of the business, objects and affairs of the board and of the district" Additionally, good business practice dictates the district adopt bylaws to govern Board elections, meetings, and rules for transacting district operations and financial matters and to ensure compliance with the bylaws. Bylaws can be used as a management tool for establishing district policies and procedures. To



Goodman Area Fire Protection District Management Advisory Report - State Auditor's Findings

increase the usefulness of the bylaws, the bylaws should be updated on a regular basis. The bylaws should be readily available to the public.

Recommendations

The Board of Directors:

- 6.1 Ensure meeting minutes include sufficient information necessary to provide a complete and accurate record of significant matters discussed and actions taken. In addition, the Board should improve its approval process over meeting minutes.
- 6.2 Maintain up-to-date bylaws that are readily available to employees and the public, and ensure resolutions and ordinances are adopted in accordance with the bylaws.

Auditee's Response

- 6.1 *The Board of Directors of the Goodman Area Fire Protection District will ensure that the Secretary to the Board of Directors includes sufficient information in the minutes of all meetings. The Board of Directors will also comply with Article I, Section 6 of district bylaws for special meetings.*
- 6.2 *The Board of Directors of the Goodman Area Fire Protection District will review and update the district bylaws. The Board of Directors will also ensure that resolutions and ordinances are adopted in accordance with district bylaws.*

7. Electronic Data Security

The district does not backup financial and other computer system data leaving the district's electronic data at risk if data could not be recovered. In addition, the district does not have antivirus software installed on the computer systems to ensure protection of district data.

Preparation of backup data, preferably on a daily or at least weekly basis, periodic testing to ensure it is adequate, and off-site storage would provide increased assurance district data could be recreated if necessary. Failure to store computer backup data at a secure off-site location results in the backup data being susceptible to the same damage as the data on the computer. Maintaining adequate antivirus software is critical to system protection. Properly used antivirus software protects computer systems from most destructive viruses.

Recommendation

The Board of Directors should ensure computer data is backed up periodically and stored at an off-site location. In addition, the Board should ensure the district's computer systems are protected by installing and regularly updating antivirus software, and perform system scans to detect destructive viruses.



Goodman Area Fire Protection District
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Directors of the Goodman Area Fire Protection District will back up the data on any computers of the district on a weekly basis to ensure that no data is lost. The Board of Directors will also consider an automated online backup system for its computers to prevent data loss. The Board of Directors will also ensure that all computers have up to date antivirus software and that regular system scans are performed.

Goodman Area Fire Protection District

Organization and Statistical Information

The Goodman Area Fire Protection District (district) was organized in 2005 pursuant to Chapter 321, RSMo. The district covers 96 square miles and has 3 fire stations.

The elected Board acts as the policy-making body for district operations. The 5 Board members serve either 4 or 6-year terms without compensation. Members of the Board at December 31, 2013, were:

Marshall Long, President (1)
Jim Morgan, Vice President (2)
Violet Mahan, Secretary/Treasurer (3)
Sherrill (Bud) Gilmore, Member (4)
Paul Sprenkle, Member

- (1) Marshall Long resigned in April 2014. Tammie Hartman was appointed in 2014 to fill this vacancy. Jim Morgan was appointed as President in April 2014.
- (2) Sherrill (Bud) Gilmore was appointed as Vice President in April 2014.
- (3) Violet Mahan resigned in May 2015. Sherrill (Bud) Gilmore was appointed in May 2015 to fill this vacancy. Tammie Hartman was appointed as Secretary/Treasurer in May 2015.
- (4) Charles Ebbinghause was elected in April 2015.

Jerry Richmond was the Fire Chief until May 13, 2014, at which time Keith Estes was appointed. The Fire Chief and all firemen positions are volunteer with no compensation. The district had approximately 15 firemen in December 2013.

Financial Activity

A summary of the district's financial activity for the years ended December 31, 2014 and 2013, follows:



Goodman Area Fire Protection District
Organization and Statistical Information

General Fund	Year Ended December 31,	
	2014	2013
REVENUES		
Property taxes	\$ 89,063	80,589
Insurance proceeds	12,875	0
Grants	2,784	0
Donations	300	300
Other	673	300
Total revenues	105,695	81,189
EXPENDITURES		
Vehicle maintenance, equipment, and fuel	34,084	35,676
Building maintenance	15,419	6,085
Insurance	13,720	10,403
Vehicle purchase	0	23,444
Operations	6,114	2,325
Utilities	7,039	1,210
Training	4,491	1,676
Other	16,399	2,073
Total expenditures	97,266	82,892
REVENUES OVER (UNDER)		
EXPENDITURES	8,429	(1,703)
CASH, January 1	33,346	35,349
CASH, December 31	\$ 41,775	33,346



Nicole R. Galloway, CPA
Missouri State Auditor

Eleventh Judicial Circuit

City of Foristell Municipal Division



December 2015

Report No. 2015-131

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Foristell Municipal Court

Background	The Foristell Municipal Court audit was completed as part of the Municipal Courts Initiative of the State Auditor's Office. The Municipal Courts Initiative adds additional areas of review to the standard court audit process. In addition to reviewing financial transactions, accounting practices, and compliance with court rules and state law, auditors also reviewed statistical information, tickets and other penalties, to identify activities and other practices that may impair impartiality or damage the court's credibility with citizens.
Accounting Controls and Procedures	Court personnel lack adequate procedures to record collections of fines, court costs, and bonds timely and do not transmit bond collections for deposit in a timely manner. Accurate bank reconciliations are not prepared, a list of liabilities is not reconciled to the cash balance, and unreconciled differences in accounting records are not properly investigated and resolved. Additionally, the court lacks a formal administrative plan to collect money owed to the court and does not adequately monitor accrued costs.
Municipal Division Procedures	The court failed to detect numerous errors in monthly reports of court activity submitted to the Office of State Court Administrator. Tickets processed by the court and plea agreements signed by defendants do not always reflect approval by the prosecuting attorney. The court assesses two potentially improper fees related to a person's failure to appear in court for a traffic violation that may not be authorized by state law. The court also did not have adequate procedures to ensure accurate calculations of revenue from traffic violations, causing an initial calculation that underreported revenue by more than \$77,000.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Eleventh Judicial Circuit

City of Foristell Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Accounting Controls and Procedures4
Findings	2. Municipal Division Procedures7

Organization and Statistical	12
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Eleventh Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Foristell, Missouri

We have audited certain operations of the City of Foristell Municipal Division of the Eleventh Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo, and as part of the State Auditor's Municipal Courts Initiative. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

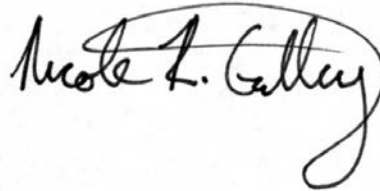
1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricted the amount of fines and court costs that may be retained from traffic violations.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) noncompliance with court rules, and (4) no noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Foristell Municipal Division of the Eleventh Judicial Circuit.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Heather R. Stiles, MBA, CPA, CFE
Audit Staff:	Sara L. Lewis, CPA

Eleventh Judicial Circuit

City of Foristell Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement. For the year ended December 31, 2014, the municipal division collected approximately \$551,000 in fines and court costs and approximately \$131,500 in bonds.

Court personnel are responsible for receipting all monies received for fines and court costs and transmitting these collections to the City Treasurer for deposit into the municipal court account. Police department personnel transmit bond monies to the municipal division to be recorded in the court's case management system. Court personnel transmit these monies to the City Treasurer for deposit into the city's bond account.

1.1 Receipting and transmitting

The municipal division does not have adequate receipting and transmitting procedures in place.

- Court personnel do not receipt bond monies into the case management system timely or transmit them to the City Treasurer for deposit timely. The police department transmits bond monies daily to the municipal division. However, the municipal division only receipts these monies into the case management system and transmits them to the City Treasurer approximately twice per week. For example, the police department transmitted \$760 cash collected for 4 bonds to the municipal division on July 15, 2014. However, the court did not record these bond monies in the case management system or transmit them to the City Treasurer until July 18, 2014.
- Court personnel do not timely record electronic payments received into the case management system. The court uses a vendor to process electronic payments (credit/debit cards) on behalf of the court. The vendor notifies the Court Administrator of each payment made by a defendant and direct deposits the payment into the municipal division's bank account. Weekly, the Court Clerk records these electronic payments into the case management system. However, neither the city nor municipal division personnel reconcile the electronic payments recorded in case management system to amounts direct deposited into municipal court bank account to ensure all electronic payments have been processed properly. We noted a \$253 electronic payment processed on December 24, 2014, and direct deposited to the municipal division's bank account on December 29, 2014, was not recorded in the case management system until January 9, 2015.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipts should be promptly be recorded in the case management system and bond monies should be transmitted timely to the City Treasurer. Additionally, reconciliation procedures should be developed to ensure all electronic payments have been accounted for properly.



Eleventh Judicial Circuit
City of Foristell Municipal Division
Management Advisory Report - State Auditor's Findings

1.2 Reconciliations

The City Treasurer does not prepare accurate bank reconciliations for the municipal court account. In addition, a monthly listing of liabilities is not reconciled to the cash balance.

Our review of the December 2014 bank reconciliation noted a \$963 adjustment was made to the accounting records to decrease the bank balance in order to reconcile to the book balance. In addition, the reconciled bank balance at December 31, 2014, exceeded identified liabilities by \$253.

According to the City Treasurer, unreconciled differences occur each month due to timing differences between when electronic payments are posted in the case management system and the related deposits are made to the municipal court account. Often electronic payments are credited to the bank account before the court posts them in the system. Rather than following up on the unreconciled differences, the City Treasurer makes an adjusting entry to accounting records to agree the book balance to the bank balance. After further review of the \$963 adjustment, we determined that \$849 was related to electronic payments deposited into the municipal court account in December 2014, but not recorded in the case management system until January 2015. Another \$100 of the adjustment was due to a data entry error in the city's financial accounting records and the remaining \$14 related to an outstanding check erroneously marked cleared in the December 2014 bank reconciliation.

Adequate and accurate bank reconciliations are necessary to ensure all receipts and disbursements are accounted for properly. Without a regular comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to resolve errors is diminished. Differences must be adequately investigated and explained and the practice of making unsupported adjustments to the cash balance should be discontinued.

1.3 Accrued costs

The court has not established a formal administrative plan for the collection of court debt and does not adequately monitor accrued costs, including fines and court costs, incarceration costs, and court-ordered restitution.

The court accepts partial payments from defendants; however, formal payment plans are not documented, signed by the defendant, or approved by the Municipal Judge and no minimum payment is required monthly. The municipal division does not maintain a listing of accrued costs and cannot produce a complete list of accrued costs from the case management system.

Proper and timely monitoring of receivables is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. Proper monitoring is necessary to provide information to the Municipal Judge and determine appropriate handling when amounts are



Eleventh Judicial Circuit
City of Foristell Municipal Division
Management Advisory Report - State Auditor's Findings

deemed uncollectible. In addition, payment agreements signed by the defendant and approved by the Municipal Judge formalize the liability to the municipal division and could aid in the collection of amounts due.

Recommendations

The City of Foristell Municipal Division:

- 1.1 Record all monies received into the court management system timely and ensure bond monies are transmitted timely to the City Treasurer. In addition, the municipal division should work with the city to ensure electronic payments are reconciled to deposits in the municipal court account and promptly investigate any differences.
- 1.2 Ensure bank reconciliations are properly performed and monthly lists of liabilities are reconciled to the cash balances. Any discrepancies between accounting records and reconciliations should be investigated and resolved. In addition, the city should discontinue the practice of making unsupported adjustments to accounting records.
- 1.3 Establish procedures to monitor accrued costs and obtain signed payment plans approved by the Municipal Judge from all defendants.

Auditee's Response

The City of Foristell Municipal Division provided the following responses:

- 1.1 *Bonds that arrive by mail or from the police department are now receipted and transmitted to the city to be deposited on the day they are received.*

Electronic credit and debit payments are noted in the comments section of the system as soon as the email notification is received from CourtMoney and are receipted in one batch (separate from daily cash and money order payments) every Friday at the request of the Finance Department. We are working closely with the City Treasurer to account for each payment and are using transaction records in the CourtMoney system to ensure payments are properly credited.
- 1.2 *To reduce the risk of loss or misuse of funds, all electronic payments are now reconciled each month by the City Treasurer. Reports are pulled from the CourtMoney website and reconciled to the control ledger report from the municipal division and the monthly bank statements. Any discrepancies due to timing differences are clearly documented and followed up on the following month to ensure all payments have been properly accounted for.*



Eleventh Judicial Circuit
City of Foristell Municipal Division
Management Advisory Report - State Auditor's Findings

1.3 *The municipal division will work with the software vendor to develop a report which includes all cases and accrued costs owed to the court to assist in monitoring these costs. The court will consider implementation of documented payment plans for all defendants. However, informal payment plans are already in place.*

2. Municipal Division Procedures

Procedures related to monthly reporting, Prosecuting Attorney approval, fee assessments, and monitoring of excess revenues need improvement.

2.1 Monthly reports

The Court Administrator did not submit accurate monthly reports of municipal division activity to the Office of State Courts Administrator (OSCA).

The Court Administrator generates the monthly Municipal Division Summary Reporting Form from the computerized case management system. This monthly report is submitted to the OSCA.

Our review of these monthly reports identified numerous differences between how amounts were actually distributed and how the case management system reported these distributions. The Court Administrator had not adequately reviewed these reports or identified the errors. The table below presents actual amounts distributed versus distribution amounts reported on the December 2014 Municipal Division Summary Reporting Form:

Distributions	Actual	Reported	Over/ (Under) Reported
Fines	\$ 22,713	21,348	(1,365)
Court costs	1,771	1,760	(11)
Various court surcharges	2,645	2,631	(14)
Warrant fees	600	2,700	2,100
Letter fees	25	25	0
Bond Forfeitures	1,042	1,042	0
DWI Recoupment	385	717	332
Total	\$ 29,181	30,223	1,042

Most differences occurred because the case management system uses a different method to apply partial payments in the system than used by municipal division personnel to report partial payments on monthly cash control ledgers. The case management system applies partial payments to fines first and court costs and other fees second, while municipal division personnel apply partial payments to court costs first and fines and other fees second on the cash control ledgers. Additionally, the monthly reports



Eleventh Judicial Circuit
City of Foristell Municipal Division
Management Advisory Report - State Auditor's Findings

overstate disbursements because they include bond forfeitures in both the fines category as well as the bond forfeiture category.

Missouri Supreme Court Operating Rules 4.28 and 4.29 and OSCA instructions require monthly reports of cases filed and fines and court costs disbursed to be submitted to the OSCA and the city. Reports are to be submitted by the 15th of the month following the reporting month and include all activities that have occurred since the last report. To ensure accurate information is reported to the OSCA, the municipal division should establish procedures to generate accurate monthly Municipal Division Summary Reporting Forms. Such procedures should include ensuring monthly reports include all activities of the entire month and reconciling reported amounts to municipal division records.

2.2 Prosecutor approval

The Prosecuting Attorney does not always sign tickets processed by the municipal division and the Prosecuting Attorney's approval of amended tickets is not clearly documented.

Our review of 60 tickets noted the Prosecuting Attorney's signature to file charges was not present on 58 of them.

The Prosecuting Attorney does not always document his review or sign the plea agreements prepared by municipal division personnel and signed by the defendants. For the 60 tickets reviewed, 5 of 25 plea agreements to amend charges were not signed or initialed by the Prosecuting Attorney. Municipal division personnel have been given verbal authorization from the Prosecuting Attorney to amend certain traffic violations if the defendant is able to provide proof of compliance; however, this authorization has not been formally documented. In addition, there is no indication charges amended by the municipal division personnel were later reviewed by the Prosecuting Attorney to ensure their propriety.

The ability of municipal division personnel to amend tickets without a review by the Prosecuting Attorney is a significant control weakness, and increases the likelihood of tickets being handled improperly and the risk of loss, theft, or misuse of monies going undetected. Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the municipal division. The Prosecuting Attorney's review, documented with his signature, is needed to provide assurance proper cases and charges are filed with the municipal division. Additionally, to ensure the proper disposition of all cases has been entered in the municipal division records, the Prosecuting Attorney should sign or initial all amended tickets indicating his review and approval.

2.3 Failure to appear and warrant fees

The municipal division assesses a potentially improper \$100 failure to appear (FTA) fee when a defendant misses a required court appearance for a



Eleventh Judicial Circuit
City of Foristell Municipal Division
Management Advisory Report - State Auditor's Findings

traffic violation (infraction). The municipal division assesses the FTA fee on the original traffic violation and does not charge the defendant with a separate infraction for the failure to appear. The municipal division also assesses a potentially improper \$100 warrant fee for each warrant issued for failure to appear in court and/or pay amounts due. According to municipal division records, FTA fees and warrant fees collected totaled approximately \$46,900 and \$18,800, respectively, for the year ended December 31, 2014.

Section 544.665.2(4), RSMo, states that failure to appear is an infraction if the criminal matter for which the person was released includes only the violation of a municipal ordinance, provided that the sentence imposed shall not exceed the maximum fine that could be imposed for the municipal ordinance for which the accused was arrested. Although current state law allows for the issuance of a separate violation for failure to appear, there is no statutory provision authorizing the municipal division to assess the FTA fee to the original traffic violation. In addition, per Section 479.260, RSMo, a municipality may by ordinance provide for court fees pursuant to sections 488.010 to 488.020, RSMo; however, these sections do not include any provisions that authorize the municipal division to assess the warrant fee.

2.4 Monitoring of excess revenue

The municipal division did not have adequate procedures in place to ensure the accuracy of traffic violation revenue used in the calculation of excess revenues due to the Department of Revenue (DOR). The city calculated excess revenues due to the DOR for the year ended December 31, 2014, and submitted its report to the State Auditor's Office (SAO) on June 8, 2015. While the final amount reported was accurate, traffic violation revenues would have been understated had we not pointed out procedural issues while we were onsite at the time the city was preparing its calculations.

The municipal division tracks the amount of fines collected for traffic violations, including amended charges from traffic violations, on manual cash control ledgers. The municipal division's initial calculation of traffic violation revenues for the year ended December 31, 2014, totaled \$293,125. However, based upon our preliminary review of this calculation before the city filed its report, we noted the municipal division did not include fines collected for certain traffic violation offenses (seatbelt and financial responsibility) or court costs and other fees retained by the city that are not designated by statute for a specific purpose.

The municipal division revised the traffic violation revenue amount, based on our observations, to include the previously excluded amounts. The revision increased reported traffic violation revenue by \$77,623, to the correct amount of \$370,748.

Section 302.341.2, RSMo (as it existed from August 28, 2013 to August 27, 2015), required cities to provide an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations in



Eleventh Judicial Circuit
City of Foristell Municipal Division
Management Advisory Report - State Auditor's Findings

its annual financial report submitted to the SAO (as required by Section 105.145, RSMo), and required cities to remit any such revenues in excess of 30 percent of annual general operating revenue to the DOR. Section 302.341.2, RSMo, further provided that a city that was noncompliant with the law was subject to immediate loss of jurisdiction of the city's municipal court on all traffic-related charges until all requirements of the section were satisfied. Under 12 CSR 10-44.100 (as it existed prior to September 11, 2015), payment was to be made by the last day of the second month immediately following the end of the fiscal year.

During the 2015 legislative session the General Assembly passed and the Governor signed into law Senate Bill 5 (SB 5), which became effective August 28, 2015. SB 5, among other things, changes the definitions of elements of the excess revenue calculation and reduces the amounts of traffic revenues the city may retain in the future. SB5 also establishes sanctions for failure to file annual excess revenue information with the SAO, including authorizing the DOR to redirect certain revenues due to the city and possible loss of municipal court jurisdiction until such filings are made.

Due to the impact of SB 5 on operations of the municipal court as well as the city's reporting requirements, it is important the city and its municipal division take immediate action to implement policies and procedures to ensure future compliance with state law.

Recommendations

The City of Foristell Municipal Division:

- 2.1 Establish procedures to ensure the accuracy of monthly Municipal Division Summary Reporting Forms and reconcile amounts reported to municipal division records.
- 2.2 Ensure the Prosecuting Attorney signs all tickets and reviews and approves all amended tickets.
- 2.3 Work with the city and legal counsel to reevaluate the FTA fee and warrant fee and the authority to assess the fees.
- 2.4 Work with the city to ensure the accuracy of annual excess revenue calculations and include appropriate revenues from fines and court costs in the calculation.

Auditee's Response

The City of Foristell Municipal Division provided the following responses:

- 2.1 *The Municipal Division will revise monthly reporting forms to ensure accurate distribution information is reported in the future.*



Eleventh Judicial Circuit
City of Foristell Municipal Division
Management Advisory Report - State Auditor's Findings

- 2.2 *The Prosecuting Attorney indicated he has already implemented. He is signing all tickets and approving all amended tickets.*
- 2.3 *The Municipal Division is no longer assessing FTA and warrant fees. The Municipal Judge will waive these previously assessed fees on open cases.*
- 2.4 *The Municipal Division is working on procedures to ensure traffic revenues used in the annual excess revenue calculation are reported correctly under SB 5.*

Eleventh Judicial Circuit

City of Foristell Municipal Division

Organization and Statistical Information

The City of Foristell Municipal Division is in the Eleventh Judicial Circuit, which consists of St. Charles County. The Honorable Rick Zerr serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division does not utilize OSCA's statewide automated case management known as JIS. Instead, the municipal division utilizes Computerized Court System, an automated case management system provided by Delores McCombs & Associates, which has been approved for use in the municipal division by the State Judicial Records Committee.

Personnel

At December 31, 2014, the municipal division employees were as follows:

Title	Name
Municipal Judge	Joseph Porzenski
Court Administrator	Karen Gilliam
Court Clerk	Carla Fulk

Financial and Caseload Information

	Year Ended December 31, 2014
Receipts	\$551,016
Number of cases filed	3,441

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 11.00
Judicial Education Fund	1.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Inmate Prisoner Detainee Security	2.00
Sheriff's Retirement Fund	3.00
Failure to Appear (FTA) Fee	100.00
Warrant Fee	100.00



Eleventh Judicial Circuit
City of Foristell Municipal Division
Organization and Statistical Information

Vehicle Stops Report

Section 590.650, RSMo, requires law enforcement agencies report vehicle stop data to the Attorney General's Office (AGO) by March 1st of each year. The AGO compiles the data in a statewide report, which can be viewed on the AGO website at <https://ago.mo.gov/docs/default-source/public-safety/2014agencyreports.pdf?sfvrsn=2>. The following table presents data excerpted from the AGO report for the City of Foristell Police Department. In addition, see information at <https://ago.mo.gov/home/vehicle-stops-report/2014-executive-summary>, for background information on the AGO's vehicle stops executive summary along with definitions for footnotes of the following table.

Racial Profiling Data/2014 - Foristell Police Department - Population 403¹

Key Indicators	Total	White	Black	Hispanic	Asian	Am. Indian	Other
Stops	5471	4803	516	109	20	1	22
Searches	438	349	72	15	1	0	1
Arrests	386	310	64	10	2	0	0
Statewide Population	N/A	82.76	10.90	2.94	1.71	0.41	1.28
Local Population	N/A	93.80	3.23	0.50	0.25	0.25	1.99
Disparity Index ²	N/A	0.94	2.92	4.01	1.47	0.07	0.20
Search Rate ³	8.01	7.27	13.95	13.76	5.00	0.00	4.55
Contraband hit rate ⁴	31.05	32.95	25.00	20.00	0.00	#Num!	0.00
Arrest rate ⁵	7.06	6.45	12.40	9.17	10.00	0.00	10.00

¹ Population figures are from the 2010 Census for persons 16 years of age and older who designated a single race. Hispanics may be of any race. "Other" includes persons of mixed race and unknown race.

² Disparity index = (proportion of stops / proportion of population). A value of 1 represents no disparity; values greater than 1 indicate over-representation, values less than 1 indicate under-representation.

³ Search rate = (searches / stops) X 100

⁴ Contraband hit rate = (searches with contraband found / total searches) X 100

⁵ Arrest rate = (arrests / stops) X 100

#Num! indicates zero denominator



Nicole R. Galloway, CPA
Missouri State Auditor

Twenty-First Judicial Circuit

City of St. Ann Municipal Division



December 2015

Report No. 2015-132

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of St. Ann Municipal Court

Background	The St. Ann Municipal Court audit was completed as part of the Municipal Courts Initiative of the State Auditor's Office. The Municipal Courts Initiative adds additional areas of review to the standard court audit process. In addition to reviewing financial transactions, accounting practices, and compliance with court rules and state law, auditors also reviewed statistical information, tickets, and other penalties, to identify activities and other practices that may impair impartiality or damage the court's credibility with citizens.
Bond Fees	Although state law does not include provisions for the collection of bond processing fees, the city's police department collects a \$25 bond fee to process cash bond payments and a \$10 bond fee to process credit card bond payments. In 2014, the department collected approximately \$38,000 in bond processing fees without any statutory authority.
Vehicle Stop Reporting	The city did not retain adequate records to support 2014 vehicle stop data reported to the Missouri Attorney General's Office, which prevented the State Auditor's Office from reviewing the accuracy of the data.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Twenty-First Judicial Circuit

City of St. Ann Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Bond Fees4
Findings	2. Vehicle Stop Reporting5

Organization and Statistical	8
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Twenty-First Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
St. Ann, Missouri

We have audited certain operations of the City of St. Ann Municipal Division of the Twenty-First Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo, and as part of the State Auditor's Municipal Courts Initiative. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

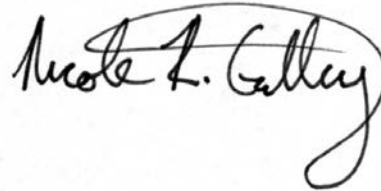
1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricted the amount of fines and court costs that may be retained from traffic violations.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) noncompliance with legal provisions, (3) no significant noncompliance with a court rule, and (4) no significant noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Ann Municipal Division of the Twenty-First Judicial Circuit.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Gina Henley, MBA
Audit Staff:	Sheila Hohenstreet

Twenty-First Judicial Circuit

City of St. Ann Municipal Division

Management Advisory Report - State Auditor's Findings

1. Bond Fees

The police department collects a \$25 bond fee to process cash bond payments and a \$10 bond fee to process credit card bond payments; however, state law does not include provisions to collect such a fee. The police department collected approximately \$38,000 in bond processing fees for the year ended December 31, 2014. The police department should refrain from collecting these fees since the department does not have statutory authority to collect them.

Recommendation

The City of St. Ann Municipal Division work with the police department to discontinue collecting the bond processing fees.

Auditee's Response

The City of St. Ann disagrees with the State Auditor's opinion regarding this issue for the reasons outlined below:

*The \$25 processing fee on cash bond payments and \$10 fee on credit card bond payments were legal user fees duly enacted by the Board of Aldermen of the City of St. Ann through Ordinance 2544. The fees were enacted to specifically cover the non-judicial staff time in the city's Corrections Department to process bonds, when the party chose to use city rather than private sector services. The Missouri Supreme Court found such fees legal in *Keller v. Marion County Ambulance District*, 820 S.W.2d 301 (Mo. banc 1991) ("how much to charge users [of services] is for the elected" to decide) and again most recently in *Arbor Inv. Co v. City of Hermann*, 341 SW2d 673 (Mo 2011). We obtained a legal opinion from the St. Ann City Attorney outlining why this fee meets the user fee "Litmus Test" outlined by the Missouri Supreme Court.*

Based on comments made by State Auditor staff during the exit interview, it appears the State Auditor's Office is relying on a 2009 Attorney General's Opinion, Opinion No. 1242009, regarding the imposition of a mandatory "booking fee" by an elected county sheriff as justification for this finding. The fee in that opinion charged by the sheriff's office was not authorized by law, unlike in the instant matter whereby it was expressly authorized by ordinance. As mentioned above, the St. Ann fees in question were lawfully established by the governing body of the city and were only charged as processing fees for those individuals posting large sums of cash or using credit cards for posting bonds. This was not a mandatory fee to be released from jail. Individuals could be released on their own recognizance or have a bail bondsmen post a bond on their behalf and this fee would not be charged.

It should also be noted that St. Louis County, through County Ordinance 24110, 9-1-09 has enacted and continues to utilize a similar fee. Like St. Louis County, the City of St. Ann believes that this fee is compliant with state law.



Twenty-First Judicial Circuit
City of St. Ann Municipal Division
Management Advisory Report - State Auditor's Findings

Regardless, the Municipal Division has transitioned to signature bonds in 2015 and no longer accepts cash bonds. Therefore, this fee is no longer necessary to offset costs associated with cash bonds.

Auditor's Comment

The law does not provide for fees on individuals incarcerated on crimes that have not been adjudicated. Most costs associated with the criminal justice system are only paid if the individual is found guilty. Here, the individual must pay the bond and an additional fee to be released. The city is not providing a service but rather is doing what it is required to do by law, performing the administrative task of handling bond funds and transmitting it to the municipal division.

2. Vehicle Stop Reporting

The City of St. Ann Police Department did not retain adequate documentation to support the vehicle stop data submitted to the Attorney General's Office (AGO) for the year ended December 31, 2014.

Police officers were responsible for entering vehicle stop data into the Regional Justice Information System (REJIS) until approximately October 2014, when the police department began using another system vendor for vehicle stop reporting. Department personnel generated summary reports from both systems and manually combined the information for the report submitted to the AGO. In March 2015, based on a formal request from the Police Chief, certain records were purged from the information stored on the REJIS system, including vehicle stop data. The city did not have procedures in place to maintain backup copies of this data and was unable to recover any data after it was purged. As a result, we were unable to review the accuracy of the vehicle stop data submitted to the AGO.

Section 590.650, RSMo, requires law enforcement agencies to submit stop data to the AGO annually. Section 109.255, RSMo, authorizes the Missouri Local Records Board, chaired by the Secretary of State, to establish minimum retention periods for records created by local governments. The Police Clerk's Record Retention Schedule established by the Local Records Board requires the racial profiling statistics be retained for a minimum of 1 year after submission to the AGO. To ensure vehicle stop information is accurately reported to the AGO, sufficient documentation should be maintained to support data submitted.

Recommendation

The City of St. Ann Police Department should ensure adequate records are maintained to support the vehicle stop information submitted annually to the AGO.

Auditee's Response

The City of St. Ann disagrees with the State Auditor's opinion regarding this issue for the reasons outlined below:

As the State Auditor's Office is aware, the City of St. Ann Police Department



Twenty-First Judicial Circuit
City of St. Ann Municipal Division
Management Advisory Report - State Auditor's Findings

filed the report required under Section 590.650.1, RSMo, by the March 2015 deadline in the format prescribed by the Attorney General's Office. The report was accepted by that office with no requests for follow up information and therefore the Department met its requirement to compile and report. The attached letter from Attorney General's Office indicates this fact. The St. Ann Police Department retained hard copies of the summary data produced by the two computerized systems that was utilized by the department to file the report.

*Section 590.650.1, RSMo, contains no record retention requirements nor has the Attorney General's Office issued any guidance on what, if any, raw historical data needs to be retained by the reporting agency. As this raw statistical data was stored on a legacy system maintained by REJIS, and the Department transitioned to an in-house system in 2015, the City discontinued its retention in electronic format once the transition to the new in-house system was complete and the report was accepted by the Attorney General's Office. **Again, the City retained hard copies of the report filing and associated aggregate statistical data as required by law.***

Section 109.225, RSMo, regarding record retention requirements established by the Secretary of State's Office for Police Clerks for Vehicle Stop Reporting states "Racial Profiling Statistics 1 Year after submission to Attorney General Destroy." The City retained the "Statistics" report generated by REJIS that was used to file with the Attorney General Office. A copy was provided to the State Auditor's Office.

*It appears that the State Auditor's Office is trying to cross reference municipal court citations to a data collection process that was purposely designed by the State Legislature to insure the anonymity of those individuals stopped by law enforcement, but not issued a citation. Sections 590.650.1 and 109.255, RSMo, provides for the collection of anonymous data in aggregate format to compile statistical reports that are submitted to the Attorney General's Office. If the State Auditor's Office believes it should have the ability to cross reference vehicle stop data with municipal court citations for "auditing" purposes, then it should discuss the issue with the Attorney General's Office and the State Legislature. The City of St. Ann **will not** engage in the collection of data that is **personally identifiable** based on a vehicle stop that may have resulted in no violation of the law and that would be subject to public disclosure under the State's Open Records and Meetings Law without a written opinion from the Attorney General's Office or a state statute which authorizes it.*

Sections 590.560.1 and 109.255, RSMo, contain no requirements for any actions by the Municipal Division and therefore, the City fails to see how it is relevant to an audit of the Municipal Division's operations and has followed the law as it was written and intended by the State Legislature.

In conclusion, the City is gravely concerned about the report's appearance that the Municipal Division had any involvement in or responsibility for the above



Twenty-First Judicial Circuit
City of St. Ann Municipal Division
Management Advisory Report - State Auditor's Findings

"findings." The Municipal Division had no involvement in or control over ANY of the "issues" raised in the State Auditor's report.

In fact, the current environment surrounding municipal courts, the City finds it unconscionable that no effort was made by the State Auditor's Office to acknowledge that it was unable to uncover ANY issues associated with the actual operation of the Municipal Division. Furthermore, the City feels that the above findings are simply based on opinion, not rooted in the case or state law that was in place during the period that the audit covered and simply cloud the real finding that St. Ann Municipal Division is run in a sound, professional manner.

Auditor's Comment

This finding does not question the timely filing or submission of the vehicle stop data reported to the AGO. The letter from the AGO mentioned in the response only confirms the City of St. Ann submitted a timely racial profiling report on 2014 traffic stops in the format required by the AGO. Documentation should be retained in accordance with record retention schedules and to support information submitted to the AGO. The Police Clerk's Records Retention Schedule and Section 109.210(5), RSMo, define a "record" as any "document, book, paper, photograph, map, sound recording or other material, regardless of physical form or characteristics, made or received pursuant to law or in connection with the transaction of official business." This definition includes those records created, used, and maintained in electronic form. Without detail data to support summary information reported to the AGO, there is less assurance the information reported is complete and accurate. The audit recommendation is not suggesting the city collect additional data that is personally identifiable, but that the city retain the data already collected.

Twenty-First Judicial Circuit

City of St. Ann Municipal Division

Organization and Statistical Information

The City of St. Ann Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable Maura B. McShane serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. During January 2014, the municipal division began utilizing OSCA's statewide automated case management system known as JIS. Previously, the municipal division utilized Integrated Metropolitan Docketing System, an automated case management system provided by REJIS, which has been approved for use in municipal divisions by the State Judicial Records Committee.

Personnel

At December 31, 2014, the municipal division employees were as follows:

Title	Name
Municipal Judge	Sean O'Hagan
Municipal Judge	William G. Buchholz
Court Administrator	Angela Chatman
Deputy Court Administrator	Elizabeth Weimer
Court Clerk	Annie O'Brien
Court Clerk	Pat Brown
Court Clerk	Angela Taylor
Court Clerk	Stella Brown

Financial and Caseload Information

	Year Ended December 31, 2014
Receipts	\$3,329,904
Number of cases filed	19,732

Court Costs, Surcharges, and Fees(1)

Type	Amount
Court Costs (Clerk Fee)	\$12.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelters	2.00
Inmate Security Fund	2.00
Court Automation Fee	7.00

(1) Apart from the court, the city's police department collects a bond processing fee of \$25 for cash bond payments and \$10 for credit card bond payments



Twenty-First Judicial Circuit
City of St. Ann Municipal Division
Organization and Statistical Information

Vehicle Stops Report

Section 590.650, RSMo requires law enforcement agencies report vehicle stop data to the Attorney General's Office (AGO) by March 1st of each year. The AGO compiles the data in a statewide report which can be viewed on the AGO website at <https://ago.mo.gov/docs/default-source/public-safety/2014agencyreports.pdf?sfvrsn=2>. The following table presents data excerpted from the AGO report for the city of St. Ann Police Department. In addition, see information at <https://ago.mo.gov/home/vehicle-stops-report/2014-executive-summary>, for background information on the AGO's vehicle stops executive summary along with definitions for footnotes of the following table.

Racial Profiling Data/2014 - St. Ann Police Department - Population 10,416¹

Key Indicators	Total	White	Black	Hispanic	Asian	Am. Indian	Other
Stops	10308	6352	3672	60	29	3	192
Searches	648	241	368	20	1	1	17
Arrests	650	229	383	19	1	1	17
Statewide Population	N/A	82.76	10.90	2.94	1.71	0.41	1.28
Local Population	N/A	71.15	20.16	4.61	2.27	0.24	1.57
Disparity Index ²	N/A	0.87	1.77	0.13	0.12	0.12	1.18
Search Rate ³	6.29	3.79	10.02	33.33	3.45	33.33	8.85
Contraband hit rate ⁴	10.03	12.86	8.97	5.00	0.00	0.00	0.00
Arrest rate ⁵	6.31	3.61	10.43	31.67	3.45	33.33	8.85

¹ Population figures are from the 2010 Census for persons 16 years of age and older who designated a single race. Hispanics may be of any race. "Others" includes persons of mixed race and unknown race.

² Disparity index = (proportion of stops / proportion of population). A value of 1 represents no disparity; values greater than 1 indicate over-representation, values less than 1 indicate under-representation.

³ Search rate = (searches / stops) X 100

⁴ Contraband hit rate = (searches with contraband found / total searches) X 100

⁵ Arrest rate = (arrests / stops) X 100



Nicole R. Galloway, CPA
Missouri State Auditor

Henry County



December 2015
Report No. 2015-133

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Henry County

County Procedures	As noted in two prior audits, county officials failed to ensure that employees properly documented fuel usage and costs and did not engage in a competitive bidding process for some purchases, including costs for prisoner meals. The county did not report to the Internal Revenue Service the use of a county-leased vehicle for personal commuting and transportation expenses provided for the jail administrator. The county also paid temporary salary increases (bonuses) to seven employees in the county assessor's office, but no documentation was retained to support any additional hours worked or duties performed. These bonuses appear to violate the Missouri Constitution, which prohibits additional compensation to public servants for services provided previously.
Sunshine Law	The county commission did not comply with Missouri's Sunshine Law when it discussed topics in closed meetings that should have been discussed during open meetings. The county commission also cited particular reasons for going into closed meetings but then discussed different topics while in the closed meeting. The county commission also lacks a formal policy regarding public access to county records, as required by state law.
Electronic Data Security	County officials have not established adequate protections to ensure the security of electronic data. Employees with access to county computers are not required to change passwords frequently, and county computers do not lock after multiple incorrect logon attempts or after periods of inactivity.
Sheriff's Controls and Procedures	As noted in two prior audits, the sheriff failed to prepare monthly bank reconciliations, prepare lists of liabilities for bank accounts, or maintain accurate accounting records for his fee account. The sheriff has not corrected those weaknesses. Additionally, jail personnel used bond forms and receipt slips that were not prenumbered, creating a risk of loss, theft, or misuse of bond money. The sheriff also lacked procedures to properly receipt, record, and deposit inmate money. The petty cash and drug buy funds are not maintained on an imprest basis and a petty cash ledger or adequate documentation is not maintained for petty cash transactions. A physical inventory of seized property has not been performed and some items have been held for several years.
Public Administrator's Controls and Procedures	The public administrator, who is appointed by the circuit court to represent wards or estates of persons who have died, charged fees to 56 wards/estates in advance of performing services without the circuit judge's approval. The public administrator also charged and collected monthly fees from some estates in error when fees in advance had already been collected. The court has not established procedures to review the accuracy of fees paid to the public administrator and does not perform sufficient reviews of the activity of cases assigned to the public administrator.
County Collector-Treasurer's Controls and Procedures	As noted in two prior audit reports, the county collector-treasurer annual settlements were not accurate. The county collector-treasurer also did not adequately reconcile lists of liabilities with available cash balances, and did not retain documentation to support the calculation of amounts withheld from tax collections for the Assessment Fund.

Prosecuting Attorney's Controls and Procedures	As noted in two prior audit reports, auditors identified weaknesses that remain in the prosecuting attorney's office. The office relies on one legal assistant to enter information into an accounting system and transmit payments relating to bad check complaints and court-ordered restitution. The same employee can make adjustments to defendant accounts without independent approval. Segregation of duties and supervisory review of accounting records is needed to ensure all transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. Additionally, the office did not issue receipt slips timely for all monies received and some monies were not recorded in the accounting system.
Recorder of Deeds' Controls and Procedures	The recorder of deeds' office does not issue receipt slips and record transactions for copy money received into a computerized accounting system, and does not generate a receipt report indicating the method of payment to ensure the composition of receipts agrees to the composition of deposits. As noted in two prior audits, the office does not prepare a list of liabilities or compare monthly reports to available cash balances.
County Assessor's Controls and Procedures	The county assessor collects tax waiver fees from county citizens, when documentation indicates that no taxes were assessed on their personal property in the prior year. This tax waiver fee is not allowable by state law. Accounting duties are not adequately segregated and supervisory reviews of accounting records are not performed to ensure receipts are properly recorded and transmitted to the county collector-treasurer. Improvement is needed in the receipting and transmitting of money received.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was Poor.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Henry County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. County Procedures4 2. Sunshine Law6 3. Electronic Data Security.....7 4. Sheriff's Controls and Procedures8 5. Public Administrator's Controls and Procedures.....13 6. County Collector-Treasurer's Controls and Procedures17 7. Prosecuting Attorney's Controls and Procedures18 8. Recorder of Deeds' Controls and Procedures20 9. County Assessor's Controls and Procedures.....21
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	25
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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Henry County

We have audited certain operations of Henry County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Henry County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

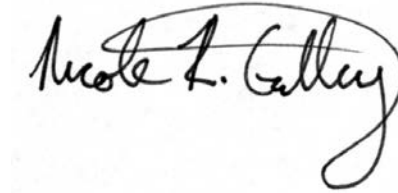
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Henry County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Pamela Allison, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Seth Rogers, MPA
	Marian Seevers, M.Acct., CPA

Henry County

Management Advisory Report

State Auditor's Findings

1. County Procedures

Improvements are needed in the county's procedures over fuel, reporting of personal commuting mileage and expenses, and bidding. In addition, the County Commission paid upon approval from the former County Assessor temporary salary increases (bonuses) in violation of the Missouri Constitution.

1.1 Fuel

The county lacks adequate procedures to account for fuel use by the road and bridge department and the Sheriff's office. Accounting records indicated fuel purchases totaled approximately \$37,000 for the road and bridge department and \$73,000 for the Sheriff's office during the year ended December 31, 2014.

County employees did not always properly complete fuel use records or use them to reconcile to fuel billings. County employees prepare multiple records regarding fuel use (fuel and usage logs, and data entered at the pumps when fueling vehicles). We noted instances where employees did not enter odometer readings on fuel and usage logs or at the pump. Also, receipts are not always obtained, and fuel and usage logs maintained by the Sheriff's office are destroyed each month after the Sheriff's review. In addition, employees of the road and bridge department use an unmetered portable fuel tank to fuel equipment; therefore, fuel used from the tank cannot be reconciled to equipment fuel usage.

Without sufficient and accurate information the county cannot evaluate propriety and reasonableness of fuel pumped/used or to reconcile to fuel billings. Failure to account for fuel purchases and fuel usage could result in loss, theft, and misuse going undetected.

1.2 Commuting mileage

The value of personal commuting mileage and transportation expenses paid by the county are not reported on the Jail Administrator's W-2 form as required by Internal Revenue Service (IRS) guidelines. The Jail Administrator commutes 84 miles each day and does not prepare a detailed mileage log of personal and business use.

The Jail Administrator started working for the county in May 2014, and the Sheriff leased a vehicle from July 22, 2014, through September 30, 2014, for the Jail Administrator to commute to work. The county paid \$858 in lease payments for this vehicle and \$238 in fuel costs. The Sheriff then allowed the Jail Administrator to use a county credit card to purchase fuel and also charge car maintenance services to the county for the Jail Administrator's personal vehicle after September 30, 2014, when the Jail Administrator began using his personal vehicle for commuting. From October 2014 through August 2015, the Jail Administrator charged \$1,527 in fuel and \$198 in maintenance services to the county for his personal vehicle. These transportation expenses were not included in an accountable plan or reported in the employees income.



Henry County Management Advisory Report - State Auditor's Findings

IRS reporting guidelines indicate personal and commuting mileage is a reportable fringe benefit and require the value for all use of the provided vehicle to be reported if the employer does not require the submission of detailed logs that distinguish between business and personal use. IRS reporting guidelines also indicate transportation expenses, that are not reported under an employer's accountable plan, are to be included in the employee's income. Additionally, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

1.3 Bidding

The Sheriff and County Commission did not solicit bids for prisoner meals costing approximately \$135,000 during the year ended December 31, 2014. In addition, the County Commission did not document reasons for selecting a bid other than the low bid for a used semi-truck purchased for \$39,950 or employee health insurance.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest prices and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

1.4 Temporary salary increase (bonuses)

On December 26, 2014, the county paid \$1,000 as a temporary salary increase (bonuses) to the 7 employees in the County Assessor's office at former County Assessor Brownsberger's request. No documentation was retained to support any additional hours worked or duties performed by these employees.

These temporary salary increases appear to represent additional compensation for services previously rendered and, as such are in violation of Article III, Section 39, the Missouri Constitution, and contrary to Attorney General's Opinion No. 72, from June 14, 1955, which states, "... a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

Similar conditions
previously reported

Similar conditions to section 1.1 and 1.3 were noted in our 2 prior audit reports.

Recommendations

The County Commission:

- 1.1 Ensure fuel logs and records are reviewed for accuracy, reconciled to fuel purchases, and any significant discrepancies investigated. The County Commission should also require odometer readings be entered into fuel use logs or at the pump, fuel receipts be obtained



Henry County Management Advisory Report - State Auditor's Findings

and retained, fuel logs be retained by the Sheriff's office and submitted for review, and ensure the portable fuel tank is metered.

- 1.2 Comply with IRS guidelines for reporting fringe benefits.
- 1.3 And the Sheriff ensure bids are solicited for all applicable purchases of goods and services in accordance with state law, and document reasons for selecting a bid other than the low bid.
- 1.4 Discontinue paying temporary salary increases (bonuses).

Auditee's Response

The County Commission provided the following responses:

- 1.1 *The recommendation will be implemented.*
- 1.2 *The recommendation has already been implemented. Amended IRS reporting documents have been completed, as well as amended W-2 forms.*
- 1.3 *The county will comply with procurement statutes and properly record selections or contract awards in the County Commission minutes.*
- 1.4 *Salary bonuses will not be paid.*

The Sheriff provided the following response:

- 1.3 *The recommendation will be implemented.*

2. Sunshine Law

The County Commission did not always comply with the Sunshine Law. The County Commission held 15 closed meetings during the year ended December 31, 2014.

2.1 Closed meetings

The County Commission discussed some items in closed meetings that are not allowed by state law and sometimes discussed issues other than the specific reason cited in the open minutes for going into a closed meeting. For example, in several closed meetings the County Commission discussed a vehicle being leased by the Sheriff's office, which is not an allowable topic for a closed meeting. In addition, the County Commission discussed personal employee health records in closed meetings; however, the open minutes cited legal issues, and hiring, firing, and disciplining of employee issues as the specific reasons for going into a closed meeting.

Section 610.021, RSMo, allows the County Commission to discuss certain subjects in closed meetings, including litigation, real estate transactions, sealed bids, specific personnel matters, and confidential or privileged communications with auditors. Section 610.022, RSMo, requires a closed



Henry County Management Advisory Report - State Auditor's Findings

meeting, record, or vote be held only for the specific reasons announced publicly at an open meeting. This section also provides that public governmental bodies shall not discuss any other business during the meeting that differs from the specific reasons used to justify such meeting, record, or vote.

2.2 Public access policy

The County Commission has not adopted a formal policy regarding public access to county records. A formal policy regarding public access to county records would establish guidelines for the county to make requested records available to the public. A public access policy would provide information to the public to ensure any records requests are handled consistently and in compliance with state law. At a minimum, such a policy should identify a person to contact, provide an address to mail such a request, and establish a cost schedule for providing copies of public records.

Section 610.023, RSMo, lists requirements of making records available to the public, and Section 610.026, RSMo, allows the county to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

Recommendations

The County Commission:

- 2.1 Ensure issues discussed in closed meetings are allowed by state law, and limit issues discussed in closed meetings to only those specific reasons cited for closing the meeting.
- 2.2 Develop written policies regarding procedures for the public to obtain access to, or copies of, public records.

Auditee's Response

- 2.1 *The recommendation has been implemented.*
- 2.2 *The recommendation will be implemented.*

3. Electronic Data Security

Controls over county computers are not sufficient to prevent unauthorized access. As a result, county records are not adequately protected and are susceptible to unauthorized access.

3.1 Passwords

The County Clerk, County Collector-Treasurer, County Assessor, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically to help ensure passwords remain known only to the assigned user.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential.



Henry County Management Advisory Report - State Auditor's Findings

However, since passwords do not have to be periodically changed by employees in these offices, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

3.2 Security controls

Security controls are not in place to lock any county computers after a specified number of incorrect logon attempts or after a certain period of inactivity. Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with other county officials to:

- 3.1 Require unique passwords for each employee that are confidential and periodically changed to prevent unauthorized access to the county's computers and data.
- 3.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts and after a certain period of inactivity.

Auditee's Response

- 3.1 *The recommendation has been implemented.*
- 3.2 *The recommendation will be considered.*

4. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. During the year ended December 31, 2014, the Sheriff's office deposited approximately \$569,000 collected for civil and criminal process fees, bonds, and other miscellaneous fees into the fee account. For the same period, deposits into the 2 inmate accounts maintained by the Sheriff's office totaled approximately \$89,000.

4.1 Bank reconciliations

Bank reconciliations and lists of liabilities were not prepared for the Sheriff's fee and inmate bank accounts. In addition, the Sheriff did not distribute the remaining balance of the old inmate account and close the account. In 2014, the Sheriff's office implemented a new computer program to track inmate and commissary monies, and another inmate bank account was opened.



Henry County Management Advisory Report - State Auditor's Findings

At our request, the Sheriff prepared a list of liabilities for the fee account as of September 30, 2015. This list totaled \$53,475 while the available cash balance was \$50,824, resulting in a shortage of \$2,651.

At our request, the Sheriff prepared a list of liabilities for the new inmate account as of October 29, 2015. This list of inmate balances totaled \$2,625 and commissary sales totaled \$7,237, while the cash balance was \$9,397, resulting in a shortage of \$465.

A list of liabilities was not prepared for the Sheriff's old inmate account. The reconciled bank balance of the Sheriff's old inmate account was \$1,412 as of September 30, 2015, and has not changed since December 31, 2014. The Sheriff indicated he believes these monies were commissary profits and plans to hold them until December 2015 to disburse to the County Collector-Treasurer. No documentation could be provided indicating the remaining balance is commissary profits.

Preparing monthly bank reconciliations is necessary to ensure accounting records are in balance and increase the likelihood errors will be identified. Regular identification and comparison of liabilities to the available cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained. Various statutory provisions provide for the disposition of unidentified monies.

4.2 Fee account

The Sheriff does not maintain accurate accounting records for his fee account. As a result, reports generated from the accounting system cannot be relied upon by the Sheriff to reconcile the bank account. In addition, the Sheriff does not have adequate controls over checks and does not make deposits timely.

- Some monies received are not recorded in the accounting system. During 2014, credit card bond payments totaling \$6,740 were direct deposited into the fee account, but were not recorded in the accounting system. In addition, a \$200 inmate social security payment was direct deposited into the fee account in July 2014, but was not receipted in the accounting system.
- The payee and the written amount on checks were manually altered after the checks were printed. Check number 15733 was issued to Clinton Siding Company on October 31, 2014, per the accounting system, but the payee was manually altered to Dallas County Associate Court per the canceled check. The typed amount on check number 15555 issued on August 11, 2014, was not an amount but the words "need information." However, this wording was marked through and the actual amount of \$145 was written in by hand on the check. These



Henry County Management Advisory Report - State Auditor's Findings

alterations were made prior to the checks being mailed or negotiated and the bank image of the check showed the alterations.

- The payee recorded in the accounting system did not agree to the actual check written from the fee account. Check number 15597 was issued to the Henry County Treasurer on September 2, 2014, per the accounting system, but the payee on the canceled check was Henry County Circuit Court.
- Four checks totaling \$868 were issued and cleared the bank without any signatures on the checks.
- The Sheriff did not follow up on and resolve 97 old outstanding checks totaling \$1,179 in the fee account, and 75 of these checks are dated between 1997 and 2009. In addition, the outstanding check list for the March 2015 bank reconciliation was not accurate. For example, check number 13584 was issued on August 31, 2012, for \$250 to the Henry County Circuit Clerk. The Sheriff indicated this check had been voided and reissued, but he had failed to void this check in the accounting system.
- Monies received are not deposited timely. For example, \$5,075 received on September 2, 2014, was not deposited until September 5, 2014.

Complete and accurate accounting records are essential to properly reflect the Sheriff's office financial activity, provide an adequate audit trail, and facilitate reconciliations with bank accounts. Altering checks increases the risk of theft of funds. Issuing new checks, and voiding and retaining the incorrect checks would provide better control. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. Timely depositing procedures are necessary to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, and old outstanding checks should be followed up on timely.

4.3 Bond monies

Bond forms used by jail personnel are not prenumbered, and jail personnel do not issue prenumbered receipts slips for bond monies received.

Bond monies are typically collected by deputies or jailers, who issue bond forms and record bond monies collected into a computerized spreadsheet. Bond monies are transmitted to the Administrative Secretary for processing. Bond monies received are compared to the spreadsheet by the Administrative Secretary and are recorded in the accounting system and then deposited in the fee account.



Henry County Management Advisory Report - State Auditor's Findings

To reduce the risk of loss, theft, or misuse of bond monies, and to provide assurance all bond monies are accounted for properly, procedures to account for bonds should be improved.

4.4 Inmate account

Receipting, recording, and depositing procedures of inmate monies need improvement.

- The numerical sequence of transaction numbers is not accounted for properly, and the transaction numbers are not included in the receipt reports generated to support deposits of inmate monies received.
- Some inmate monies were not recorded in the inmate computer program. During our review of a deposit made on April 3, 2015, we identified a \$25 cash deposit that was not recorded in the program.
- Monies received are not deposited timely. For example, \$1,358 received in cash from August 29, 2014, through September 2, 2014, was not deposited until September 5, 2014.

To reduce the risk of loss, theft, or misuse of funds and to adequately safeguard receipts, adequate receipting, recording, and depositing procedures are needed.

4.5 Petty cash and drug buy monies

The Sheriff does not maintain the \$400 petty cash fund or the \$1,500 drug buy fund on an imprest basis. A petty cash ledger or adequate documentation is not maintained to support petty cash transactions.

Our count of petty cash on April 6, 2015, totaled \$464 with \$210 cash on hand and \$254 in invoices; resulting in an overage of \$64. The Sheriff later indicated \$44 of invoices were not actual petty cash disbursements, decreasing the overage to \$20. In addition, documentation for meals purchased locally from petty cash funds did not indicate the reason and the individuals provided the meals. During the year ended December 31, 2014, the Sheriff's office received payments totaling \$4,489 to reimburse the petty cash fund.

Our count of drug buy monies on April 6, 2015, totaled \$940 with \$610 recorded on the drug buy ledger as being on hand; resulting in an overage of \$330.

To ensure all receipts are appropriately handled and recorded and disbursements are proper, the Sheriff should maintain the petty cash and drug buy funds on an imprest basis. The Sheriff should also maintain a petty cash ledger documenting receipts, disbursements, and the balance of the petty cash fund and retain documentation to support disbursements from the fund.



Henry County Management Advisory Report - State Auditor's Findings

4.6 Seized property

A physical inventory of seized property has not been performed and seized property records indicate several items have been held for years with some items dating back to at least 2008.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly. Section 542.301, RSMo, provides guidance for the disposition of unclaimed seized property.

Similar conditions previously reported

Similar conditions to sections 4.1 and 4.2 were noted in our prior 2 audit reports. Additionally, the *Follow-Up Report on Audit Findings - Henry County*, Report No. 2013-30, issued in April 2013, reported the status, at that point in time, as in progress for section 4.1 and implemented for 4.2; however, this audit indicates the Sheriff has not taken steps to correct these weaknesses.

Recommendations

The Sheriff:

- 4.1 Perform bank reconciliations and prepare monthly lists of liabilities for all accounts and compare to the available cash balances, and promptly investigate and resolve differences. The Sheriff should also close the old inmate bank account.
- 4.2 Ensure all monies received and disbursements are properly recorded in the accounting system, discontinue altering checks, ensure all checks are signed, dispose of old outstanding checks in accordance with state law, and deposit monies timely.
- 4.3 Issue prenumbered receipt slips for bond monies or issue prenumbered bond forms and account for the numerical sequence.
- 4.4 Account for the numerical sequence of transaction numbers, ensure all monies received are recorded in the computer program, and deposit monies timely.
- 4.5 Maintain the petty cash and drug buy funds on an imprest basis and maintain adequate documentation for all petty cash disbursements. A petty cash ledger should also be maintained.
- 4.6 Ensure a periodic inventory is conducted and reconciled to the records, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property.

Auditee's Response

- 4.1 *I will continue to work towards finding a software solution that will accommodate receipting and payment processes and provide*



Henry County Management Advisory Report - State Auditor's Findings

for complete bank reconciliations. The old inmate account will be closed on December 31, 2015.

- 4.2 *I am in the process of disposing of old outstanding checks. All monies that are direct or electronically deposited and are reported to us on the bank statements are currently being receipted. I will also review disbursement reports to ensure they are accurate, discontinue altering checks, and ensure all checks are signed. Our office will attempt to deposit monies more timely.*
- 4.3 *I will continue to work with the vendor to provide for prenumbered bond receipts/forms from the software, and I will account for the numerical sequence.*
- 4.4 *The current vendor does not issue sequential numbers for receipts but rather a transaction number from their software servers. I will request them to implement a sequential receipt number specific to my county. I will ensure all monies received are recorded in the computer system, and I will attempt to deposit monies more timely.*
- 4.5 *This will be implemented on January 1, 2016.*
- 4.6 *Our office does not have adequate staff to complete a full audit of seized property. I will implement a program where a certain percent of seized property is reconciled on a monthly basis, and I will attempt to dispose of seized property that is no longer needed for criminal prosecution.*

5. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need improvement. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and was responsible for the financial activity of 154 individuals as of December 31, 2014.

The Public Administrator received fees totaling \$167,978 from these estates for the year ended December 31, 2014, and the Public Administrator reported paying \$88,318 in personnel salaries and office expenses from these fees. The Circuit Court, Probate Division's, compensation order allows the Public Administrator to receive monthly compensation of 5 percent of the expenditures made on behalf of a protectee during that month, or \$60, whichever is greater. The compensation order also provides for an annual \$15 check production fee from each protectee with a checking account; an annual \$25 postage fee from each protectee; an annual settlement preparation and filing fee based upon the size, condition, and complexity of the estate/settlement; and additional fees for any work performed above and beyond the Public



Henry County Management Advisory Report - State Auditor's Findings

Administrator's normal administrative responsibilities at an hourly rate not to exceed \$40 per hour.

5.1 Fees

The Public Administrator charged 56 estates a fee in advance of services being performed without the approval of the Circuit Judge, Probate Division. In addition to the fee advance, the Public Administrator also charged and collected monthly fees from some of these same estates in error. Additionally, the fee advance amount paid was included in the disbursement total the Public Administrator used when calculating the monthly fee. Therefore, the Public Administrator was charging a 5 percent fee on the fee advance paid.

For example, we reviewed fees taken by the Public Administrator for one ward from January 2014 to December 2014. This ward passed away in August 2014. We noted the following fees were assessed:

- The Public Administrator assessed a fee advance of \$720 (12 months times \$60) in January 2014 for the months of January through December 2014. In June 2014, the Public Administrator assessed another fee advance of \$720.
- The Public Administrator incorrectly assessed a monthly fee for February, April, and December 2014. The amounts included the \$60 monthly fee already assessed in the advance fee and additional small overcharges.
- In November 2014, the Public Administrator assessed the ward \$2,080 for services provided, including moving and packing personal items of the ward. The Public Administrator realized errors and overcharges had been made regarding the fee advances and attempted to correct this problem by reducing her \$2,080 fee by \$911 and only paying herself \$1,169.
- The bank account for the ward had a zero balance on January 8, 2015. In May 2015, the Public Administrator requested and the Circuit Judge, Probate Division approved final settlement fees of \$300. The Public Administrator did not take these fees because of previous errors and overcharges made to the ward's estate and because the bank account had a zero balance.

Additionally, the Circuit Court, Probate Division, has not established procedures to review the accuracy of fees paid to the Public Administrator. The court's compensation order does not indicate that advance payments of fees are allowed, and the Circuit Judge, Probate Division, indicated the court's compensation order implies that advance payments of fees should not be made.



Henry County Management Advisory Report - State Auditor's Findings

To ensure fees are paid correctly, the Public Administrator should charge fees in accordance with the compensation order approved by the Circuit Judge, Probate Division, and after the services are performed. Failure to adequately review fees paid to the Public Administrator by the Circuit Court, Probate Division, increases the risk that errors or misuse of funds could go undetected.

A similar condition was noted in our prior audit report.

5.2 Annual settlements

The Circuit Court, Probate Division, does not perform sufficient reviews of the activity of cases assigned to the Public Administrator. The court reviews annual settlements submitted, but the review of disbursements is limited to verifying the accuracy of amounts reported by reviewing copies of canceled checks included as part of the bank statements. However, canceled checks were not obtained and reviewed for one estate we reviewed. In addition, the Public Administrator did not file supporting documentation such as invoices with the Circuit Court, Probate Division, when filing annual settlements.

Without such documentation, it is difficult for the court to assess the validity and reasonableness of costs charged to and paid by wards of the Public Administrator. Consideration should be given to requiring such supporting documentation be filed with the court.

Recommendations

- 5.1 The Public Administrator should discontinue the practice of charging fees in advance, and the Circuit Judge, Probate Division, should ensure the division has established procedures to review the accuracy of fees paid to the Public Administrator.
- 5.2 The Circuit Judge, Probate Division, establish procedures to adequately monitor the activity of all cases assigned to the Public Administrator, and require supporting documentation such as canceled checks and invoices to be filed with the court.

Auditee's Response

The Circuit Judge, Probate Division, provided the following responses:

- 5.1 *The Court agrees with this recommendation. The Court has entered a supplemental order regarding the Public Administrator's compensation and procedures. That supplemental order prohibits advance payment of fees. The Court will work with the Probate Clerk to ensure that the Public Administrator's settlements are adequately reviewed to verify the accuracy of fees paid to the Public Administrator. The Court will require repayment of any fees overcharged to estates.*



Henry County
Management Advisory Report - State Auditor's Findings

- 5.2 *The Court agrees with this recommendation. The Court's supplemental order also requires that all of the Public Administrator's accounts be maintained at a financial institution that will provide canceled checks or an image of those checks with the monthly statements, and requires that those canceled checks be submitted with the annual settlement. The Court will work with the Probate Clerk to ensure that all settlements are thoroughly reviewed.*

The Public Administrator provided the following responses:

- 5.1 *I was paid fees totaling \$167,978 from these estates for the year ended December 31, 2014. These fees covered Henry County Public Administrator salaries, computer systems, and office operating expenses.*

As a result of the current audit, the procedure of prepaid fees has been terminated. In addition, a programming change was implemented in 2015 to ensure fees are not included in the monthly fee calculations.

- 5.2 *The average annual settlement process requires approximately three hours aggregate of my office's staff time. Generally, the more complex the estate, the more time is required to complete the annual report, and the greater the volume of invoices/receipts. Copying and organizing receipts/invoices to include in the annual report would require additional staffing. Additionally, invoice by invoice review by the Probate Clerk and Judge would appear to be an undue burden for that office. The majority of estate disbursements are state-mandated amounts to cover cost of care. However receipts and invoices are retained and are available for review. I will accede to judicial requirement in this matter.*

As banks move to a "paperless" banking environment, it is becoming increasingly difficult to get check images (without cost to the estate) included in the bank statement-in fact; it is a struggle just to get paper statements. I continuously fight to receive paper statements and check images. Thus far, most banks will provide this service. However, there was a bank instigated e-mail statement experiment that did not provide images for every statement. Bank procedures and programming abilities are beyond my control.



Henry County
Management Advisory Report - State Auditor's Findings

6. County Collector-Treasurer's Controls and Procedures

Controls and procedures in the County Collector-Treasurer's office need improvement. The County Collector-Treasurer's office processed tax collections of approximately \$18 million during the year ended February 28, 2015.

6.1 Annual settlements

The County Collector-Treasurer's annual settlements were not accurate.

- Protested taxes totaling \$83,325 received in December 2013 were not reported as protested taxes on the annual settlement for the year ended February 28, 2015, or the annual settlement for the year ended February 28, 2014. Instead, these taxes were reported as delinquent taxes.
- Collections reported on page 2 and page 3 of the annual settlement did not agree to the summary total of collections reported on page 1 for the year ended February 28, 2015. The County Collector-Treasurer indicated collections reported on page 2 and page 3 were overstated by \$11,150 because merchant license receipts were erroneously reported twice.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is important the County Collector-Treasurer file complete and accurate annual settlements.

A similar condition was noted in our 2 prior audit reports.

6.2 Liabilities

Lists of liabilities were not adequately reconciled with the reconciled bank balance of the property tax bank account each month. We prepared a list of liabilities for the property tax bank account as of July 31, 2015, which totaled \$113,660, while the reconciled bank balance was \$115,069, resulting in an overage of \$1,409.

Without regular comparison of liabilities to the available cash balance, there is less likelihood errors will be identified and the ability to resolve errors is diminished. Differences must be adequately investigated and explained.

6.3 Assessment withholdings

The County Collector-Treasurer did not retain documentation of the calculation of amounts withheld from tax collections for the Assessment Fund, and as a result, we could not determine the accuracy of amounts distributed to various political subdivisions in December 2014.



Henry County
Management Advisory Report - State Auditor's Findings

Sections 137.720.1 and 137.720.3, RSMo, each provide a percentage to be deducted from property tax collections and deposited into the Assessment Fund (1 percent and 0.5 percent, respectively, for a total of 1.5 percent). However, Section 137.720.3, RSMo, limits the 0.5 percent deduction to \$75,000. After this limit is reached, the percentage reduces to 1 percent. Adequate monitoring and documentation of the calculation of Assessment Fund withholdings is necessary to ensure compliance with statutory provisions.

Recommendations

The County Collector:

- 6.1 File complete and accurate annual settlements.
- 6.2 Adequately reconcile the list of liabilities to the reconciled bank balance, promptly investigate any differences, and dispose of unidentified monies in accordance with state law.
- 6.3 Retain documentation of the calculation of Assessment Fund withholdings.

Auditee's Response

- 6.1 *I will change where I list protested taxes and make sure all amounts on the annual settlement are accurate.*
- 6.2 *I am now making a list of liabilities, so that it reconciles to the bank statement along with the outstanding check report. I will also identify any differences and resolve them by February 28, 2016.*
- 6.3 *I will keep a file of how our office calculates the reimbursement to the Assessment Fund so it can be used from year to year.*

7. Prosecuting Attorney's Controls and Procedures

7.1 Segregation of duties

Controls and procedures in the Prosecuting Attorney's office need improvement. The Prosecuting Attorney's office collected approximately \$138,000 in bad check and court-ordered restitution and fees during the year ended December 31, 2014.

The Prosecuting Attorney has not adequately segregated accounting duties or performed supervisory reviews of accounting records. Two legal assistants and the Office Manager issue receipt slips for monies received. One of these legal assistants is also responsible for all other duties including entering all information including payments related to bad check complaints and court-ordered restitution in the computerized accounting system and for transmitting these payments and fees to the applicable party. Additionally, this legal assistant also has the ability to record adjustments to defendant accounts in the system without independent approval. Neither the Prosecuting Attorney nor his Office Manager performs a documented supervisory review of the accounting records to



Henry County Management Advisory Report - State Auditor's Findings

ensure all monies received are properly recorded and transmitted or disbursed to the appropriate party.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement documented independent or supervisory reviews of accounting records, which would include a review of adjustments made.

7.2 Receipting, recording, and transmitting monies

The Prosecuting Attorney has not established proper controls or procedures for receipting, recording, and transmitting monies. During our review of monies received during June 2014, we noted the following concerns:

- The Prosecuting Attorney's office did not issue receipt slips timely for all monies received. In addition, some monies were not recorded in the computerized accounting system. On June 18, 2014, the Henry County Circuit Court issued a \$1,053 check to the Prosecuting Attorney for bond forfeitures related to five different cases. However, office staff did not issue receipt slips for bad check fees totaling \$51. In addition, receipt slips were not prepared for the remaining \$1,002 that was transmitted to the County Collector-Treasurer on June 23, 2014, until June 24, 2014. Additionally, \$100 of the amount received was not recorded in the computerized accounting system.
- Office staff did not issue a receipt slip for \$30 received and recorded in the computerized accounting system on June 4, 2014.

To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure all monies received are properly receipted, recorded, and transmitted timely.

Similar conditions previously reported

Similar conditions were noted in our prior 2 audit reports. Additionally, the *Follow-Up Report on Audit Findings - Henry County*, Report No. 2013-30, issued in April 2013, reported the status, at that point in time, was in progress for Sections 7.1 and 7.2; however, this audit indicates the Prosecuting Attorney has not taken steps to correct these weaknesses.

Recommendations

The Prosecuting Attorney:

- 7.1 Adequately segregate accounting duties or ensure supervisory reviews of accounting records are performed and documented. In addition, the Prosecuting Attorney should require a supervisory review and approval for all accounting adjustments.



Henry County
Management Advisory Report - State Auditor's Findings

- 7.2 Ensure receipt slips are issued for all monies received, and all monies received are recorded in the computerized accounting system.

Auditee's Response

- 7.1 *As I have noted in responses to previous audits, I do not have adequate personnel to segregate duties as recommended. I have committed to provide maximum service to the public by being open during the lunch hour which often means there is only one person in the office to perform all of the duties.*

As to the recommendation about supervisory reviews, the field auditor suggested a simple procedure to document the supervisory reviews my office has been doing and either the Prosecuting Attorney or the Office Manager will initial all account adjustments.

- 7.2 *I believe my office has improved our procedures for receipting monies since the last audit. The problems noted in the report were the product of simple human error and not a result of a procedural weakness.*

8. Recorder of Deeds' Controls and Procedures

8.1 Receipting and depositing

Controls and procedures in the Recorder of Deeds' office need improvement. The Recorder of Deeds' office collected various fees totaling approximately \$155,000 related to recording documents such as marriage licenses and deeds during the year ended December 31, 2014.

The Recorder of Deeds has not established proper controls or procedures for receipting and depositing monies. We noted the following concerns:

- The Recorder of Deeds' office does not issue receipt slips and record copy monies received from abstract companies into the computerized accounting system. Based on notations made on monthly reports, the office received \$17,881 in copy fees from abstract companies for the year ended December 31, 2014.
- The Recorder of Deeds does not generate a receipt report indicating the method of payment to ensure the composition of receipts agrees to the composition of deposits, even though the method of payment is recorded in the computerized accounting system.

To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure all monies received are properly receipted and recorded. Reconciling the composition of receipts to the composition of deposits is necessary to ensure all monies are properly recorded and deposited intact.



Henry County
Management Advisory Report - State Auditor's Findings

8.2 List of liabilities and unidentified balance

The Recorder of Deeds does not prepare a list of liabilities or compare month-end reports to the available cash balance of the office bank account. We prepared a list of liabilities totaling \$12,703 for the account as of September 30, 2015, which was \$1,020 less than the reconciled bank balance of \$13,723.

Without regular comparison of liabilities to the available cash balance, there is less likelihood errors will be identified and the ability to resolve errors is diminished. Differences must be adequately investigated and explained to provide assurance that bank and book balances have been properly reconciled, and that book balances are accurately stated.

A similar condition was noted in our 2 prior audit reports.

Recommendations

The Recorder of Deeds:

- 8.1 Issue receipt slips for copy monies received, ensure copy monies are recorded in the computerized accounting system, and reconcile the composition of receipts to the composition of deposits.
- 8.2 Prepare a monthly list of liabilities, reconcile the lists to the reconciled bank balances, promptly investigate any differences, and dispose of unidentified monies in accordance with state law.

Auditee's Response

- 8.1 *I will take in consideration the issuance of a receipt for copy monies received from abstract companies and discuss this with the computer software vendor. In July 2015, changes were made to the software, which now enables office staff to reconcile the composition of receipts to composition of deposits.*
- 8.2 *I have put this process in place in the monthly balancing procedures. The unidentified difference will be turned over to the county this month.*

9. County Assessor's Controls and Procedures

Controls and procedures in the County Assessor's office need improvement, and the County Assessor has no authority to charge and collect personal property tax waiver fees. The County Assessor's office collected approximately \$5,200 for maps, plat books, personal property tax waivers, and miscellaneous fees during the year ended December 31, 2014.

James Keck served as County Assessor from January through April 19, 2014. Sandra Brownsberger was appointed as the County Assessor on April 25, 2014, and served through December 31, 2014. The current County Assessor, Scott Largent, was elected in a special election in November 2014 and took office on January 5, 2015.



Henry County Management Advisory Report - State Auditor's Findings

9.1 Segregation of duties

The County Assessor has not adequately segregated accounting duties or performed supervisory reviews of accounting records. Four clerks are responsible for collecting and receipting monies, and one of these clerks is primarily responsible for preparing a monthly transmittal report and transmitting monies received to the County Collector-Treasurer. The County Assessor does not perform a documented supervisory review of the accounting records to ensure all monies received are properly recorded and transmitted to the County Collector-Treasurer.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the County Assessor should implement documented independent or supervisory reviews of accounting records.

9.2 Receipting and transmitting

The County Assessor has not established proper controls or procedures for receipting and transmitting monies. Receipt slips are not issued for all monies received, the method of payment (cash or check) is not always indicated on the receipt slips, the numerical sequence of receipt slips issued is not accounted for, receipts are not transmitted to the County Collector-Treasurer intact, and some fees collected in the County Assessor's office are used for petty cash type purchases rather than being transmitted to the County Collector-Treasurer for deposit. In addition, transmittal reports prepared by the County Assessor's office are not adequately detailed. The transmittal reports only account for the total amount of monies received for each type of receipt (waivers, maps, copies, plat books, miscellaneous) less any petty cash purchases, instead of listing each individual receipt. The transmittal reports also indicate the composition of monies transmitted. However, this information is not sufficient to reconcile the composition of receipt slips to the composition of monies transmitted to the County Collector-Treasurer and there is less assurance all monies collected are appropriately handled and transmitted.

Our review of receipts collected by former County Assessor Brownsberger in September 2014, and transmitted to the County Collector-Treasurer identified the following concerns:

- Receipts are not transmitted to the County Collector-Treasurer intact. Three receipt slips issued by the County Assessor's office indicated checks totaling \$90 were received, but these checks were not included in the transmittal to the County Collector-Treasurer for that month.
- The County Collector-Treasurer's deposits of the County Assessor's receipts contained 13 unrecorded checks totaling \$414 and unrecorded cash of \$48. These unrecorded monies represented receipts for waivers and plat books.



Henry County Management Advisory Report - State Auditor's Findings

- The method of payment for 4 receipt slips was recorded incorrectly. The receipt slips indicated cash was received; however, the deposits of the County Collector-Treasurer showed the payments occurred by check.
- The method of payment was not indicated on 25 of 107 receipt slips issued by the County Assessor's office.

To adequately account for receipts and reduce the risk of loss, theft, or misuse of funds, receipt slips should be issued for all monies received, and the numerical sequence of receipt slips issued should be accounted for, the method of payment indicated, and the composition of receipts reconciled to the composition of the transmittals. If needed, a separate petty cash fund should be established and maintained on an imprest basis.

9.3 Personal property tax waivers

Personal property tax waiver fees that are not allowable by state law are collected by the County Assessor. According to the current County Assessor, the fee is collected from county citizens that provide documentation that no taxes were assessed on personal property in the prior year. Former County Assessor Keck collected a \$1 fee and former County Assessor Brownsberger collected a \$2 fee, and the current County Assessor is collecting a \$2 fee. During 2014, the County Assessor's office issued 864 waivers. There is no statutory authority allowing the County Assessor to charge and collect a fee for personal property tax waivers.

Recommendations

The County Assessor:

- 9.1 Ensure an independent or supervisory review of accounting records is performed and documented.
- 9.2 Establish procedures to ensure receipt slips are issued for all monies received, the numerical sequence of receipt slips is accounted for, receipts are transmitted intact, and the composition of receipt slips is reconciled to the composition of amounts transmitted. If needed, a petty cash fund should be established and maintained on an imprest basis.
- 9.3 Discontinue charging and collecting personal property tax waiver fees.

Auditee's Response

After consultation with the staff that have been employed in this office for years, I decided to take immediate action. Our office has stopped charging for tax waivers, maps, and reports. I determined that the fees designated to the County Assessor's office from tax assessments were sufficient to cover the cost of those items. The fact that the taxpayer should not have to pay twice for publicly available information that the County Assessor's office



Henry County
Management Advisory Report - State Auditor's Findings

possesses (and is easily and readily available) coupled with the substantial decrease in requests due to the implementation of the free GIS website (www.henrycountymap.com) created the opportunity to stop collecting cash all together.

The elimination of accepting payments over the counter has addressed all items brought forward in the audit report concerning my office on points 9.1, 9.2, and 9.3.

Henry County

Organization and Statistical Information

Henry County is a township-organized, third-class county. The county seat is Clinton.

Henry County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 81 full-time employees and 10 part-time employees on December 31, 2014. The townships maintain county roads.

In addition, county operations include the Senior Citizens' Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Jim Stone, Presiding Commissioner	\$	35,394
Daniel L. Doll, Associate Commissioner		33,556
Jim Talley, Associate Commissioner		33,556
Ronda Ake, Recorder of Deeds		48,134
Rick Watson, County Clerk		48,134
Richard Shields, Prosecuting Attorney		124,963
J. Kent Oberkrom, Sheriff		53,471
Dain Sisk, County Coroner		19,975
Kay Holt, Public Administrator (1)		167,978
Maggie Stoddard, County Collector-Treasurer (2), year ended March 31,	67,728	
James Keck, County Assessor (3)		37,079
Sandra Brownsberger, County Assessor year ended August 31, (4)		16,099

(1) Includes fees from probate cases. The Public Administrator reported paying \$88,318 in personnel salaries and office expenses from these fees.

(2) Includes \$19,183 of commissions earned for collecting city property taxes.

(3) Passed away on April 19, 2014.

(4) Appointed on April 25, 2014.

Other Information

On April 7, 2015, Henry County voters passed a 0.45 percent sales tax for the purpose of providing 911 services. The sales tax will replace the current 15 percent landline tariff, collected from the telephone users in Henry County.



Nicole R. Galloway, CPA
Missouri State Auditor

Pulaski County



December 2015
Report No. 2015-134

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Pulaski County

<p>Sheriff's Controls and Procedures</p>	<p>As noted in our prior 2 audits, the sheriff needs to segregate accounting duties or perform adequate supervisory reviews of accounting and bank records, and the office lacks sufficient procedures for receiving and depositing monies. Formal bank reconciliations are not prepared, running cash balances are not maintained, and monthly lists of liabilities are not prepared or reconciled to available cash balances. Procedures have not been established to periodically reissue or dispose of old outstanding checks. The sheriff's department fails to resolve inactive inmate commissary accounts and does not maintain perpetual inventory records of commissary items or perform periodic physical inventory counts. The sheriff also turns over commissions for collect calls and a number of other fees and donations to the wrong county fund.</p>
<p>Property Tax System Controls and Procedures</p>	<p>As noted in prior audit reports, the county clerk and county commission fail to perform adequate reviews of the county collector's financial activities. The county clerk also does not maintain sufficient records to ensure checks and balances are in place relating to the collection of property taxes and does not prepare or verify the accuracy of current or delinquent tax books. The county clerk did not prepare the land and personal, and railroad and utility aggregate abstracts for 2011, 2012, 2013, and 2014.</p>
<p>County Procedures</p>	<p>A number of county procedures need improvement. The county needs to better monitor fuel use for county vehicles and equipment. Additionally, the sheriff authorized and the county commission approved nearly \$24,000 for expenses not allowed by state law from a particular fund. The salaries of the sheriff and public administrator should have increased in 2014 due to a change in the county's assessed valuation, but the salaries were not adjusted. The value of personal commuting mileage for using a county-owned vehicle to commute between home and work is not reported on employees' W-2 forms as required. The county also failed to compensate road and bridge department employees in accordance with its own overtime policy and did not withhold payroll taxes for city commissions paid to the county collector.</p>
<p>Prosecuting Attorney's Controls and Procedures</p>	<p>The prosecuting attorney needs to conduct supervisory reviews of adjustments made to the accounting system. A clerk does not account for the numerical sequence of manual receipt slips to ensure all receipt slips issued have been turned over to her. The office also maintains a federal forfeiture bank account and a charity back account outside the county treasury without statutory authority.</p>

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is not intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was Fair .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Pulaski County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Sheriff's Controls and Procedures4 2. Property Tax System Controls and Procedures 10 3. County Procedures 12 4. Prosecuting Attorney's Controls and Procedures 17
-------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Organization and Statistical Information	21
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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Pulaski County

We have audited certain operations of Pulaski County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Pulaski County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

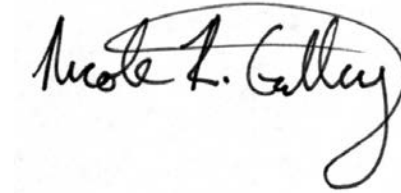
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Pulaski County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Pulaski County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's department need improvement. The Sheriff's department collected monies for civil fees, concealed carry weapon permits, jail phone commissions, commissary commissions, and other miscellaneous receipts totaling approximately \$318,000 for the year ended December 31, 2014.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting records. The Bookkeeper is responsible for receipting, recording, depositing, and disbursing monies from the civil bank account. Prior to her retirement in November 2014, the former Bookkeeper was the only approved signer on this bank account and only one signature was required on checks. The Sheriff indicated he reviewed the former Bookkeeper's work extensively for the first year of his administration in 2013 and found no problems. However, he limited his review in 2014 to reviewing the bank statements for the civil bank account and did not document any of his reviews.

To reduce the risk of loss, theft, or misuse of funds, proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review of accounting and bank records.

1.2 Receipting and depositing

Controls and procedures over receipting and depositing monies need improvement.

- The Bookkeeper does not issue receipt slips for civil paper service fees and the monies are not deposited until the civil paper process is completed. The Bookkeeper records the receipt of these monies on invoices and a spreadsheet when received. When the civil papers cannot be served, the monies received are returned to the payor and the return is noted on the spreadsheet. A cash count performed on May 11, 2015, identified 22 checks with dates ranging from April 2, 2015, to May 1, 2015. These checks were recorded on invoices and the spreadsheet but remained undeposited pending the service of the civil papers. Another check dated October 15, 2014, was not recorded on an invoice or the spreadsheet. The Bookkeeper thought the October check was for a copy of an accident report and should have been recorded on a receipt slip and deposited at that time. In addition, the numerical sequence of the invoices is not accounted for. We found 17 invoices missing from the invoices issued in 2014. Upon our request, the Bookkeeper was able to determine what happened to these invoices.
- The former Bookkeeper did not issue receipt slips timely for some monies received and deposited in the civil account. For example, receipt slips were not issued until July 2014 for the 9 deposits made throughout



Pulaski County
Management Advisory Report - State Auditor's Findings

June 2014 for cash taken from inmates envelopes for commissary purchases.

- The numerical sequence of receipt slips for the civil account is not accounted for properly on the monthly fee report and the composition of receipts (cash, check, or money order) is not reconciled to the composition of deposits.
- Multiple receipt slip books are used by the jailers at the same time for bond monies received during the hours the Circuit Clerk's office is closed and the numerical sequence of receipt slips is not accounted for properly.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds or other errors going undetected, prompt receipting and recording of payments received and depositing intact and timely are necessary.

1.3 Bank reconciliations and liabilities

Controls and procedures over bank reconciliations and liabilities need improvement. At December 31, 2014, the bank balances in the current civil, old civil, and jail booking bank accounts were \$14,254, \$2,890, and \$3,847, respectively. The new inmate trust account was not active until April 2015 and had a bank balance of \$1,997 as of April 30, 2015.

Bank reconciliations

The Bookkeeper did not prepare formal bank reconciliations or maintain running cash balances during the year ended December 31, 2014, for the current civil, old civil, and jail booking bank accounts. However, she did identify outstanding checks.

Liabilities

The Bookkeeper did not prepare monthly lists of liabilities for any of these accounts; therefore, liabilities are not reconciled to the available cash balances. We reviewed the bank statements and other records as of December 31, 2014, for the 3 bank accounts open at that time. We identified \$12,715 in liabilities for the current civil account. The available cash balance of \$12,740 exceeded the list of liabilities by \$25. We identified \$316 in liabilities for the old civil account. That amount agrees to the available cash balance. We identified \$3,783 in liabilities for the jail booking account. The available cash balance of \$3,847 exceeded the list of liabilities by \$64. The old civil account has been dormant since 2011 and the cash balance consists of accumulated interest and old outstanding checks. In addition, the Bookkeeper did not prepare monthly lists of liabilities to reconcile to the available cash balances for the inmate trust bank account.

Outstanding checks

The current civil account has numerous old outstanding checks and the Sheriff has not established procedures to periodically reissue or dispose of



Pulaski County
Management Advisory Report - State Auditor's Findings

these checks. As of December 31, 2014, 17 checks totaling \$758 had been outstanding for over a year.

Conclusion

Without maintaining a cumulative book balance and preparing monthly bank reconciliations, there is little assurance cash receipts and disbursements have been properly handled and recorded. In addition, accounting and bank errors may not be detected and corrected timely. Without regular identification and comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Various statutory provisions provide for the disposition of unidentified monies.

1.4 Inactive inmate accounts

The Sheriff's department has not made adequate efforts to review and resolve old inmate commissary accounts. As of June 30, 2015, 138 inmates had inactive accounts totaling \$3,783 that had been initially deposited in the jail booking account. These inmates were released from the county jail, but did not claim their commissary account balance. Additional deposits of inmate accounts totaling \$4,625 from cash being held in the vault for released inmates were made to the jail booking account during March and April 2015. Of this amount, \$1,569 has been disbursed as of June 30, 2015. As a result, at June 30, 2015, the jail booking account held monies totaling \$6,839.

Follow up on inactive accounts is necessary to ensure monies are appropriately disbursed to the former inmates or as otherwise provided by state law. An attempt should be made to locate former inmates with commissary account balances. If the inmates cannot be located, the Sheriff should dispose of the monies according to state law.

1.5 Commissary inventory

The Sheriff's department does not maintain perpetual inventory records of commissary items and periodic physical inventory counts are not performed. Although the Sheriff began using a contracted vendor in April 2015, the Sheriff continued to hold some commissary items for sale. In addition, the Sheriff indicated he plans to begin selling phone cards to inmates. Items held for sale and phone cards, if made available, should all be included in the commissary inventory records.

A detailed inventory ledger is necessary to adequately account for commissary inventory. To ensure commissary items are properly recorded and handled, purchases and sales should be compared to actual inventory on hand. Loss, theft, or misuse of commissary inventory may go undetected without adequate inventory records.

1.6 Turnover of monies

The Sheriff is not turning over jail phone commissions earned on collect calls to the appropriate fund. The Sheriff turned over \$22,448 of collect call commissions to the Inmate Prisoner Detainee Security Fund along with



Pulaski County
Management Advisory Report - State Auditor's Findings

\$1,000 from calendar sales, \$80 of sex offender registry fees, \$1,663 in accident report fees, and \$153 in unrestricted donations. None of these monies are commissary net proceeds and therefore should have been deposited into the General Revenue Fund.

Section 221.102, RSMo, requires each county jail to keep revenues from its canteen or commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

Similar conditions
previously reported
Recommendations

Conditions similar to sections 1.1 and 1.2 were noted in our prior 2 audit reports.

The Sheriff:

- 1.1 Adequately segregate accounting duties or ensure independent or supervisory review of accounting and bank records are performed and documented.
- 1.2 Ensure receipt slips are issued for all monies when received, deposits are made timely and include all monies on hand at the time a deposit is prepared, the numerical sequence of receipt slips and invoices is accounted for properly, and the composition of receipts is reconciled to the composition of deposits. In addition, limit the number of receipt slips books in use at one time for bonds.
- 1.3 Ensure running balances in the check register are maintained, monthly bank reconciliations are performed, and reconciled to lists of liabilities. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, old outstanding checks should be voided and reissued to payees that can be readily located and the old civil account should be closed. If the payee cannot be located and any monies remain unidentified, the monies should be disbursed in accordance with state law.
- 1.4 Establish procedures to routinely review inactive accounts and timely disburse monies to former inmates. An attempt should be made to resolve unclaimed commissary balances. If the former inmates cannot be located, the monies should be disbursed in accordance with state law.



Pulaski County
Management Advisory Report - State Auditor's Findings

- 1.5 Maintain inventory records of commissary items and phone cards and reconcile the records to purchases, sales, and periodic physical inventory counts.
- 1.6 Remit monies received for collect call commissions, calendar sales, sex offender registry fees, accident reports, and donations to the county's General Revenue Fund.

Auditee's Response

- 1.1 *The new Bookkeeper and Sheriff have reviewed and modified procedures for the collection of, and handling/depositing monies from the civil fees. The Bookkeeper began submitting monthly reports to the Sheriff and reporting all transactions regarding the civil fees, beginning the month of September. This replaces the previous periodic reviews that were not documented.*

The Bookkeeper has reviewed and reconciled all of the statements that the prior bookkeeper failed to complete during the previous year. All accounts "did balance" and no funds appeared to be questionable. This was completed in October 2015. The Sheriff also ensures that all bank statements are reconciled on a monthly basis.

All outgoing checks now require two signatures, which are the Bookkeeper's and the Sheriff's signatures. The Sheriff reviews all outgoing checks on a weekly basis, and has since the auditor recommended such in September/October. The Bookkeeper has also added balances on each page on the checkbook.

All accounting procedures that were being neglected and/or not conducted by the prior Bookkeeper have been reviewed, and corrected, where necessary.

- 1.2 *The Bookkeeper issues receipt slips for incoming checks for civil processes, and records receipts on a spreadsheet, which is submitted to the Sheriff on a monthly basis.*

Deposits for monies received are conducted in a timelier manner, at multiple intervals throughout the week/month. Also all monies received will have a receipt slip issued, the sequence of receipt slips will be accounted for, and the composition of receipts will be reconciled to the composition of deposits.

Individual inmate monies are not collected by the Bookkeeper, instead a commissary vending company (Keefe) has been implemented that involves depositing money into a kiosk. An armored car company is then sent to the jail, where these monies are collected and deposited. Once the inmate is released, he/she is



Pulaski County
Management Advisory Report - State Auditor's Findings

issued a bank card with the entire balance on it. This negates the handling of any monies or financial transactions by Sheriff's department personnel. For the commissary items, bank statements are reconciled by bookkeepers from both the Sheriff's department and Keefe Commissary Company.

- 1.3 *As outlined above, the Inmate Trust Fund no longer exists and is handled by money kiosks put in the Sheriff's department and Jail by Keefe. This system was implemented to establish a more efficient, accurate and "basically theft proof" system.*

Bank statements are reconciled monthly and excel spreadsheets are submitted monthly to the Sheriff and County Treasurer.

All prior accounts that were not being balanced or reconciled by the previous Bookkeeper have been balanced and reconciled.

Outstanding checks that had not yet been cashed were reissued and sent back to the recipient. The unclaimed checks have all now been turned over to the Missouri State Treasurer's Office.

A running balance in the check registry is being maintained and reconciled with the monthly bank statements and with lists of liabilities.

All of the above modifications were made immediately after receiving the recommendations from the on-site auditors, during the months of August and September.

- 1.4 *The prior Bookkeeper had secured unclaimed monies belonging to prior inmates but apparently had made little effort to return unclaimed money to the rightful owners. These accounts have been reconciled and balanced by the new Bookkeeper, and all monies appear to be accounted for.*

Since August, aggressive efforts have been made by the new Bookkeeper to return all unclaimed inmate money to their owner. For those who can't be located, the bookkeeper has been turning these monies over to the Missouri State Treasurer's Office as unclaimed monies.

- 1.5 *As outlined earlier in this report, the jail now uses the Keefe Commissary system, which negates the handling of money and most inventory in the jail. There are still a very limited amount of inventory, such as aspirin, toothpaste, and hygiene items, that are kept for indigent inmates. Also, phone cards are sold to inmates that*



Pulaski County
Management Advisory Report - State Auditor's Findings

are incarcerated in the Pulaski County Jail. The phone cards are now monitored and monies collected for them by the Bookkeeper. This procedure was implemented in September. The log for the few inventory items kept in the jail will be monitored by the new Jail Lieutenant who was promoted three weeks ago.

- 1.6 *At the beginning of the 2016 Budget Year, a line will be added to the General Revenue Fund that pertains to monies for miscellaneous items such as calendars, sex offender registration fees, accident reports, and donations. These monies will be turned over to the County Treasurer to deposit in the General Revenue Fund.*

A line will also be added to the General Revenue Fund regarding telephone commissions, if necessary. The Sheriff's department has two telephone systems in the jail. The first is that which was installed and maintained by the County of Pulaski. This is the system that new inmates are allowed their initial free telephone call, and business calls are made on.

The second telephone system is one that was installed by a private vendor at the request of the Sheriff, which can be used by the inmates at their discretion. There are revenues generated from these calls but this is a machine-generated revenue, similar to a vending machine, which is not mandated by law for inmate's rights. This system is maintained by the Sheriff's department and a private vendor, which can be removed at the Sheriff's discretion. Revenues from this are used for jail supplies and jailer salaries.

2. Property Tax System Controls and Procedures

2.1 Review of property taxes

Controls and procedures over the property tax system need improvement. For the year ended February 28, 2015, property taxes and other monies collected by the County Collector totaled approximately \$20.3 million.

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not include yearly totals in the account book summarizing the monthly property tax transactions. In addition, the County Clerk and County Commission do not perform procedures to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records that summarize all taxes charged to the



Pulaski County
Management Advisory Report - State Auditor's Findings

County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

2.2 Tax books

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The county's computer programmer enters the property tax levies into the property tax system, as provided by the County Clerk, and the County Collector extends and prints the current and delinquent tax books and tax statements and verifies the accuracy of amounts to be collected. The County Clerk does not test or verify the accuracy of the tax books. Because the County Collector is responsible for collecting property tax monies, good internal controls require that someone independent of that process be responsible for generating and testing the accuracy of the property tax books. A review of tax books should include verification of individual entries in the tax books and recalculating tax book totals and charges. Failure to perform adequate reviews of the tax books by an independent person may result in errors or irregularities going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

2.3 Aggregate abstracts

The County Clerk did not prepare the land and personal, and railroad and utility aggregate abstracts for 2011, 2012, 2013, and 2014. The back tax aggregate abstracts for these years were prepared on May 15, 2015, after we asked the County Clerk for the aggregate abstracts.

Section 137.295, RSMo, requires the County Clerk to prepare these reports and forward them to the Department of Revenue (DOR) and State Tax Commission (STC) upon completion of current and delinquent tax books.

Similar conditions previously reported Recommendations

Conditions similar to section 2.1 and 2.2 were noted in our prior 2 audit reports. Conditions similar to section 2.3 was noted in our prior audit report.

The County Clerk:

- 2.1 Determine yearly totals in the account book and the County Clerk and the County Commission should use the account book to review



Pulaski County
Management Advisory Report - State Auditor's Findings

the accuracy and completeness of the County Collector's annual settlements.

2.2 Prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be documented.

2.3 Prepare and file land and personal and railroad and utility tax aggregate abstracts and timely file the back tax aggregate abstracts with the DOR and STC.

Auditee's Response

2.1 *I will determine the yearly totals and compare them to the County Collector's annual settlements. The County Commission will review the County Collector's annual settlements with the County Clerk's totals.*

2.2 *I will verify the accuracy of tax books and will document those procedures.*

2.3 *I will timely prepare all aggregate abstracts and file them with the DOR and STC.*

3. County Procedures

Procedures related to fuel use and payroll need improvement, and unallowable disbursements were made from the Sheriff's Revolving Fund.

3.1 Fuel use

The county has not established effective monitoring procedures for vehicle and equipment fuel use by the road and bridge department, the Sheriff's department, the Prosecuting Attorney's office, and the County Assessor's office. During the year ended December 31, 2014, fuel purchases totaled approximately \$200,000 for the road and bridge department, \$95,000 for the Sheriff's department, \$600 for the Prosecuting Attorney's office, and \$2,400 for the County Assessor's office.

The fuel purchased by the road and bridge department is stored in bulk fuel tanks at the 4 road and bridge sheds. The Sheriff's department purchases fuel using local gas station charge accounts or fuel cards furnished by the county. The Prosecuting Attorney's and County Assessor's offices charge fuel to the county's account at a local convenience store. We noted the following concerns:

- A formal reconciliation of fuel use to fuel purchases is not prepared. Logs of fuel dispensed from bulk fuel tanks are maintained by the road and bridge department. County officials indicated fuel use is compared to fuel purchases; however, this review is not documented.



Pulaski County Management Advisory Report - State Auditor's Findings

- Mileage and fuel logs are not maintained for the road and bridge department's vehicles and equipment, the Prosecuting Attorney's 2 vehicles, or the County Assessor's vehicle.
- The Sheriff's department does not reconcile mileage and fuel use logs with fuel purchases on the monthly billing statements. Also, the fuel and usage logs maintained by the Sheriff's department are discarded after the information is posted to a spreadsheet. We reviewed the September 2014 information on the spreadsheet and noted it seemed incomplete because fuel purchases listed totaled 1,715 gallons while the September billing statements showed purchases of 2,620 gallons.

Procedures for maintaining and reviewing mileage and fuel usage logs and reconciling the information to fuel purchased and related records are necessary to ensure vehicles and equipment are properly utilized; prevent paying vendors for improper amounts; and decrease the risk of loss, theft, or misuse of fuel going undetected. Mileage and fuel usage logs should provide sufficient details to enable the county to effectively monitor vehicle and equipment use and fuel costs.

3.2 Sheriff's Revolving Fund The Sheriff authorized \$23,922 of unallowable disbursements from the Sheriff's Revolving Fund during 2014 out of disbursements totaling \$80,066. None of these purchases were related to the issuance of concealed carry weapon permits as required by state law. The unallowable disbursements included equipment and supplies (security camera system, computers, printers, etc.) totaling \$18,431, insurance for \$1,532, uniform shirts and patches totaling \$1,243, dues totaling \$350, fuel for inmate transportation totaling \$594, cell phone and cable television service totaling \$628, storage totaling \$623, and meals totaling \$521. The County Commission approved these disbursements.

Section 50.535, RSMo, indicates Sheriff's Revolving Fund monies are to be used to make necessary expenditures to process applications for concealed carry endorsements or renewals, including but not limited to the purchase of equipment, training, fingerprinting, background checks, and employment of additional personnel.

3.3 Officials' salaries During 2014, salaries paid to the Sheriff and the Public Administrator were not in compliance with state law. The county's assessed valuation for 2013 increased to over \$450 million causing an increase in the salary basis for some elected officials. The Sheriff and the Public Administrator did not receive the salary increase in 2014 authorized by statute due to the increased assessed valuation.

Section 50.333.8, RSMo, states salaries shall be adjusted each year on the official's year of incumbency for any change in the last completed assessment that would affect the maximum allowable compensation for that



Pulaski County
Management Advisory Report - State Auditor's Findings

office. The County Commission should consult with legal counsel and review salaries paid to the Sheriff and the Public Administrator to ensure amounts comply with state law and to evaluate if amounts are owed to officials for any underpaid salaries.

3.4 Commuting mileage

The value of personal commuting mileage for using a county-owned vehicle to commute between home and work is not reported on road and bridge employees' W-2 forms as required by Internal Revenue Service (IRS) guidelines. At least 4 road and bridge employees are allowed to use county-owned vehicles to commute to and from home daily. According to county officials, the road and bridge supervisors are on call 24 hours a day for emergency situations and the road and bridge worksites are closer to the home of these employees than to the county road sheds. As discussed in section 3.1, road and bridge employees are not required to maintain mileage logs.

IRS reporting guidelines indicate personal and commuting mileage is a reportable fringe benefit and require the value for all use of the provided vehicle to be reported if the employer does not require the submission of detailed logs that distinguish between business and personal use. Additionally, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

3.5 Compensatory time/overtime

The county does not compensate road and bridge department employees in accordance with county policy. Road and bridge employees currently accrue compensatory time or receive overtime pay at a rate of time and one-half for any hours worked in excess of 8 hours a day. However, county policy requires overtime to be paid or compensatory time to be awarded at a rate of time and one-half for hours exceeding the county's normal 40-hour work week. The payroll clerk generated a report indicating 24 road and bridge employees had earned a total of approximately 1,740 hours of overtime/compensatory time valued at about \$25,000 during the year ended December 31, 2014. The number of overtime/compensatory hours that would have been earned based upon a 40-hour work week is not known.

By not following county policy, the county may be paying more overtime and compensatory time than required resulting in a greater financial burden. Accurate compensatory time calculation procedures are necessary to ensure compliance with county policy and equitable treatment of county employees.

3.6 County Collector's city commissions and contracts

The county did not withhold payroll taxes from the city commissions paid to the County Collector as required. During the year ended December 31, 2014, the county paid the County Collector \$9,849 in city property tax commissions without reporting this amount on her W-2 form or withholding



Pulaski County
Management Advisory Report - State Auditor's Findings

payroll taxes. The county reported the payments to the IRS on a 1099-MISC form.

The county's current practice of handling city commissions in this manner is in violation of a strict interpretation of payroll tax regulations. The county is at risk of incurring additional payroll liabilities plus interest and penalties by utilizing the current practice. IRS regulations require all compensation paid to employees be subject to payroll tax and reported on W-2 forms. In addition, the County Commission and County Collector should consider these additional costs to the county and reevaluate the existing city tax collection contracts.

Recommendations

The County Commission:

- 3.1 Require mileage and fuel use logs be maintained for all vehicles and equipment and require reconciliation of fuel use logs and fuel purchases. Any significant differences should be investigated. In addition, the Sheriff should retain the fuel and usage logs.
- 3.2 And the Sheriff use the Sheriff's Revolving Fund monies in accordance with state law.
- 3.3 Review salaries paid to the Sheriff and Public Administrator in 2014 with legal counsel to evaluate if any amounts are owed to officials.
- 3.4 Comply with IRS guidelines for reporting fringe benefits related to commuting miles and require mileage logs that distinguish between business and commuting use.
- 3.5 Ensure employees accrue compensatory time in accordance with county policy.
- 3.6 Ensure commissions paid to the County Collector are subject to payroll taxes and properly reported on W-2 forms. The County Commission and County Collector should consider these additional costs and reevaluate the existing city tax collection contracts.

Auditee's Response

The County Commission provided the following responses:

- 3.1 *We will require mileage and fuel use logs be maintained for all vehicles and equipment and require fuel use logs and fuel to be reconciled. Any significant differences will be investigated. In addition, we will request the Sheriff to retain the original fuel and usage logs until the next audit.*



Pulaski County
Management Advisory Report - State Auditor's Findings

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- 3.2 *We will ask the Sheriff to use the Sheriff's Revolving Fund monies in accordance with the state law.*
- 3.3 *We have consulted with the Prosecuting Attorney and amounts due to the Sheriff and Public Administrator have been paid.*
- 3.4 *We will report commuting mileage fringe benefits on the employee's W-2 forms and require county employees that take home county vehicles to record personal miles on the vehicle mileage logs.*
- 3.5 *We are working on revising the compensatory time policy for county employees.*
- 3.6 *The County Commission and County Collector will work together and will follow all IRS regulations.*

The Sheriff provided the following responses:

- 3.1 *The Sheriff's department actually has two different methods of purchasing fuel. The primary method is through three gas stations in Pulaski County, that offer the Sheriff's department discounted fuel due to some tax benefit that have been granted by the State of Missouri. Once a week a Patrol Lieutenant collects these receipts and reconciles them with the Sheriff's Administrative Assistant. The Administrative Assistant then reconciles them with the monthly statements from each vendor.*

The second method for purchasing fuel is via fuel cards, which can be used at any fueling station nationwide. There are also small discounts for fuel when these cards are used. The Administrative Assistant is in charge of collecting all fuel card receipts, in which she reconciles with the monthly statements. Therefore, there are several methods in place regarding the purchase of and reconciling fuel usage.

In addition to the above, each employee who has a Sheriff's department vehicle assigned to them is required to submit a monthly vehicle log to a dedicated supervisor, which are then forwarded to the Sheriff for review. Each sheet reflects the date, mileage, fuel gallons and any other vehicle gas station expenses. This also helps in the quality control of fuel usage and vehicle expenses. These expense logs were previously logged into a computer database and thrown away, but will now be kept for future auditing purposes after being entered into the database.



Pulaski County
Management Advisory Report - State Auditor's Findings

3.2 *These funds have been used primarily for expenses related to the conceal and carry weapons (CCW) permits but a small portion have been used to purchase other departmental items for the Sheriff's department. Other expenditures were for needed equipment for the Sheriff's department, such as computers, security cameras, supplies, etc. Some of the additional expenditures listed in the audit report were directly related to the CCW program. Some examples were for employee benefits directly related to the program, along with some additional equipment and supplies.*

Some of the additional above listed purchases were previously made due to misinterpretation of the state statute regarding the CCW fund. Adjustments have now been made to ensure that all purchases are directly based on the CCW operations.

The County Collector provided the following response:

3.6 *I will work with the County Commission to ensure all IRS regulations are followed.*

4. Prosecuting Attorney's Controls and Procedures

Accounting controls and procedures need improvement. The Prosecuting Attorney's office collected monies for bad check and court-ordered restitution and related fees totaling approximately \$288,000 during the year ended December 31, 2014.

4.1 Adjustments

One clerk, who is responsible for recording and depositing all monies in the 2 computerized accounting systems, also has the ability to post adjustments to the systems without obtaining independent approval. Common reasons for adjustments included transfers from the old system to the current system and payments made directly to victims. Adjustments totaling \$18,645 were made during the year ended December 31, 2014.

To reduce the risk of loss, theft, or misuse of funds, and ensure the validity of all adjustments, adjustments should be reviewed and approved by a supervisor.

4.2 Manual receipt slips

The clerk does not account for the numerical sequence of manual receipt slips to ensure all receipt slips issued have been turned over to her. Office personnel issue manual receipt slips for all monies received. Individual receipt slips are put in a locked box for the clerk to deposit and record in the computerized accounting systems.

To reduce the risk of loss, theft, or misuse of funds, and to adequately safeguard receipts, the numerical sequence of manual receipt slips should be accounted for properly.



Pulaski County
Management Advisory Report - State Auditor's Findings

4.3 Accounts held outside treasury

The Prosecuting Attorney maintains a federal forfeiture bank account and a charity bank account outside the county treasury.

The federal forfeiture bank account consists of equitable sharing proceeds from the U.S. Department of Justice (DOJ) Equitable Sharing Program. In September 2014, the Prosecuting Attorney's office received equitable sharing proceeds of \$1,418 from the DOJ related to a federal asset seizure and deposited these monies into this account. The monies remained in the account at December 31, 2014.

The charity bank account consists of proceeds from charity golf tournaments held for Victims' Rights Week and Shop With a Cop and this money has been used to pay for the expenses incurred for holding such events and to distribute monies to local nonprofit agencies and other charitable events with some proceeds to be used in the victims advocacy program within the Prosecuting Attorney's office. However, \$614 of the net proceeds remained in the account. The Prosecuting Attorney indicated the retained monies were to be used to pay for a payment window installed in the Prosecuting Attorney's office and to contribute towards the cost of the exhumation and DNA testing of an unidentified woman murdered in the county in 1981.

There is no statutory authority allowing the Prosecuting Attorney to maintain accounts outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Treasurer. In addition, Attorney General's Opinion No. 45, 1992 to the Hickory County Prosecuting Attorney, states prosecuting attorneys are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

Recommendations

The Prosecuting Attorney:

- 4.1 Require documented supervisory review and approval for all adjustments.
- 4.2 Account for the numerical sequence of manual receipt slips.
- 4.3 Transfer the balances of the federal forfeiture and charity accounts to the County Treasurer and close the accounts.

Auditee's Response

- 4.1 *All of the adjustments were approved by the Prosecuting Attorney. However, they were not documented to the satisfaction of the auditor. The Prosecuting Attorney has developed a new form documenting any adjustment and evidence of approval for each adjustment to be maintained in the future. It should be noted that all*



Pulaski County
Management Advisory Report - State Auditor's Findings

of the adjustments made were for proper reasons and all funds were accounted for with these adjustments.

- 4.2 *All payments made to the Prosecutor's Office are recorded on a receipt slip. One copy is given to the person making the payment for his/her records, a second copy is given to the Restitution Clerk, and a third copy remains in the receipt book. It is done manually because the Prosecutor's Office receives payments for multiple accounts, to include delinquent tax collection, bad checks, and court-ordered restitution. Thus, once received the funds need to be placed in the correct account for disbursement and recorded into the various electronic systems that go with each type of disbursement. The office collects no cash payments in order to reduce the risk of theft. In addition, the person who receives the payment is different from the individual who deposits and disburses the funds to further reduce the risk of theft. Finally, all disbursements are by check and must be approved by the Prosecuting Attorney and one Assistant Prosecutor or two Assistant Prosecutors, further reducing the risk of loss and ensuring all disbursements can be tracked.*

The Prosecuting Attorney has now developed a form for the Restitution Clerk to do a monthly review of all receipts to ensure they are accounted for properly and to document for future review. It should also be noted that there were no receipts missing and no funds were unaccounted for during this review.

- 4.3 *It should be noted that the Prosecuting Attorney's Office maintains multiple accounts outside the County Treasury in order to accomplish its required duties to collect and disburse payments for delinquent income taxes, bad checks and fees, and restitution for victims of crimes. The Office maintained two other accounts, one to receive federal forfeiture funds and the second to assist with the accounting and disbursement of funds from the Prosecutor's Office's events to benefit charity and crime victim organizations in Pulaski County.*

The federal forfeiture account was set up so that Prosecutor's Office funds could be received in an account different than that of the Sheriff's department, which also receives the same type of funds, in order to segregate and better account for those funds. The Prosecutor's Office first received funds from the federal government in late 2014. The funds were in the account at the time of the audit. The funds have been transferred to the County Treasury as have funds that have now been received in 2015. This account will remain open, with no funds in it except a very minimal amount to



Pulaski County
Management Advisory Report - State Auditor's Findings

keep the account active, until or if the account is able to be changed with the federal government. It should be noted that all of these funds were accounted for and there was no improper expenditure of these funds made.

The charity bank account was set up due to the success of several events the Prosecutor's Office hosted, to include an annual Victims' Rights Week Breakfast and several charity golf tournaments. The account helped the Prosecutor's Office provide better accounting of the receipt and disbursement of the funds. In the past, these funds were raised by donations and distributed to organizations such as Kids Harbor, Genesis House, or the Prosecutor's Office own Victim Advocate Program and activities. No county or taxpayer funds were used or received in this account. At the time of the audit, the only funds remaining in the account were funds that were to pay for a repair and upgrade of the window victims use when they first enter the Prosecutor's Office, as the office awaited an invoice for that upgrade. In addition, there were funds earmarked to help exhume a murder victim's body for DNA analysis in hopes that new technology could help solve her murder. Finally, there had been a late donation to the Golf with a Cop tournament that was held to support Pulaski County Shop with a Cop (which had already happened) and those funds were being held to donate to the 2015 event. Unfortunately, this audit recommendation will hamper the Prosecutor's Office ability to raise funds, distribute funds to deserving victim service agencies and victim services, and account for such activities. The account has been closed and the remaining funds disbursed to the County Treasury in a segregated account. It should be noted that all of the funds in this account were accounted for and there are no missing funds.

Pulaski County

Organization and Statistical Information

Pulaski County is a county-organized, third-class county. The county seat is Waynesville.

Pulaski County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 81 full-time employees and 5 part-time employees on December 31, 2014.

In addition, county operations include the Senate Bill 40 Board, the Senior Citizens Service Board, and eight Neighborhood Improvement Districts.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2015	2014
Gene Newkirk, Presiding Commissioner	\$	34,670
Lynn Sharp, Associate Commissioner		32,670
Rickey Zweerink, Associate Commissioner		32,670
Rachelle Beasley, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Brent Bassett, County Clerk		49,500
Kevin Hillman, Prosecuting Attorney		124,639
Ron Long, Sheriff		55,000
Sue Rapone, County Treasurer		49,500
Mikel Hartness, County Coroner		17,600
Loretta Rouse, Public Administrator		49,500
Terri Mitchell, County Collector (2), year ended February 28,	60,078	
Kim Skaggs-Henson, County Assessor, year ended August 31,		49,500
Don Mayhew, County Surveyor (3)		

- (1) Compensation is paid by the state.
- (2) Includes \$10,578 of commissions earned for collecting city property taxes.
- (3) Compensation on a fee basis.



Nicole R. Galloway, CPA
Missouri State Auditor

Twenty-Ninth Judicial Circuit

City of Joplin Municipal Division



December 2015
Report No. 2015-135

<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Joplin Municipal Division

Accounting Controls and Procedures	Joplin's municipal division lacks proper review of its case management system to ensure that changes made by clerks in the system are necessary and appropriate. Records for noncash transactions, such as tracking community service hours and recording jail time, are not properly documented, and auditors identified numerous transactions in the case management system that were not supported by court orders. Clerks also failed to timely record and transmit some cash payments for deposit. Amounts owed to the division are not effectively monitored.
Liabilities	The division has inadequate procedures to ensure that bonds and restitution payments are handled properly and there are differences between city and division bond and restitution records. Personnel fail to routinely review open bonds, and held some that should have been paid out. The division does not properly track restitution payments, resulting in instances of untimely or inaccurate payments to victims.
User Access	The division fails to properly restrict access to its electronic data. In February 2015, 310 city and court users had access to the case management system, but 120 of those were improper. Eighty-nine users had been terminated or resigned, and 25 users were unknown to the city's human resources personnel.
Case Disposition and Warrants	The division lacks procedures to monitor court clerks' changes in the case management system. No review is conducted after clerks void cases, and some case files lack clear documentation of final outcomes. Details of cases closed and amounts written off are not retained. The division also lacks documentation showing that all warrants were authorized by the municipal judge and issued timely.
Municipal Division Controls and Procedures	The division fails to comply with state law or Joplin's city code in assessing a number of fees. For example, the division assesses a \$25 failure to appear fee without filing charges for a violation. The division does not identify traffic tickets and associated fines and costs collected or provide this information to the city. The division has also failed to properly maintain and update employment policies and has submitted inaccurate monthly reports to city and state officials.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Twenty-Ninth Judicial Circuit

City of Joplin Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Accounting Controls and Procedures	4
2. Liabilities.....	8
3. Electronic Data Security.....	10
4. Case Disposition and Warrants	11
5. Municipal Division Controls and Procedures.....	14

Organization and Statistical	20
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Twenty-Ninth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the City Council
Joplin, Missouri

We have audited certain operations of the City of Joplin Municipal Division of the Twenty-Ninth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended October 31, 2014. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.

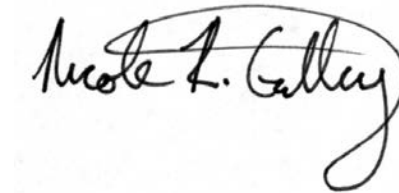
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Joplin Municipal Division of the Twenty-Ninth Judicial Circuit.

An additional report, No. 2015-060, *City of Joplin*, was issued in August 2015.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Natalie B. McNish, CGAP
Audit Staff:	Katelyn Crosson
	David E. White

Twenty-Ninth Judicial Circuit

City of Joplin Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Significant improvements over accounting controls and procedures are needed. During the year ended October 31, 2014, the municipal division collected approximately \$2.29 million in fines, court costs, fees, and bonds.

1.1 Adjustments

Procedures for processing and monitoring of adjustments in the case management system need improvement. Any change made to fines, court costs, or fees after the initial recording of the violation is recorded as an adjustment, whether entered by a court clerk or generated automatically by the case management system. For example, each time a court clerk generates a warrant from the case management system the system automatically adds a warrant fee to the violation. This transaction is recorded as an adjustment in the case management system even though the system added the fee.

No procedure for reviewing adjustments has been established and division personnel cannot generate a report from the case management system differentiating adjustments made by court clerks from automatic adjustments generated by the system. In addition, the court clerks adjust amounts differently in the case management system. Some court clerks adjust only the amounts with changes. Other court clerks remove all amounts and enter new ones, whether or not change occurred for an item, to agree all fines and court costs to the municipal judges' orders.

We selected 20 defendants with 63 cases where adjustments had been processed. Transactions recorded to process these cases included a total of 242 positive and negative adjustments totaling \$31,682, recorded by the court clerks or generated automatically by the case management system. Without reviewing adjustments, the municipal division does not know if all adjustments are necessary and appropriate, and this weakness could allow errors or manipulation of fines and court costs to go undetected.

To ensure all adjustments are valid and to reduce the risk of loss, theft, or misuse of funds, a report of adjustments should be generated, someone independent of recording functions should review and approve adjustments, and procedures for consistent recording of adjustments should be established. Clearly identifying which adjustments were recorded by each court clerk and ensuring procedures to record adjustments are more consistent would allow the Court Administrator to more easily review adjustment transactions and ensure they are appropriate.

1.2 Noncash transactions

The municipal division does not ensure noncash transactions entered into the case management system are properly documented and has not established procedures for review and approval of noncash transactions by someone independent of the receipting process.



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

All court clerks have the ability to record noncash transactions in the case management system. Noncash transactions include community service performed; jail time served; and waiver of fines, court costs, and fees through a judicial order. At our request, the Court Administrator generated a report of all noncash transactions recorded in the system during the year ended October 31, 2014. The report showed 1,016 noncash transactions for community service, 1,694 noncash transactions for jail time served, and 23 noncash transactions for judicial orders. These noncash transactions totaled \$367,450, \$182,365, and \$1,319, respectively.

Noncash transactions totaling \$2,828 for 7 of the 20 defendants reviewed were not supported by a record of the jail time served or a report of hours of service from a community service organization; and noncash waiver transactions totaling \$3,810 for 6 of the remaining 13 defendants reviewed were not supported by judicial orders. Noncash transactions should be supported by a documented record of jail time served signed by a jailer, a report of hours of service from a community service organization attesting to the days spent or hours worked for credit, or a judicial order, as applicable. In addition, the municipal division failed to timely record jail time or community service credit earned by 8 of the 20 defendants reviewed. Credit earned for 7 of these 8 defendants was recorded in the case management system 13 to 40 days after credit was earned, and credit earned in February 2014 had not been recorded as of May 2015 for the other defendant.

Unsupported noncash transactions increase the risk of loss, theft, or misuse of funds. In addition, failure to timely record transactions results in inaccurate accounting records and could increase the risk of overcharging a defendant. Noncash transactions should be supported by adequate documentation and reviewed and approved by someone independent of cash custody and record-keeping functions to ensure such transactions are appropriate.

1.3 Recording, endorsing and transmitting procedures

Recording, endorsing, and transmitting procedures need significant improvement. Municipal division fines, court costs, and fees are collected by court clerks and transmitted to the city's Finance Department for deposit into the city's pooled cash bank account. Bonds are collected by Police Department personnel and transmitted to the municipal division for recording. Bond monies are also transmitted to the city's Finance Department for deposit into the city's pooled cash bank account.

- Court clerks do not always record monies received in the case management system or restrictively endorse checks and money orders immediately upon receipt. Monies received with plea bargain agreements pending approval by the municipal judge, advance payments, and some bonds are held until the corresponding ticket has



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

been entered into the case management system. In addition, the municipal division does not always transmit receipts to the city intact or timely. Receipts are only included in daily transmittals after being recorded in the case management system. Unrecorded monies totaling \$9,502 counted during a February 24, 2015, cash count were held in a safe and 28 of the 29 checks and money orders on hand were not endorsed. One unendorsed \$226 check, dated January 27, 2015, was held for 36 days and processed on March 4, 2015, although the municipal judge approved the plea bargain on February 5, 2015.

- The municipal division does not adequately review city provided documentation to ensure bond and restitution liabilities are properly recorded in the city's accounting system. As a result, errors in the city's municipal division liability accounts were not identified timely. For example, the municipal division applied a \$1,968 bond to fines, court costs, and fees owed by a defendant and reported this transaction to the city in a daily transmittal report. However, this transaction was not recorded by the city, causing the bond liability account to be overstated.

Failure to implement adequate recording, endorsing, and transmitting procedures increases the risk that loss, theft, or misuse of funds will go undetected.

1.4 Accrued costs

Municipal division personnel do not adequately monitor accrued costs owed to the municipal division, including fines, court costs, fees, and court-ordered restitution.

The Court Administrator generates various reports annually to identify cases that are potentially uncollectible. However, the reports the Court Administrator relies upon are incomplete and he was not aware the case management system tracks accrued costs and could produce a complete report of balances due. At our request, the Court Administrator ran a report of accrued costs, and as of May 5, 2015, the report showed there were 12,232 tickets with accrued costs totaling approximately \$6 million.

We selected 25 defendants with a total of 57 cases for review. Accrued cost balances for 13 cases reviewed were overstated by \$2,540. Reasons for overstatements include not recording various dismissals in the case management system, not removing failure to appear fees after a warrant is issued, and not recording noncash transactions. Also, accrued costs balances for 4 cases were understated by \$103 because the court clerks did not record case costs due for each violation. In addition, as a result of not reviewing accrued costs, the municipal division failed to recognize that 12 cases did not have a current court date entered into the case management system and therefore, the cases were not included on a current docket.



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

Proper and timely monitoring of accrued costs is necessary to help ensure unpaid amounts are collected and proper follow up action is taken for non-payment. In addition, proper monitoring is necessary to provide information to the municipal judges and determine appropriate handling if amounts are deemed uncollectible.

Recommendations

The City of Joplin Municipal Division:

- 1.1 Establish procedures for the consistent application of adjustments and ensure an independent review and approval of adjustments is performed and documented.
- 1.2 Require an independent review and approval of all noncash transactions, retain adequate documentation to support noncash transactions, and ensure transactions are recorded timely.
- 1.3 Record receipts in the case management system timely, endorse checks and money orders immediately upon receipt, and transmit all monies intact and timely. In addition, the municipal division should ensure receipts are properly recorded in the city's accounting system.
- 1.4 Establish procedures to review accrued costs for accuracy and properly follow up on amounts due.

Auditee's Response

- 1.1 *Consistent application of adjustments has been established. The court will develop procedures to ensure independent reviews and approvals of adjustments, as well as ensuring all necessary accompanying documentation is maintained.*
- 1.2 *The court will develop independent review and approval of all noncash transactions. Adequate documentation of noncash transactions can be retained. When possible, the court will ensure the timely recording of transactions.*
- 1.3 *The court will work towards a more immediate endorsing, recording, receipting, and transmitting process - including possibly closing a pay window and having a clerk handle immediate recording/receipting. The court has implemented the process of reviewing daily receipts from the city's Finance Department to ensure that court receipts are properly recorded in the city's accounting system.*
- 1.4 *The court will establish procedures to review accrued costs. Using the report identified during the audit, the court will review each case for proper handling and accuracy.*



2. Liabilities

The municipal division's procedures related to identifying, reconciling, and monitoring liabilities need improvement.

2.1 Reconciliations

Reconciliation procedures for bonds and restitution are not adequate and some differences between city records and municipal division records remain unresolved. Bond and restitution monies are transmitted to the city, along with fines, fees, and court costs. The city records all monies into the city's accounting system and deposits all monies, regardless of type, into the city's pooled cash bank account.

Bond liabilities

Each month a Senior Accountant in the city's Finance Department compares a municipal division case management system report of total bonds held to the balance of the city's bond liability account. The accountant adjusts for any differences without investigation and without communication to the municipal division. During the year ended October 31, 2014, the city made 7 positive and negative adjustments to the bond liability account totaling \$10,882.

Restitution liabilities

The municipal division case management system does not generate a report of restitution held. Therefore, each month a Senior Accountant in the city's Finance Department prepares a spreadsheet of restitution transactions and compares the balance of this spreadsheet to the restitution liability account. Any significant difference is investigated. However, the spreadsheet prepared by the city is not accurate and therefore, the reconciliations are also not accurate.

We selected 3 cases from the October 31, 2014, spreadsheet prepared by the city's Finance Department and attempted to agree restitution held to case file information. For 2 of these cases, no documentation could be located by the municipal division personnel because division records did not have a defendant, petitioner, or victim with the name documented on the city's spreadsheet. In another case, the amount of restitution held according to the city's spreadsheet was overstated by \$2,380. According to city and municipal division personnel, this discrepancy was created by an inappropriate adjustment in a prior period.

Conclusion

Liabilities should be identified monthly and reconciled to cash balances to ensure sufficient cash is available for the payment of all amounts due and all monies in the bank account can be identified. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly handled.

2.2 Review of open bonds

The municipal division has not established procedures to review the status of open bonds held, ensure monies are disbursed timely, and ensure amounts listed as liabilities are accurate. As of January 31, 2015, the city had outstanding bond liabilities totaling \$54,404 on 121 cases. The Court



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

Administrator indicated a report of open bonds held is printed at the end of each month, but it is not reviewed.

We reviewed documentation for 24 cases with bonds totaling \$12,000 from the January 31, 2015, open bonds report and determined bonds held for 6 cases totaling \$3,500 should have been disbursed and bonds held for 5 cases totaling \$2,750 should be reviewed for bond forfeiture. For 1 case, a bond of \$500 was refunded in accordance with the court order; however, municipal division personnel failed to record the refund transaction in the case management system.

The failure to routinely review open bonds and apply, forfeit, or refund monies when appropriate increases the volume of cases requiring monitoring and deprives the state, city, or others the use of those monies. If refunding is appropriate, but proper payees cannot be located, the monies should be disposed of in accordance with state law.

2.3 Restitution

The municipal division has not established adequate procedures to properly track, monitor, and disburse court-ordered restitution. During the year ended October 31, 2014, the municipal division collected approximately \$30,000 in court-ordered restitution.

The court clerks record all payments received in the case management system; however, the system does not alert municipal division personnel when restitution payments received should be disbursed. In our review of cases with restitution, we noted 4 instances where distribution of restitution was not completed timely. In addition, we noted fines totaling \$200 were mistakenly distributed to a victim as restitution, although no restitution was included in the final disposition. In another case, restitution totaling \$130 was distributed to a victim although only \$70 in restitution had been collected.

Adequate procedures for tracking court-ordered restitution are necessary to facilitate monitoring amounts due, provide information to the court, and improve accountability.

Recommendations

The City of Joplin Municipal Division:

- 2.1 Work with the city Finance Department to ensure liabilities are properly accounted for and reconciliations and adjustments to liability accounts are reviewed by municipal division personnel. Unidentified differences should be promptly investigated and resolved.
- 2.2 Routinely review the list of open bonds and disburse or dispose of monies as appropriate.



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 2.3 Develop procedures and records to adequately track court-ordered restitution and establish procedures to ensure restitution is accurately and timely disbursed.
- 2.1 *The Finance Department has instituted new processes to reconcile the court liability accounts. This process includes a monthly review by the court, including any unidentified discrepancies.*
- 2.2 *The court will implement new policies and procedures for reviewing the open bond report each month and will ensure bonds are disbursed or disposed of properly.*
- 2.3 *Restitution payments are now dispersed as payments are received. The Finance Department has instituted new processes to properly reconcile the court liability accounts, including restitution. The Finance Department, on a monthly basis, will share the restitution report with the court, as well as notify the court of discrepancies within the report. All discrepancies from the report will be reviewed and reconciled by the court. The court will also implement new policies and procedures to properly and routinely track restitution, as well as requiring all restitution requests to be submitted to Finance within 24 hours of payment. All issues noted will be reported to the Finance Department.*

3. Electronic Data Security

User access to the municipal division's electronic data was not properly restricted. We identified problems with both the case management and cash handling modules of the court's case management system. In addition to court personnel, users include various city personnel (finance department, police department, health department, prosecuting attorney's office, etc.).

As of February 9, 2015, 310 active user identifications could view and/or change municipal division data in the case management module. Of the 310 users, 120 users should not have had access; including 89 users who were no longer employed by the city or municipal division and 25 users who could not be identified when city human resources personnel reviewed the list of active users. One user had not been employed by the city since 2001. In addition, 178 users had more access than necessary based on their job responsibilities, and 9 users had more than 1 active user identification.

Of the 10 user identifications issued for the cash handling module, 1 user was no longer employed by the municipal division, 1 user had more access than necessary based on job responsibilities, and 2 users had more than 1 user identification.

To prevent unauthorized changes to ticket, receipt, and case information and inappropriate access to personal data, access should be limited based on



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

current user needs. Periodic reviews of user access rights ensures the right type and level of access has been provided. Without a review of user access rights, there is an increased risk access rights are not aligned with current job responsibilities.

Recommendation

The City of Joplin Municipal Division review user access to data and other information resources to ensure access rights are commensurate with current user job responsibilities. The municipal division should also work with the city to ensure changes in the status of city employees are communicated timely so the municipal division can make necessary system access changes.

Auditee's Response

A review of user access has taken place. With the assistance of the court's case management system provider, user access was terminated where applicable and the necessary restrictions have been put in place for users commensurate to their current job responsibilities. The City of Joplin has a notification system in place that alerts the court of the changing employment statuses of city employees. When received, the employee's status is changed or deactivated. The multiple access rights for court employees stems from cross training and the need to have a backup worker in many, if not all positions. However, those that have been identified as not likely to perform a backup role have had the unnecessary access rights eliminated.

4. Case Disposition and Warrants

Case dispositions and warrants are not always properly documented, approved, reviewed, issued, or recorded.

4.1 Voided cases

No independent review or approval of cases voided by court clerks is completed. Cases are voided by court clerks when police officers notify the municipal division a ticket should be voided, or when a case is established in error by a clerk. All clerks have the ability to void a case, no prior approval is required to void a case, and no subsequent review of voided cases is performed. During the year ended October 31, 2014, clerks closed 1,210 cases by voiding them.

To reduce the risk of loss and theft, the ability to void cases should be limited to those with no access to cash receipts and someone independent of case processing should review voided cases.

4.2 Final disposition

Final disposition is not always clearly documented in case files, signed by the municipal judge, or recorded into the case management system timely, and docket sheets are not always maintained as required.

Missouri Supreme Court Operating Rule 4 requires municipal divisions to maintain a docket sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

information, and disposition of the case. Accurate and timely recording of the case information is necessary to ensure all fines and court costs have been properly collected and deposited. In addition, to ensure the recorded disposition of all cases is proper, the municipal judge should sign the docket sheet to indicate approval of the recorded disposition.

4.3 Dismissed cases

Documentation of dismissed cases is not always maintained or adequately approved. We reviewed 20 cases dismissed by the municipal judge or Prosecuting Attorney, and determined the municipal division had no dismissal documentation for 3 cases. Also, for 6 of the 17 cases with documentation, the dismissal documentation was not signed by the municipal judge or Prosecuting Attorney, or a clerk applied the Prosecuting Attorney's signature stamp without noting who used the stamp or the Prosecuting Attorney did not subsequently review usage of the stamp. There were 5,904 cases dismissed during the year ended October 31, 2014.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to ensure dismissals are approved and signed by the municipal judge or Prosecuting Attorney, as appropriate, and the Prosecuting Attorney should document his review of the use of the signature stamp.

4.4 Write-off documentation

The municipal division did not maintain documentation for cases closed and amounts written off. Each year, the Court Administrator reviews cases for possible closure, and a report is generated of cases that should be closed. This detailed report, along with an administrative order is prepared for the municipal judge's review. Upon documented judicial approval, the municipal division closes the cases identified on the detailed report. After this process is completed, the clerks dispose of the detailed report and retain the administrative order that states only the number of cases closed, but does not uniquely identify those cases. During the year ended October 31, 2014, court personnel closed 268 cases and wrote off the related fines and court costs for those cases.

Supreme Court Operating Rule No. 8 requires all financial records be maintained for 5 years or until completion of an audit. Retention of applicable records is necessary to properly account for the municipal division's financial activity.

4.5 Warrants

The municipal division could not provide documentation showing the municipal judge authorized some warrants as required and some warrants were not issued timely. The municipal division issues warrants for defendants that miss court appearances or do not pay their fine. The warrants are issued by various municipal division employees and a facsimile stamp of the Municipal Judge's signature is applied. During the year ended October 31, 2014, the municipal division issued 11,585 warrants.



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

In addition, we noted the municipal division does not always issue warrants timely. For example, the Municipal Judge ordered a warrant on December 16, 2014, but the warrant was not issued until March 5, 2015. Similarly, a warrant ordered on November 10, 2014, had not been issued at the time of our review in May 2015.

Supreme Court Rule 37.45 states a warrant shall be signed by the judge or by the clerk of the court when directed by the judge for a specific warrant. To ensure warrants are properly issued in accordance with Supreme Court rules, the municipal judge should sign warrants or provide specific written authorization for the court clerks to sign warrants. In addition, warrants should be issued timely to ensure outstanding court appearances and fines are addressed.

Recommendations

The City of Joplin Municipal Division:

- 4.1 Restrict the ability to void cases, require documented approval, and establish procedures for subsequent review of voided cases.
- 4.2 Ensure the disposition of all cases are documented in the case file and timely recorded in the case management system.
- 4.3 Require documented review and approval of all dismissed cases and require user of signature stamp to initial the stamp, and establish procedures for subsequent review and approval of stamped documents.
- 4.4 Ensure necessary records are appropriately retained.
- 4.5 Ensure warrants are signed by a municipal judge or by the Court Clerk only when directed by the municipal judge for a specific warrant, and ensure warrants are issued timely.

Auditee's Response

- 4.1 *The court is made aware of all voided tickets via email from officers and others who issue tickets. The voided tickets are matched with the confirming emails, date/signature stamped and stored. The date/signature stamp is exclusive to Court Administrator use only, upon final review of all voided tickets. The court will restrict the authority to void cases. The court will establish policies and procedures to address the handling of voided cases, including the proper separation of duties for approval, voiding cases, and the subsequent review of all voided cases.*
- 4.2 *The court will examine the use and maintenance of the attached docket sheets for the judges recording of information for all cases. Judges signatures for these sheets will be a part of that endeavor.*



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

Current caseloads are not conducive to immediate entry of all case information from the day's docket. However, the court will continue to work towards accurate and timely recording of case information, as recommended. A procedure for review of dismissals will be implemented to help ensure proper signatures are in place.

- 4.3 *The court will ensure documentation is maintained for all dismissals and will examine the use of a printed report to review all dismissed cases, looking for proper documentation from the judge and/or Prosecuting Attorney. The Prosecuting Attorney has begun to monitor the approval process in her office concerning dismissals. The court now requires the use of clerk initials when the judge's stamp is used, per Administrative Order. Procedures for reviewing and approving stamped documents will be developed.*
- 4.4 *The court now attaches and properly retains the printed detailed lists of case information applicable to the corresponding Administrative Order which authorizes the closing of aged cases with judicial approval.*
- 4.5 *An Administrative Order is in place allowing the court clerk to use the judge's stamp for the issuing of all warrant types. The same order requires clerks to add their initials by the judge's stamp. The court, along with the judges, will examine separating case files at the bench that need immediate attention, in reference to the issuing of warrants; for timely compliance with the judge's order for issuing a warrant.*

5. Municipal Division Controls and Procedures

Controls and procedures related to fees, monitoring excess revenues, policies and procedures, and monthly reports need improvement.

5.1 Fees

The municipal division failed to assess some fees in accordance with city code and state law and did not have support for recoupment fees charged. The City of Joplin is organized as a charter form of government, which allows for the imposition of fees by ordinance if not specifically prohibited by state law.

Failure to appear fees

The municipal division assesses a potentially improper \$25 failure to appear fee. The municipal division adds the fee and sets a new court date the first time a defendant fails to appear at a scheduled court date, but does not charge the defendant with "failure to appear." If the defendant fails to appear at the rescheduled court date, the fee is removed and the defendant is charged with "failure to appear." According to municipal division records,



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

failure to appear fees collected totaled approximately \$30,500 during the year ended October 31, 2014.

Section 544.665, RSMo, states any defendant who fails to appear as required shall be guilty of the crime of failure to appear. This statute allows a judge to add a failure to appear charge to the case and assess fines and costs to be paid as ordered; however, this statute does not allow the imposition of a fee without the addition of a charge.

Warrant, probation, arrest,
and booking fees

The warrant, probation, arrest, and booking fees assessed by the municipal division do not comply with state law or city code.

- The municipal division assesses a \$50 fee at the issuance of each warrant, rather than the allowed \$25 fee. During the year ended October 31, 2014, the municipal division collected \$167,470 in warrant issuance fees. Section 42-35(f) of the city code requires assessment of a warrant issuance fee of \$25 against any person whose failure to appear in court as ordered necessitates the issuance of a warrant.
- The municipal division assesses a one-time probation fee of \$50 to each defendant who is placed on probation for all charges/cases with outstanding fines and court costs, rather than assessing a monthly fee in accordance with state statute and city code. During the year ended October 31, 2014, the municipal division collected \$77,091 in probation fees. Section 42-39(b) of the city code, requires defendants placed on probation to contribute \$50 per month to pay the cost of probation services provided. Section 559.604, RSMo, states a person placed on probation shall contribute not less than \$30 or more than \$50 per month to pay the cost of probation services.
- The municipal division assesses a \$20 booking fee anytime a defendant is booked into jail regardless of whether the defendant has pled guilty, or has been found guilty by the court. During the year ended October 31, 2014, the municipal division collected \$32,101 in booking fees. Section 42-35 (i) of the city code requires "a plea of guilty or a finding of guilt for each offense" before a booking fee can be assessed. Section 221.070, RSMo, states a defendant shall bear the expense of his or her support while in jail upon a plea of guilty or finding of guilt for each offense.
- The municipal division does not assess a \$50 arrest fee in accordance with city code against any person who is physically arrested pursuant to a warrant. Section 42-35 (g) of the city code requires a \$50 fee be assessed against anyone who is arrested.



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

Electronic monitoring, work
release fees

The municipal division assesses some fees without the support of an ordinance. The municipal division assesses a \$50 fee plus \$9 per day when a defendant is ordered to serve his/her sentence with electronic monitoring and assesses a \$25 fee plus \$7 per day when a defendant is allowed work release while sentenced to serve time in jail. According to municipal division records, electronic monitoring fees collected totaled approximately \$2,600, and work release fees collected totaled approximately \$600, during the year ended October 31, 2014.

Per Section 557.011.6, RSMo, a defendant shall be charged costs associated with electronic monitoring. Per Section 221.070, RSMo, a defendant shall bear the expense of his or her support while in jail. Per Section 479.260, RSMo, a municipality may by ordinance provide for court fees pursuant to sections 488.010 to 488.020, RSMo.

Recoupment fee

The municipal division assesses a recoupment fee that has not been formally established by the police department as required by ordinance. The municipal division assesses a fee of \$75 to recoup expenses related to the processing and officer time involved with certain alcohol and drug related offenses. According to municipal division records, recoupment fees collected totaled approximately \$28,000 during the year ended October 31, 2014.

Per Section 488.5334, RSMo, upon a plea or finding of guilt in specific alcohol or drug-related traffic offenses, the court may impose additional penalties to reimburse local law enforcement for the costs associated with the arrest. Per Section 42-36 of the city code, a schedule of costs shall be established by the city police department for the reimbursement of costs allowed under Section 488.5334, RSMo.

5.2 Monitoring of excess
revenues

As noted in our Report No. 2015-060, *City of Joplin*, the municipal division does not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected. This information is needed to accurately calculate the percent of annual general operating revenue from fines and court costs related to traffic violations.

The city's fiscal year end October 31, 2014, and 2013, audited financial reports were timely filed with the State Auditor's Office, and included an accounting of the percent. However, our review determined the reported percentages were not accurate because they included both traffic and general ordinance violations.

Section 302.341.2, RSMo, effective August 28, 2013 to August 27, 2015, was applicable for the scope of this audit and required cities to provide an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations (excess revenue calculation) in annual



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

financial reports submitted to the SAO (as required by Section 105.145, RSMo). Prior to August 28, 2015, a city that was noncompliant with the law was subject to immediate loss of jurisdiction of the city's municipal court on all traffic-related charges until all requirements of the section were satisfied.

During the 2015 legislative session the General Assembly passed and the Governor signed into law Senate Bill No. 5 (SB 5), which became effective August 28, 2015. SB 5, among other things, moved the excess revenue requirements to Section 479.359, RSMo, and established sanctions for failure to file annual excess revenue information with the SAO, including authorizing the Department of Revenue to redirect certain revenues due to the city and possible loss of municipal court jurisdiction until such filings are made.

Due to the impact of SB 5 on operations of the municipal division as well as the city's reporting requirements, it is important the municipal division work with the city to implement policies and procedures to ensure future compliance with state law.

5.3 Policies and procedures

Formal policies and procedures established by the municipal division are not properly maintained, updated, communicated to employees, or consistent with current procedures. This weakness has contributed to some of the inconsistencies and errors noted throughout this report. Not maintaining or communicating complete, accurate, and up-to-date guidance results in inconsistently processed cases and makes supervisory review difficult, which could allow errors to go undetected.

5.4 Monthly reports

The municipal division did not submit accurate reports of municipal division collections or cases filed to the state and city. As a result, municipal division activities have been incorrectly reported to the Office of State Courts Administrator (OSCA) and the city lacks the information needed to accurately monitor municipal division activity.

The Court Administrator generates the monthly Municipal Division Reporting Form from the case management system and submits it to the OSCA. The Court Administrator also generates a monthly Municipal Court Report from the case management system and submits it to the City Clerk. Our review determined these 2 reports were incomplete and did not match. For example, the OSCA report showed 1,386 case dispositions in January 2015, while the city report showed 2,064 case dispositions for the same period. The difference occurred because the case management system report logic did not include cases disposed through declined prosecution, closed by suspended imposition of sentence or after suspension, dismissed due to lack of witness, referred to county, or voided on the OSCA report.



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

In addition, monies collected for alcohol and drug-related traffic offense cost recoupment, jail booking fees, overpayments of fines, jail electronic monitoring fees, some domestic violence fees, jail administration fees, and insufficient funds charges are not reported to the OSCA. During the year ended October 31, 2014, the municipal division collected approximately \$69,000 for these fees.

Also, the report filed with the city does not comply with state law. The report does not include the name of the defendant, the fine imposed, if any, the amount of costs, the names of defendants committed, and the cases with an application for trial de novo, as required by state law.

Supreme Court Operating Rules 4.28 and OSCA instructions require monthly reports of cases filed and fines and court costs collected to be submitted to the OSCA. Reports are to include all activities that have occurred since the last report. Section 479.080.3, RSMo, and Supreme Court Rule 4.29 require the Court Clerk to prepare a monthly list of all cases heard in the municipal division court, including the names of the defendants and fines, court costs, and fees imposed, to be verified by the Court Clerk or the municipal judge and filed with the city.

Recommendations

The City of Joplin Municipal Division:

- 5.1 Work with the city and legal counsel to review the assessment of various fees and to ensure all fees are adequately supported and assessed in accordance with city ordinance and state law.
- 5.2 Develop procedures and records to identify applicable traffic violations and the associated fines and court costs revenues and provide this information to the city.
- 5.3 Update and ensure necessary policies and procedures are maintained and properly communicated to employees.
- 5.4 Establish procedures to ensure the accuracy of monthly reports submitted to the OSCA and the city.

Auditee's Response

- 5.1 *The court and judge will work with the legal department to ensure all court fees are adequately supported and assessed by city ordinance and state law. Specific review of city code sections 42.35 & 39 will take place to ensure compliance with Section 544.665, RSMo. Ordinance 2015-113 implemented appropriate fees for work release and probation fees. All fees, including the jail booking fee, are examined for adjustment at the sentencing phase. The court will ensure the jail booking fee is added during the sentencing phase only. Recoupment documentation previously existed with the Joplin*



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Management Advisory Report - State Auditor's Findings

Police Department, and has been recently revised. The court now has the reestablished recoupment documentation from the Joplin Police Department.

- 5.2 *The city has been calculating the percent of annual general operating revenue from fines and costs related to traffic violations and general ordinance violations. At 5 percent, the city was well below the previous statute parameter of 30 percent when including both violation types. By only including traffic violations, the city's percentage will decrease, which will still be well below the new state requirement of 20 percent. However, the court fully intends to comply with state statute. The provider of the court's case management system has ensured that a specific report is available to run the applicable information needed for the report on limitations against the general revenues of the city. A sample report was run by the court to verify the report and a copy of the report will be provided to the city as needed.*
- 5.3 *The court previously disseminated new information and updates through office memos. The court will improve the procedure of updating, maintaining, and disseminating all policies and procedures. The court is currently exploring the implementation of an electronic program that will allow for the regular maintenance and dissemination of court policy to all employees, subject to budgetary limitations.*
- 5.4 *The court has and will continue to work with our case management software provider and the OSCA to ensure the accuracy of the monthly reports being submitted to the OSCA and the City of Joplin.*

Twenty-Ninth Judicial Circuit

City of Joplin Municipal Division

Organization and Statistical Information

The City of Joplin Municipal Division is in the Twenty-Ninth Judicial Circuit, which consists of Jasper County. The Honorable David C. Dally serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At October 31, 2014, the municipal division employees were as follows:

Title	Name
Municipal Judge	Chuck Brown
Associate Municipal Judge	John Podleski
Court Administrator	Lamonte Ratcliff

In addition to the individuals listed in the table, the municipal division employed 8 full-time employees and 1 part-time employee on October 31, 2014.

Financial and Caseload Information

	Year Ended October 31, 2014
Receipts	\$2,291,125
Number of violations filed	28,939

Vehicle Stops Report

Section 590.650, RSMo, requires law enforcement agencies report vehicle stop data to the Attorney General's Office (AGO) by March 1st of each year. The AGO compiles the data in a statewide report, which can be viewed on the AGO website at <https://ago.mo.gov/docs/default-source/public-safety/2014agencyreports.pdf?sfvrsn=2>. The following table presents data excerpted from the AGO report for the City of Joplin Police Department. In addition, see information at: <https://ago.mo.gov/home/vehicle-stops-report/2014-executive-summary>, for background information on the AGO's vehicle stops executive summary along with definitions for footnotes of the following table.



Twenty-Ninth Judicial Circuit
City of Joplin Municipal Division
Organization and Statistical Information

Racial Profiling Data/2014 - Joplin Police Department - Population 39,905¹

Key Indicators	Total	White	Black	Hispanic	Asian	Am. Indian	Other
Stops	27609	25358	1540	541	109	43	18
Searches	2527	2219	245	59	2	2	0
Arrests	5648	5081	443	120	2	2	0
Statewide Population	N/A	82.76	10.90	2.94	1.71	0.41	1.28
Local Population	N/A	87.74	3.20	3.49	1.71	1.62	2.24
Disparity Index ²	N/A	1.05	1.74	0.56	0.23	0.10	0.03
Search Rate ³	9.15	8.75	15.91	10.91	1.83	4.65	0.00
Contraband hit rate ⁴	28.14	27.72	32.24	22.03	100.00	100.00	0.00
Arrest rate ⁵	20.46	20.04	28.77	22.18	1.83	4.65	0.00

¹ Population figures are from the 2010 Census for persons 16 years of age and older who designated a single race. Hispanics may be of any race. "Other" includes persons of mixed race and unknown race.

² Disparity index = (proportion of stops / proportion of population). A value of 1 represents no disparity; values greater than 1 indicate over-representation, values less than 1 indicate under-representation.

³ Search rate = (searches / stops) X 100

⁴ Contraband hit rate = (searches with contraband found / total searches) X 100

⁵ Arrest rate = (arrests / stops) X 100